

afao

Annual Report **2021**



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PRESIDENT’S REPORT 2021



Assuming the presidency of AFAO as we marked the 40th anniversary of the HIV epidemic was a profound privilege and responsibility. It has been a year of turbulence and challenge for our work across Australia and in the region, but the organisation continued to make significant strides.

Robert Griew stepped aside as president in October of 2020 after two years of valued service and dedication. Robert’s parting wisdom about the need to build scale and sustainability has guided our work this year. Each month we find new and innovative ways to share resources and draw on the collective strength of our members. This is a process that will continue and gather further momentum in the new year.

We thank Robert for his leadership of the organisation, continuing decades of work in the sector and in HIV policy nationally. We are delighted that he continues to contribute as a board director, bringing his breadth and depth of experience to our work supporting our members.

Felicity Young took to the presidency with gusto following the 2020 AGM. However, with decades of experience in constructing and running health

programs in low and middle income countries, we soon realised that Felicity’s invaluable expertise and experience was needed in-house. In February, Felicity smoothly transitioned to run our international program, *Sustainability of HIV Services for Key Populations in Asia (SKPA)*. Under her guidance, SKPA has gone from strength to strength, building the capacity of our partner organisations across the region to mobilise sustainable domestic HIV responses, even with the added complication of COVID-19.

We are deeply grateful to Felicity for agreeing to take on the SKPA role, and very happy that she continues to be part of important strategic discussions at the executive and board levels.

On the subject of our international work, I pay tribute to the important work of the International Advisory Committee and thank them for their contributions this year. We are fortunate to have such an eminent group of people providing advice to the AFAO board about our international work.

Felicity’s departure from the presidency marked the beginning of my term as president stepping into the role from my then position as vice president. At the same time, we also welcomed Colin Ross to the board, who replaced Michelle Tobin as Chair of Anwernekenhe National HIV Alliance. Michelle has been a vibrant advocate for Aboriginal and Torres Strait Islander communities throughout her years of service to AFAO, and we thank her for her many contributions and wise counsel.

Our board leadership was further strengthened with the election of the highly experienced Peter Grogan to the vice presidency in April. Peter is a former president of AFAO and ACON, and his strategic insights and guidance is a great support to the board and me personally.

AFAO’s governance also shifted this year to recognise the expanded role of our member organisations who are increasingly delivering LGBTIQ health services. Alongside our continued mandate to end HIV transmission, the creation of the AFAO Board LGBTIQ Health Committee in April reflects this shift, consistent with our Constitution. This committee helps the organisation better support our members as they increasingly deliver primary healthcare to

PRESIDENT’S REPORT (CONT.)

the diverse communities they serve, a journey some of them have been on since the early 2000s.

Our members were also intimately involved in driving the consensus for *Agenda 2025*, our roadmap to end HIV transmission. Launched at Parliament House in Canberra in June, this fully costed plan attracted significant media and political attention. The reason this document cut through the noise and made an impact was due to leadership of its amazing contributors. I pay special tribute to Professor Andrew Grulich, from the Kirby Institute, for driving this process, as well as the dozens of researchers, clinicians and advocates who worked tirelessly to deliver such an outstanding document.


I thank my board colleagues for their many contributions to AFAO’s work this year. I am honoured to lead such a passionate group of people committed to the community response to HIV and AIDS domestically, and in our region. I also want to thank Adjunct Professor Darryl O’Donnell, our CEO, and the AFAO team for their amazing work throughout the year. AFAO would not achieve what it does, with the limited resourcing it has, without their commitment, skill and energy.

COVID dominated our lives in 2021 but as Australia looks ahead to a post COVID-19 world our optimism should not shake our conviction to ensure access to health remains a top order priority.

Australia has unfinished business with HIV, just as we do with COVID-19. We know that science, while powerful, is not enough. We must put people, especially those who lack political voice and economic resources, at the centre of our response.

HIV testing, treatment and prevention must be a core part of that commitment both here in Australia and among our neighbours. Nobody can be left behind as we rebuild a post pandemic world.

We thank our members for the work they do every day embodying that commitment.


Mark Orr AM,
AFAO President





As we reflect on the last 12 months of Australia's community-led response to HIV, the spectre of a newer health challenge, COVID-19, looms large.

Australia's relative success in combating the pandemic draws heavily on the lessons we began learning through HIV 40 years ago.

Both viruses emerged as unknown, unbeatable pathogens for which medicine had no immediate answer. Fear, stigma and fatalism were early challenges. However our capacity to change behaviour and co-operate bought time for science to deliver advances that would allow us to get on top of these viruses.

Today, neither is vanquished. But in Australia we have tamed HIV and COVID-19 and prevented both from overwhelming us.

This is not a case of luck, but rather, our commitment to implementing evidence-based policies which respond to real world behaviour. That approach has made us world leaders in our HIV response and also COVID-19.

However when you are dealing with an epidemic, or indeed a pandemic, there is no steady state. You do not negotiate a detente with a virus. That is

why everyone involved in Australia's HIV response – from advocates and community organisations, through to clinicians and researchers – came together this year to forge a new path forward.

This year AFAO worked in partnership with the Australian Government to support Australia's negotiations at the United Nations General Assembly High-Level Meeting on HIV and AIDS. These quintennial meetings review progress in the global response to HIV/AIDS and set directions to achieve UNAIDS' goal to end AIDS by 2030.

At the meeting, the General Assembly ratified a new Political Declaration on HIV/AIDS. The political declaration includes bold new targets to prevent, diagnose and treat HIV, and to remove human rights and gender barriers that hold back progress. The political declaration recognises the need to prioritise key populations – that is, communities most affected by HIV, and people living with HIV.

AFAO's input to the negotiations involved a deep and rigorous consultation process with members and stakeholders in Australia and our region and partnerships with global advocates. Cooperation between governments and civil society has been a defining feature of Australia's successful HIV response. Taking this partnership to the General Assembly was a highlight of our year. We hope our efforts strengthen future global collaborations.

In June, we launched our *Agenda 2025* report, which laid out a detailed set of fully costed, evidence-based policies which would achieve the previously unthinkable: virtual elimination of HIV transmission in Australia by 2025.

The bones of this plan are a \$30 million investment in prevention, to provide subsidised HIV PrEP to all, regardless of visa status; making PrEP available over the counter; and running new community-led health campaigns and peer education. *Agenda 2025* also calls for removing co-payments for HIV treatment and a \$9 million investment against stigma through targeted education campaigns.

In total, *Agenda 2025* presents a starkly attractive proposition for government. A \$53 million additional annual investment to achieve virtual

elimination, averting six thousand new HIV infections, easing stigma and freeing \$1.4 billion in health resources over the coming decades.

We launched *Agenda 2025* just weeks after an auspicious anniversary. On June 5, 1981 the U.S. Centers for Disease Control and Prevention's Morbidity and Mortality Weekly Report described five cases of *Pneumocystis Pneumonia* in young gay men in Los Angeles. The five men died in hospital from what researchers later understood to be AIDS-related illness.

Since then, an estimated 36 million people have died from AIDS-related illness globally. While Australia's comparatively light HIV burden is something to be proud of, globally there is much work still to do.

The COVID-19 pandemic has stalled progress and the Global Fund's recent results report is sobering. While HIV antiretroviral treatment is reaching a greater number of people with HIV (an additional nine per cent), prevention services and testing are on the wane. In 2020, the number of people reached with HIV prevention programs and services declined 11 per cent, while young people reached with prevention services declined by 12 per cent. HIV tests declined by 22 per cent.

As everyone involved in the HIV response knows, it is those at greatest risk who have the least access to the tools and information required to protect themselves. Many of the people struggling to access prevention

and treatment services are the same people who have suffered devastating loss of income due to lockdowns and mobility restrictions. The double whammy of poorer health access and greater poverty could reverse years of progress, not just in HIV, but also in broader social and economic development.

Australia must remain acutely aware of these challenges. Decent health is the foundation stone of prosperity and stability, and it is profoundly within our national interest to see all of our regional neighbours flourish.

HIV – like COVID-19 – won't be over for anyone until it is over for everyone. Now more than ever we must recommit to protecting and advancing the rights of those most marginalised regardless of where in the world they live.

We also must eliminate the remaining financial barriers to testing and treatment as well as ensuring regulation keeps up with technology.

In 2021, nobody should be dying from AIDS. Sadly however, many still do. We can and must change that. Inaction is not an option.

Adj Prof Darryl O'Donnell
CEO

INTERNATIONAL PROGRAM

The *Sustainability of HIV Services for Key Populations in Asia* (SKPA) program is a three-year Global Fund-supported program in Bhutan, Lao PDR, Malaysia, Mongolia, Papua New Guinea, Philippines, Sri Lanka and Timor-Leste. SKPA promotes sustainable services for key populations – that is, those communities most affected by HIV – to stop HIV transmission and HIV-related deaths by 2030. This goal is underpinned by five objectives: increase financial sustainability; strengthen strategic information; mitigate service delivery gaps; strengthen community systems and contribute to an enabling environment.

SKPA is designed as a technical assistance program which means AFAO does not deliver services directly. Our focus is on overcoming bottlenecks to encourage the necessary conditions for the delivery of core services through increasing domestic resources. A key component of our support is demonstrating the feasibility and value of PrEP, community-based HIV testing, HIV self-testing and community-based monitoring as the pathways to reducing infections and achieving the UNAIDS 2030 targets.

Earlier this year, SKPA had an independent evaluation. It found we needed to sharpen our technical approach to sustainability. We responded by plotting the SKPA countries on a continuum from having ‘unsustainable’ to ‘sustainable’ HIV services for key populations. We defined an unsustainable program as being characterised by hostile laws, the absence of key populations from data, their exclusion from national strategies and decision-making fora, and their voices silenced. Under this scenario, there is little chance of domestic funding for services. Should international funding cease, many of the services would disappear.

At the other end of the continuum, a sustainable program is defined by differentiated services delivered at-scale, supported by national strategy guidelines, protocols and importantly, funding. Robust strategic information is used to guide evidence-based decision making and enabling laws and policies are enacted. Discrimination in all forms is illegal, stigma is monitored and addressed and there is a diverse, capacitated, and funded community sector. Importantly, key population voices are heard and



INTERNATIONAL PROGRAM (CONT.)

amplified. Using this model, AFAO has been adapting its approach to provide high quality technical leadership to the SKPA countries to create a shared vision and roadmap for sustainability.

Despite the ongoing challenges posed by working remotely due to the COVID-19 pandemic, we are gaining traction in some key areas. Mongolia is conducting its first population size estimate for transgender women and, using SKPA-generated data, we are supporting the establishment of transgender health services in Sri Lanka and in Papua New Guinea. Chemsex research is under way in Sri Lanka and the Philippines and Lao PDR is conducting an assessment into people who use drugs. These activities are helping to fill important gaps in data and will hopefully result in improved programming for key populations. Recently, in Timor-Leste, protocols for both a PrEP and a community-based and HIV self-testing project received Institutional Review Board clearance. This is a welcome first step. A stumbling block has been the low awareness of PrEP and the new testing modalities among the key populations themselves, but SKPA-supported work has started to improve demand, especially with the use of social media. Strong progress, particularly for innovative testing methods, is evident in the Philippines, Mongolia, Bhutan, and Sri Lanka.

Working with our partner, APCOM, we are making progress in piloting community-based monitoring. This year, we undertook an extensive reworking of the community-based monitoring tool. This will be

launched in late November 2021 and will hopefully increase its usage. Nonetheless, we still have a long way to go before national programs recognise the value of community generated data as the way to improve service access and quality. This will continue to be an important area of advocacy for AFAO. We have also been working to establish mechanisms to monitor human rights abuses, stigma and discrimination and gender inequalities and ensuring that this information is collected, triangulated for analysis and again, used to improve service quality.

A key component of sustainability is the capacity of governments to use domestic funding to fund community-based organisations to deliver services without impediment, using a social contracting mechanism. Social contracting holds great promise for sustainable service delivery by community-based organisations, but the model is generally underdeveloped in all the SKPA countries. AFAO and its partners are working to overcome obstacles to widespread adoption of social contracting.

AFAO remains strongly committed to advocating for sustainable services for key populations in Asia and the Pacific. We would like to sincerely thank our collaborating partners, our host country government counterparts, the key population communities with whom we work and our technical partners. We thank the Global Fund for its funding and support.

AFAO implements the SKPA program in collaboration with four regional key population-led networks: APCOM, the Asia Pacific Network of People Living with HIV, Asia Pacific Network of Transgender People and YouthLEAD and eight country partners: Save the Children in Bhutan, the Ministry of Health in Lao PDR, the Malaysian AIDS Council, Youth for Health in Mongolia, the Burnet Institute in Papua New Guinea, Love Yourself in the Philippines, the Sri Lanka Family Planning Association and Estrella+ in Timor-Leste. SKPA also leverages technical support from UNAIDS and the World Health Organization.

AUSTRALIA PROGRAM

As in most organisations around the world, AFAO’s Australia program experienced a range of COVID-19 related challenges. These included adapting how staff work with each other and how we engage with our members and stakeholders across all areas of our work.

POLICY ACHIEVEMENTS

In 2020/21, AFAO built on previous successful policy outcomes to strengthen the community-led response to HIV. An ongoing focus was the challenging regulatory environment for the approval and funding of the regulatory system for medicines and devices. This included ongoing advocacy to the Therapeutic Goods Administration (TGA) to relax the restrictions on the sale of HIV self-tests, and overcome barriers created by the TGA’s Advertising Code to health promotion delivered by AFAO’s members.

Other policy activities included the Federal Pre-Budget Submission and the provision of feedback on the National Preventative Health Strategy recommending HIV and other communicable diseases be prioritised and the needs of LGBTIQ communities recognised.

AFAO also provided strategic political support to NAPWHA in advocating to the Commonwealth for HIV treatment to be available to all people with HIV regardless of visa status. In response, the Minister for Health, the Hon Greg Hunt MP, committed the government to pursuing a National Partnership Agreement (NPA) with states and territories through which HIV treatment will be made available. We are hopeful the Agreement will be implemented at the start of the 2022/23 financial year. This important work was delivered in collaboration with the co-chairs of the Parliamentary Friends for Action on HIV, BBVs and STIs.

HEALTH PROMOTION

AFAO’s PrEP health promotion campaign for gay, bisexual and other men, *Get PrEP’d* was due to be completed in June 2020. With the beginning of the COVID-19 pandemic, the final advertising and messaging for the campaign was delayed. When advertising recommenced, messaging about stopping and restarting PrEP safely was included to support our communities to continue using PrEP effectively. We

also shared messaging addressing barriers to PrEP access experienced by Aboriginal and Torres Strait Islander, culturally and linguistically diverse and trans and gender diverse men who have sex with men.

In partnership with our member organisation, the Anwernekenhe National HIV Alliance, we produced a range of resources for Aboriginal and Torres Strait Islander communities. These included a new edition of *Us Mob and HIV* booklet (last published in 2014). Coinciding with this was the production of four digital HIV factsheets on HIV testing, PrEP, PEP and treatment as prevention for Aboriginal and Torres Strait Islander people.

POLITICAL ENGAGEMENT

On 16 June 2021, AFAO launched *Agenda 2025: Ending HIV Transmission in Australia* at Parliament House. *Agenda 2025* is a costed plan showing the additional investment required to end HIV transmission in Australia by 2025. This consensus statement was informed by a technical paper developed by the nation’s top HIV clinicians, researchers and community leaders. *Agenda 2025* will guide AFAO’s federal election survey, which will be distributed when the date of the federal election is announced.

The World AIDS Day Parliamentary Breakfast was again another highlight of AFAO’s year. Due to COVID-19, the event was virtual. Once again, the Minister for Foreign Affairs and the Minister for Health, and their shadow counterparts, attended the event. Approximately twenty three politicians from across Australia’s parliament attended the event. The President of the International AIDS Society, Professor Adeeba Kamarulzaman also spoke.

Following discussions at several Blood Borne Viruses and Sexually Transmissible Infections Standing Committee (BBVSS) meetings during 2020, the BBVSS agreed to hold a national workshop of government, researchers and community partners

on BBVs and STIs among culturally and linguistically diverse communities in late June 2021. AFAO and Hepatitis Australia co-chaired the working group for the workshop, which included representatives from organisations working with culturally and linguistically diverse communities and the Federation of Ethnic Communities’ Councils of Australia. A report with recommendations for endorsement by the BBVSS will be produced.

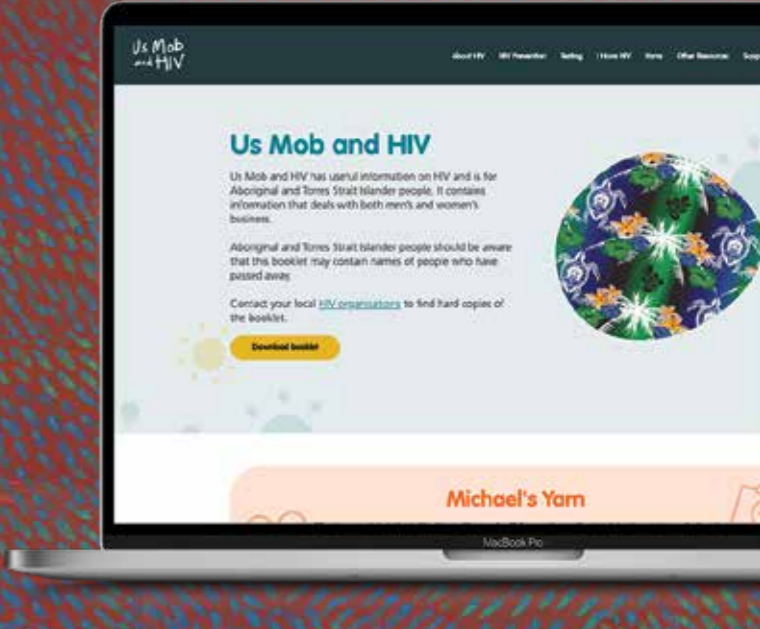
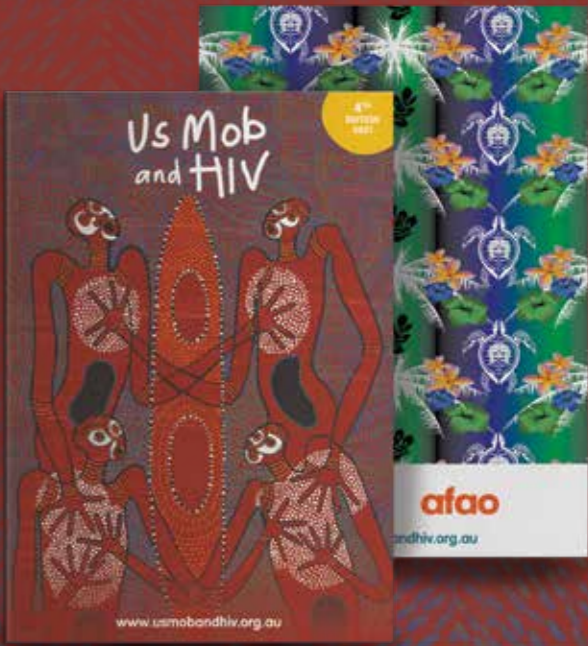
MEMBER ENGAGEMENT AND CAPACITY BUILDING

AFAO continued to provide support to our state members, ACON, TasCAHRD and NTAHC, in opposition to mandatory disease testing laws. AFAO also provided support to Scarlet Alliance in relation to its members’ work to decriminalise sex work in Victoria and South Australia, and to Meridian in relation to discrimination laws in the ACT.

In May this year, start-up activities for AFAO and NAPWHA’s new online learning and workforce development program, HOLA (HIV Online Learning Australia), commenced. The program will include a range of online learning activities for staff of AFAO and NAPWHA member organisations, including self-directed eLearning modules, online workshops, national workforce convenings and for communities of practice. AFAO welcomed four new staff members as part of this team.

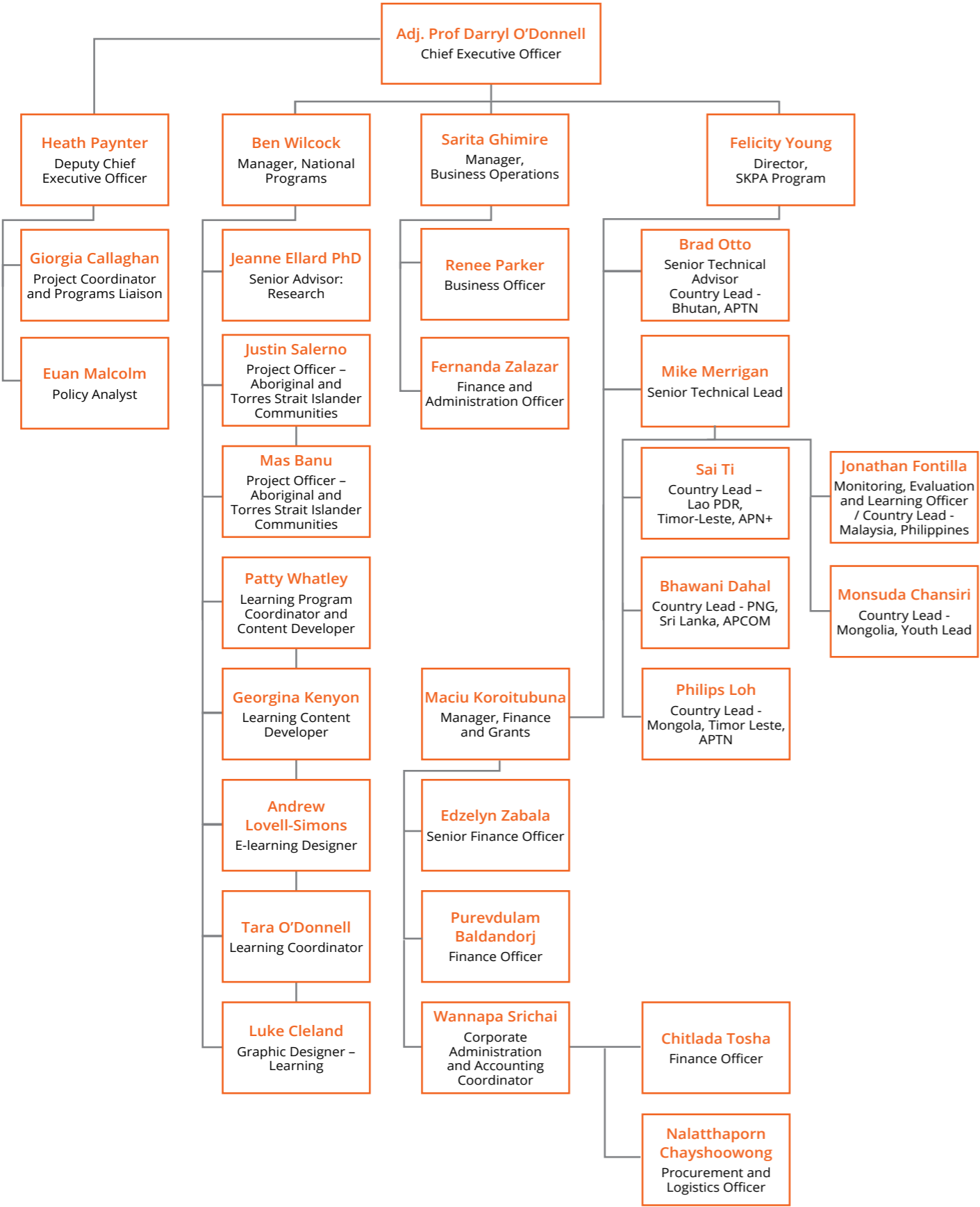
In 2020/21, AFAO sadly farewellled Dr Jeanne Ellard, who made a substantial contribution to AFAO’s standing among the HIV research community in her role as Senior Advisor, Research.

Us Mob and HIV



AFAO ORGANISATIONAL CHART

AT 30 JUNE 2021



AFAO MEMBERS



AFAO AFFILIATES



FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
ABN 91 708 310 631, ACN 619 928 460
THE BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report, together with the financial statements, on the Federation for the year ended 30 June 2021.

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

Mark Orr (President from February 2021)	Peter Grogan (Vice President from April 2021)
Peter Black (from October 2020)	Lauren Bradley (up to June 2021)
Susan Chong	Michael Doyle
Robert Griew – (President up to October 2020, then Director)	Joanne Leamy (up to October 2020)
David Menadue	Jason Ong (from October 2020)
Mish Pony	Colin Ross (from February 2021)
Peter William Rowe (up to October 2020)	Adam Stankevicius (from October 2020)
Michelle Tobin (up to February 2021)	Felicity Young (from October 2020 to February 2021)

DIRECTORS’ REGISTER OF ATTENDANCE

	Board Meetings	
	Number Eligible To Attend	Number Attended
Black, Peter	5	5
Bradley, Lauren	9	7
Chong, Susan	9	9
Doyle, Michael	9	9
Griew, Robert	9	9
Grogan, Peter	9	7
Leamy, Joanne	4	3
Menadue, David	9	9
Ong, Jason	5	5
Orr, Mark	9	9
Pony, Mish	9	9
Ross, Colin	4	2
Rowe, Peter William	4	3
Stankevicius, Adam	5	4
Tobin, Michelle	5	5
Young, Felicity	2	2

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
THE BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2021

AFAO BOARD AS AT 30 JUNE 2021

Mark Orr, Vice President: Mark is the Chief Executive of a large mental health not-for-profit organisation. He is a Board Director of Mental Health Australia Ltd and the Mental Health Coordinating Council Ltd. Mark 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 in Applied Corporate Governance, Applied Finance and Investments and Special Education. He is a graduate member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia and a Fellow of the Governance Chartered Governance Institute.

Peter Black: Peter Black is the Associate Dean, Learning & Teaching for the Faculty of Law at the Queensland University of Technology. He has an B.A./LL.B. (Hons I) from the University of Queensland and an LL.M. from Columbia University in New York. Peter is the President of the Queensland Council for LGBTI Health (QC) and also currently serves on the board of Australian Marriage Equality (AME) and the Postgraduate Medical Education Council of Queensland. He also sits on the Queensland Government’s LGBTI Roundtable and for 2019-2020 was the Chair of the Queensland Government’s Anti-Cyberbullying Advisory Committee.

For many years Peter has been an advocate for LGBTI equality, including marriage equality. He was a director of AME during the Australian Marriage Law Postal Survey and was the Queensland Coordinator of the Equality Campaign. He has previously served on the management committee of the LGBTI Legal Service, as the LGBT representative on the Inclusive Brisbane Board (an advisory board to the Lord Mayor of Brisbane), and on the board of the Brisbane Pride Festival, including two years as President.

Susan Chong: Susan is a senior lecturer in the Department of Public Health at La Trobe University and a research fellow at the Australian Research Centre in Sex, Health and Society. Her current research include collaborations with women living with HIV and harm reduction organisations.

Susan has over 25 years’ experience working on HIV in Asia and the Pacific. Her work has included coordinating an Asia Pacific network of non-government organisations and facilitating community systems strengthening, resource mobilisation, program planning and evaluation.

Michael Doyle: Michael 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 was recently awarded his PhD at UNSW.

Robert Griew: Robert has a long history in health and social policy. He has run the NT Department of Health and Community Services and, prior to that the AIDS Council of NSW (now ACON). He has also worked at senior levels in higher education and research policy, aged care, early childhood and in Aboriginal and Torres Strait Islander advancement. He has previously served on AFAO’s Board, along with a number of others, mostly in the social justice not-for-profit sector.

Robert brings to AFAO a long association with the sector, a passion for advancing social justice for communities affected by disadvantage and marginalisation and a commitment to good policy. He believes in building strong coalitions both across the sector and with others.

He currently works as a consultant across public policy, administration and the not-for-profit sector. He has postgraduate training in public health and economics and is an accredited mediator.

Peter Grogan: Peter works in a senior commercial role and has extensive experience as a provider of professional services with expertise in law and corporate finance. Peter has made a substantial contribution to Australia's HIV response as a former President of AFAO and our largest member organisation, ACON.

David Menadue: David has served in range a of governance roles with HIV sector organisations in Victoria and nationally. These include former 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 Special Representative 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.

Jason Ong: Jason is a sexual health physician and health economist based at Melbourne Sexual Health Centre and an academic with joint appointments at Monash University, University of Melbourne and the London School of Hygiene and Tropical Medicine. His passion is to ensure access to comprehensive sexual health services to all who need it, particularly marginalised populations in Australia and beyond.

He is actively involved in committees of the Sexual Health Society of Victoria, Royal Australasian College of Physicians Chapter of Sexual Health Medicine, the Australasian Sexual Health Alliance, and the World Health Organization STI Guidelines Development Group.

He is the Special Issues Editor for Sexual Health; Associate Editor for BMJ's Sexually Transmitted Infections and BMC Infectious Diseases; and Editorial Board Member for Sexually Transmitted Diseases.

Mish Pony: Mish (they/them) has been working and volunteering in the LGBTIQ, HIV and sex worker community sector for over 10 years.

They are the Trans and Gender Diverse Sex Worker Representative for Scarlet Alliance, Australian Sex Workers Association, a founding member of Camp Out Inc, an annual camp in NSW for LGBTIQ+ teens and currently work at Twenty10 in Sydney, a NSW-wide LGBTIQ+ support and youth specialist homelessness service.

Mish has run numerous workshops and presented nationally and internationally on sex worker and trans rights and health.

Adam Stankevicius: Adam Stankevicius is the past President of Meridian (formerly the AIDS Action Council of the ACT). He has been on the boards of national peak bodies and advocacy groups in the not-for-profit sector, particularly in the health and community services sector, for over thirty years.

He has held paid senior executive positions in the not-for-profit sector, as well as the Australian and ACT Governments over the past two decades, as well as being a political adviser on health issues for major/minor political parties and independent politicians.

Adam has a strong commitment to health consumer issues and a passion for good public policy with effective community impact. He has a keen interest in policies, systems and services which support and enhance the lives of those living with HIV, as well as promoting a service environment which facilitates positive dialogue about sex and healthy relationships.

He has completed the AICD Company Directors Course and has a Bachelor of Arts from the Australian National University.

Colin Ross: Colin is a new Director representing the Anwernekenhe National HIV Alliance.

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;
- 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

No significant changes in the nature of these activities occurred during the year.

OPERATING RESULT

For the year to 30 June 2021, AFAO’s total income was \$6,888,711 and its total expenditure was \$6,739,448, resulting in an operating surplus of \$149,263 (2020 surplus of \$96,135).

AFAO’s end of year position was in line with board approvals and the estimated projection for the year. The operating surplus reflects the board’s resolution that AFAO work toward larger surpluses in recognition of income growth and continue to build AFAO’s equity to meet future challenges.

As at 30 June 2021, AFAO has total assets of \$8,087,181 and total liabilities of \$7,279,038 with a net asset position of \$808,143 (2020: \$658,880).

AFAO’s financial position remains strong and we retain substantial net assets, predominantly represented by cash.

AFAO’s *Sustainability of Services for Key Populations in South East Asia (SKPA)* program, funded by the Global Fund to Fight HIV, Tuberculosis and Malaria, was intensively implemented during the reporting year. The program is being implemented in eight countries in the period to 31 December 2021.

COVID-19 has substantially affected Australian and global communities, health and economies during 2021. Early planning and risk management has helped mitigate the impacts of COVID-19 on AFAO’s operations, including its end of year position. AFAO has worked closely with its Members in Australia and Sub-Recipients internationally to support their work with communities and to help limit COVID-19’s operational impacts.

EVENTS AFTER THE END OF THE REPORTING PERIOD

At the time of finalisation of the financial report, COVID-19 continues to impact Australian and overseas communities. It is not expected the COVID-19 will materially affect AFAO’s operations.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- the Federation’s operations in future financial years, or
- the results of those operations in future financial years, or
- the Federation’s state of affairs in future financial years.

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

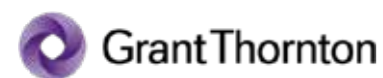


Mark Orr
President



Peter Grogan
Chair, Finance and Audit Committee

Dated 28th of October 2021



Level 17, 383 Kent Street
Sydney NSW 2000

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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 lead auditor for the audit of Australian Federation of AIDS Organisations Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

A G Rigele
Partner – Audit & Assurance

Sydney, 28 October 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
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AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	5,608,286	3,792,112
Financial assets – term deposits		104,222	133,706
Trade and other receivables	7	1,887,340	1,665,113
Security deposits and prepayments		42,727	44,747
TOTAL CURRENT ASSETS		7,642,575	5,635,678
NON-CURRENT ASSETS			
Right-of-use-asset	8	327,727	17,271
Property, plant and equipment	9	116,879	-
TOTAL NON-CURRENT ASSETS		444,606	17,271
TOTAL ASSETS		8,087,181	5,652,949
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	318,001	129,825
Lease liability	11	76,899	7,382
Current tax liabilities		51,553	17,796
Contract liabilities	12	6,346,044	4,648,157
Employee benefits		200,590	166,270
TOTAL CURRENT LIABILITIES		6,993,087	4,969,430
NON-CURRENT LIABILITIES			
Lease liability	11	258,704	10,373
Employee benefits		27,247	14,266
TOTAL NON-CURRENT LIABILITIES		285,951	24,639
TOTAL LIABILITIES		7,279,038	4,994,069
NET ASSETS		808,143	658,880

The accompanying notes form part of these financial statements

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 \$	2020 \$
EQUITY			
Reserves	13	175,000	175,000
Retained earnings		633,143	483,880
TOTAL EQUITY		808,143	658,880

The accompanying notes form part of these financial statements

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
REVENUE			
Donation and Gifts - Monetary		147,517	175,026
Grants			
Department of Health	3	1,655,746	1,315,892
Department of Foreign Affairs and Trade	4	145,732	-
The Global Fund	3	4,502,457	3,897,762
Interest income		3,942	11,705
Other income – Australian		433,317	336,120
Other income – Overseas		-	-
TOTAL REVENUE	4	6,888,711	5,736,505
EXPENDITURE			
International Aid and Development Programs Expenditure			
Funds to International program		4,270,210	3,787,940
Program support costs		203,734	170,436
Community Education		10,621	12,470
Fundraising costs		56,909	-
Accountability and Administration		19,012	14,349
Domestic Programs			
Domestic programs expenditure		1,657,406	1,330,167
Accountability and Administration		521,556	325,008
TOTAL EXPENDITURE		6,739,448	5,640,370
SURPLUS (DEFICIT) FOR THE YEAR		149,263	96,135
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		149,263	96,135

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Retained Earnings \$	Reserves \$	Total \$
Balance at 30 June 2019	387,745	175,000	562,745
Surplus for the year	96,135	–	96,135
Balance at 30 June 2020	483,880	175,000	658,880
Surplus for the year	149,263	–	149,263
Balance at 30 June 2021	633,143	175,000	808,143

The accompanying notes form part of these financial statements

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Australian Government Grants received		2,103,614	1,419,967
Interest Received		3,942	11,705
Other Grants/Income		6,256,815	6,440,286
Project Grant Costs		(4,712,504)	(3,760,450)
Payments to Employees		(1,651,822)	(1,853,926)
Interest expense on lease		(9,518)	(593)
Net cash from (used in) operating activities		1,990,527	2,256,989
Cash flow from investing activities			
Payments for property, plant and equipment		(140,255)	–
(Increase) in term deposits		29,484	(1,032)
Net cash used in investing activities		(110,771)	(1,032)
Cash flow from financing activities			
Repayment of lease liability		(63,582)	(4,451)
Net cash used in financing activities		(63,582)	(4,451)
Net increase/(decrease) in cash held		1,816,174	2,251,506
Cash at beginning of year		3,792,112	1,540,606
Cash at end of year	6	5,608,286	3,792,112

The accompanying notes form part of these financial statements

The financial statements cover the Australian Federation of AIDS Organisations Limited (the Federation/AFAO) as an individual entity. The financial statements are presented in Australian Dollars, which is AFAO’s functional and presentation currency.

AFAO is a not-for-profit unlisted public company limited by guarantee. The Federation is registered with the Australian Charities and Not-for-profits Commission as a charity.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 October 2021.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Federation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. There was no material changes relevant to the Federation for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (‘AASB’), the Australian Charities and Not-for-profits Commission Act 2012 and associated regulations, as appropriate for not-for-profit oriented entities. The Federation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

a) Historical cost convention

The financial statements have been prepared under the historical cost convention.

b) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Federation’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

c) Revenue recognition

The Federation recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Federation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Federation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time

value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Grant revenue

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

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Income from donations, grants and bequests generally that do not have sufficiently specific performance obligations are recognised at the fair value of the asset when such asset is received. The Federation considers whether there are any related liabilities or equity items associated with the asset – these are recognised in accordance with the relevant accounting standard and once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Interest revenue

Interest revenue is recognised using the effective interest method.

Services income

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

d) Income Tax

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

e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Federation’s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Federation’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

f) 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.

g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Federation has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

h) Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Federation has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it’s carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

The Federation’s financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Federation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Federation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost is determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

i) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation benefits

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

j) **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.

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 year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

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.

k) **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Federation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Federation has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

l) **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Federation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

m) **Financial liabilities**

The Federation measures all financial liabilities initially at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Federation comprise trade payables.

n) **Goods and Services Tax (GST) and other similar taxes**

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

o) **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.

p) 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 and translating or converting assets and liabilities at the balance date are recognised in profit and loss.

NOTE 2: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to respective notes) within the next financial year are discussed below.

Key judgments - grant income

For many of the grants received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with a number of parties at the Federation, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions of the agreements.

Grants received can be accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. All grants received by the Federation have been accounted for under AASB 15 as the agreements contain sufficiently specific performance obligations.

If this determination was changed then the revenue recognition pattern would be different from that recognised in these financial statements.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Federation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Federation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Federation unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Employee benefits

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTE 3: GRANTS

	2021 \$	2020 \$
Grants – Department of Health:		
Health Peak and Advisory Bodies Program	375,000	375,000
Communicable Disease Prevention and Service Improvement Program	-	568,182
World AIDS Day Parliamentary Breakfast Sponsorship	30,000	30,000
PrEP Health Promotion Digital Campaign	15,115	226,904
Strengthening the National Response to BBV and STI	1,235,631	115,806
	1,655,746	1,315,892
Grants – The Global Fund:		
Technical Assistance Projects	-	69,239
Sustainability of Services for Key Populations in South East Asia Region (SKPA)	4,502,457	3,828,523
	4,502,457	3,897,762

NOTE 4: REVENUE ADDITIONAL DISCLOSURES

	2021 \$	2020 \$
Revenue from contract with customers:		
Grants – Department of health	1,655,746	1,315,892
Grants – Department of Foreign Affairs and Trade	145,732	-
Grants – Global Fund	4,502,457	3,897,762
Grants – Others	16,250	139,500
Membership fees	71,663	73,952
	6,391,848	5,427,106

NOTE 4: REVENUE ADDITIONAL DISCLOSURES (cont.)

	2021 \$	2020 \$
<i>Other revenue:</i>		
Donations and contributions	235,061	191,026
Interest	3,942	11,705
COVID 19 – Australian Government support	155,000	95,000
AIDS Trust of Australia Disbursement	100,819	-
Other income	2,041	11,668
	496,863	309,399
Revenue and other income	6,888,711	5,736,505

Disaggregation of revenue

The disaggregation of revenue from contracts with customers for the year is as follows:

	2021 \$
<i>Timing of revenue recognition:</i>	
Services transferred over time	6,391,848
At a point in time	-
	6,391,848
<i>Source of funding:</i>	
Australia	1,873,141
International	4,518,707
	6,391,848

NOTE 5: EXPENSES

Surplus before income tax includes the following specific expenses:

	2021 \$	2020 \$
Rental expenses relating to operating lease for AFAO Offices	55,111	128,865
Depreciation – Right of use assets	70,974	4,935
Interest charge on lease liabilities	9,518	593
Employee benefits excluding superannuation expenses	1,491,797	1,672,164
Defined contribution superannuation expenses	108,310	91,838

NOTE 6: CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank (AUD Bank Accounts)	1,289,594	414,340
Cash at bank (USD Bank Accounts)	4,014,836	2,876,566
Short-term bank deposits (up to 3 months)	303,556	500,906
Cash on hand	300	300
	5,608,286	3,792,112

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	5,608,286	3,792,112
	5,608,286	3,792,112

NOTE 7: TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Member Organisations	2,514	49,886
Other – International	168,300	-
Global Fund Grant Sub-Recipients – program advances	1,716,526	1,615,227
	1,887,340	1,665,113

The amount of the provision for doubtful debts was \$nil (30 June 2020: \$nil). All of the Federation's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired and no allowance for credit losses has been recorded (30 June 2020: \$nil).

The movement in the allowance for credit losses can be reconciled as follows:

	2021 \$	2020 \$
Balance at 1 July	-	-
Amounts written off (uncollectable)	-	-
Impairment loss	-	-
	-	-

NOTE 8: RIGHT-OF-USE ASSET

	2021 \$	2020 \$
Vehicle lease – right-of use	22,206	22,206
Less: Accumulated depreciation	(12,337)	(4,935)
	9,869	17,271
Building lease – right-of-use	381,430	-
Less: Accumulated depreciation	(63,572)	-
	317,858	-

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2021 \$	2020 \$
Office furniture and equipment at cost	-	38,598
Less: Accumulated depreciation	-	(38,598)
Total office furniture and equipment	-	-
Leasehold improvements at cost	140,255	113,714
Less: Accumulated depreciation	(23,376)	(113,714)
Total Leasehold Improvements	116,879	-
Total Property, Plant and Equipment	116,879	-

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 Improvements \$	Office Furniture & Equipment \$	Total \$
Balance at the beginning of the year	-	-	-
Write off of assets	140,255	-	140,255
Depreciation expense	(23,376)	-	(23,376)
Carrying amount at the end of year	116,879	-	116,879

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT

	2021 \$	2020 \$
Trade Payables	265,220	85,562
Superannuation and Employee Benefits	19,425	10,907
Unspent Grant Repayable	33,356	33,356
	318,001	129,825

NOTE 11: LEASE LIABILITY

CURRENT

	2021 \$	2020 \$
Lease liability – Motor vehicle lease	7,721	7,382
Lease liability – Building	69,178	-
	76,899	7,382

NON-CURRENT

	2021 \$	2020 \$
Lease liability – Motor vehicle lease	2,652	10,373
Lease liability – Building	256,052	-
	258,704	10,373

NOTE 12: CONTRACT LIABILITIES

	2021 \$	2020 \$
International Program Grants	5,627,911	4,499,563
Other Grants	718,133	148,594
Membership Fee received in advance	-	-
	6,346,044	4,648,157

NOTE 13: RESERVES

	2021 \$	2020 \$
Opening balance	175,000	175,000
Transfer (to) from retained earnings	-	-
Balance at end of the year	-	-
	175,000	175,000

Reserves represent funds set aside by the Board of Directors for any possible redundancy in future.

NOTE 14: ECONOMIC DEPENDENCY

The Federation is reliant on continuing government and major donor funding to operate as a going concern. At the date of this report the directors have no reason to believe that government grants and donor funding will not continue to be available.

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to the members of key management personnel of the Federation is set out below:

	2021 \$	2020 \$
Key management personnel compensation	773,953	636,546
	773,953	636,546

NOTE 16: CONTINGENT LIABILITIES

The Federation had no contingent liabilities as at 30 June 2021 (2020: None).

NOTE 17: CHARITABLE FUNDRAISING ACT 1991

Charitable Fundraising Act 1991 (the Act) prescribes the manner in which fundraising appeals are conducted, controlled and reported. Australian Federations of AIDS Organisations Limited was issued with an authority to fundraise by the Office of Charities to fundraise for the period 21 October 2019 to 20 October 2024.

The Entity has disclosed the income statement, balance sheet and related notes below in respect of fundraising appeals it conducted during the year. These disclosures have been made in accordance with Section 6 of the Charitable Fundraising Authority Conditions, which have been issued to the Entity under section 19 of the Act.

Information and declarations to be furnished under the Charitable Fundraising Act 1991.

The information disclosed below is in relation to fundraising activities undertaken by Australian Federation of AIDS Organisations Limited with respect to the authority to fundraise granted.

(a) Income Statement

	2021 \$	2020 \$	General \$
Gross income received from fundraising	-	-	-
Cost of fundraising	-	-	-
Net proceeds from fundraising	-	-	-
Application of net proceeds	-	-	-
Net surplus from fundraising	-	-	-

(b) Balance Sheet

	2021 \$	2020 \$
Cash at bank	-	-
Total assets	-	-
Other payables	-	-
Total liabilities	-	-
Net assets	-	-

NOTE 18: COMPLIANCE WITH ACFID CODE OF CONDUCT

AFAO is a full member of the Australian Council for International Development (ACFID). ACFID is the peak council for Australian not-for-profit aid and development organisations. AFAO is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory, AFAO is committed to and fully adheres to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

The financial statements comply with the requirements set out in the ACFID Code of Conduct. For further information on the Code, refer to the ACFID website: <http://acfid.asn.au/>

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

At the time of finalisation of the financial report, COVID-19 continues to impact Australian and overseas communities. It is not expected the COVID-19 will materially affect AFAO's operations.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- 1) the Federation's operations in future financial years, or
- 2) the results of those operations in future financial years, or
- 3) the Federation's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
 - a. giving a true and fair view of the Federation's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - b. comply with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profit Commission Regulation 2012; and
 - c. there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.
2. the financial statements and notes are in accordance with the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulations 1993 (NSW);
3. the provisions of the Charitable Fundraising Act 1991 (NSW) and the regulations under this Act and the conditions attached to the authority to fundraise have been complied with; and
4. the internal controls exercised by the Federation are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the board, and is signed for and on behalf of the board by:



Mark Orr
President



Peter Grogan
Chair, Finance and Audit Committee

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 accompanying financial report of Australian Federation of AIDS Organisations Limited (the "Federation"), which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, 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 financial report of Australian Federation of AIDS Organisations Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Federation's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Federation 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 audit opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Federation's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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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.

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 Federation are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the ACNC Act. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Federation'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 Federation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Federation's financial reporting process.

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 Federation'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 Federation'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 Federation 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.

We communicate with those charged with governance 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.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015

We have audited the compliance of Australian Federation of AIDS Organisations Limited (the “Federation”) with the requirements of Section 24(2) of the Charitable Fundraising Act 1991 for the year ended 30 June 2021.

Our Opinion

In our opinion:

- a Australian Federation of AIDS Organisations Limited has properly kept the accounts and associated records during the year ended 30 June 2021 in accordance with the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015 (section 24(2)(b) of the Act);
- b Australian Federation of AIDS Organisations Limited, has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 30 June 2021 in accordance with section 24(2)(c) of the Act; and
- c there are reasonable grounds to believe that Australian Federation of AIDS Organisations Limited will be able to pay its debts as and when they fall due over the 12 month period from the date of this report (section 24(2)(d) of the Act).

Responsibilities of the Directors under the Charitable Fundraising Act 1991

The Directors of the Federation are responsible for compliance with the requirements and conditions of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulation 2015 and for such internal control as the Directors determine is necessary for compliance with the Act and the Regulation. This responsibility includes establishing and maintaining internal control over the conduct of all fundraising appeals; ensuring all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for; and maintaining proper books of account and records. The Directors are also responsible for ensuring the Federation will be able to pay its debts as and when they fall due.

Auditor's Responsibility

Our responsibility is to form and express an opinion on the Federation's compliance, in all material respects, with the requirements of the Act and Regulation, as specified in section 24(2)(b), 24(2)(c) and 24(2)(d) of the Charitable Fundraising Act 1991.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements), issued by the Auditing and Assurance Standards Board. Our audit has been conducted to provide reasonable assurance that Australian Federation of AIDS Organisations Limited has complied with specific requirements of the Charitable Fundraising Act 1991 and Charitable Fundraising Regulation 2015, and whether there are reasonable grounds to believe the Federation will be able to pay its debts as and when they fall due over the 12 month period from the date of this independent auditor's report (future debts).

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Act. The audit procedures have been undertaken to form an opinion on compliance of Australian Federation of AIDS Organisations Limited with the Act and Regulations and its ability to pay future debts. Audit procedures include obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Federation's compliance with specific requirements of the Act and Regulation, and assessing the reasonableness and appropriateness of the Federation's assessment regarding the Federation's ability to pay future debts.

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or noncompliance may occur and not be detected. An audit is not designed to detect all instances of noncompliance with the requirements of the Act and Regulation, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis. Whilst evidence is available to support the Federation's ability to pay future debts, such evidence is future orientated and speculative in nature. As a consequence, actual results are likely to be different from the information on which the opinion is based, since anticipated events frequently do not occur as expected or assumed and the variations between the prospective opinion and the actual outcome may be significant.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A G Rigele
Partner – Audit & Assurance

Sydney, 28 October 2021



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