

afao

Annual Report **2022**

afao

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PRESIDENT'S REPORT 2022



As 2021/22 draws to a close, we have good reasons for cautious optimism about our response to both the HIV epidemic and COVID-19 pandemic.

HIV transmissions across Australia are steadily decreasing. And Australia emerges from the COVID-19 pandemic with one of the world's best COVID-19 vaccination rates.

Neither has happened by accident. They are the result of evidence-based public health policy initiatives and significant implementation effort, notably in the HIV community sector.

In the case of the HIV response, we have seen PrEP eligibility and availability expanded as well as wider use of treatment as prevention resulting in a decrease in transmission. AFAO is proud to have strongly advocated for these policies, which have been proven to work.

While there is reason to celebrate and be proud of the progress achieved, there is of course still more to do. The communities our members represent continue to carry a disproportionately high burden of the HIV epidemic and there is further work required in combating the stigma and discrimination that many still face. Gay and bisexual men, including those who inject drugs, continue to be heavily impacted by HIV.

We must also continue to respond to the needs of Aboriginal and Torres Strait Islander people at risk of, and living with, HIV. Despite decades of advocacy, Australia has still yet to implement the full promise of the *National Aboriginal and Torres Strait Islander BBV and STI Strategy*. That must change.

The arrival of monkeypox (MPX) in Australia was a timely lesson that the most effective response to an epidemic which impacts historically marginalised communities such as gay and bisexual men is for health promotion messages to be crafted in a vocabulary and tone that is inclusive and empowering.

MPX, like COVID-19, was also a reminder that quick, effective vaccine rollouts are crucial to avoiding large scale outbreaks of viral threats. We should be proud of the role AFAO played in strongly advocating for a fast procurement of vaccines, with the communities most at risk of acquiring MPX given first priority.

2022 saw a change of Federal Government and AFAO looks forward to continuing the constructive dialogue we had with the last Federal Government with the new one as we seek to secure our *Agenda 2025* commitments which will see an end to HIV transmission in Australia.

In addition to the *Agenda 2025* vision, this year we launched the *AFAO Strategic Plan 2021 - 2024* which outlines our plan to respond to the challenges of the epidemic both at home in Australia and abroad.

As our members and communities evolve, so do we. That is reflected in the strategic plan which highlights our commitment to provide leadership and technical support for new funding and business models, partnerships, and ways of working.

PRESIDENT'S REPORT (CONT.)

This includes a business case we prepared for one-off Federal Government investment to strengthen our state and territory Council members in their delivery of primary health services for LGBTIQ communities. We were pleased to be able to respond to the requests of our members to support them in this important transition.

In addition to the HIV response in Australia, we have for over thirty years partnered with community leaders, key population networks, technical partners and governments in the Asia Pacific region to respond to the epidemic.

For the past three years, the *Sustainability of HIV Services for Key Populations in South East Asia* (SKPA) program, funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria, has been central to the expansion and promotion of HIV services for communities most affected by HIV across eight different countries in the region.

As that wound down last year, SKPA 2 was launched which will allow AFAO to work with our partners in the Asia Pacific region to help bring community led models of service delivery for PrEP and HIV self-testing to scale.

None of this would be possible without strong finances. I'm happy to say that AFAO is in a strong position organisationally and financially to represent our members and ensure Australia's HIV response remains as effective as possible.

I thank the board for its tireless service and commitment to our cause. They bring their passion and many skills to the task for the benefit of both AFAO's domestic and international programs each and every day. I especially wish to acknowledge and thank Mish Pony, AFAO's longest serving Director who retires at this year's Annual General Meeting. Mish has been a valued and steadfast support to AFAO and the Board since first being appointed in 2013. I thank Mish for their tireless service and the Scarlet Alliance for nominating them. I also thank Adam Stankevicius for his two year service to the Board as his term ends. Adam has brought important and valuable insights, including as Chair of the Board's Governance and Membership Committee since 2021.

I also want to thank the AFAO team, led by Adjunct Professor Darryl O'Donnell. Though small, the teams in Australia and South East Asia, based in Bangkok, do extraordinary work supporting our members, working with the Australian Government and governments in our region, and driving our goals to prevent the transmission of HIV, provide quality supports for people living with HIV, and address the health inequalities experienced by our communities domestically and internationally.

Importantly, my thanks to AFAO's members for their support and encouragement of AFAO's work this year. We would be nothing without our members, and they have been steadfast in that support and their great work throughout the challenges of COVID-19. They are our strength, and our connection to our communities and their needs. I also thank our affiliate members, many of whom have been our partners for decades in the response to HIV in Australia and internationally. We are stronger because of those partnerships.

Four decades years after HIV first arrived, we are closer than ever to seeing an end to HIV transmission in Australia. If the Federal Government makes the required policy and funding adjustments outlined in our *Agenda 2025* blueprint, we may well avoid a fifth decade of HIV transmission. In achieving that, Australia's leadership in the HIV response would once more be demonstrated. What a great achievement that will be for Australia and the world.



Mark Orr AM
AFAO President

CEO'S REPORT



The 2021/2022 year began under a COVID lockdown and concluded with the emergence of a new threat, monkeypox (MPX). Yet despite these ructions, our communities remained mobilised and committed to our mission, making major strides towards the virtual end of HIV transmission.

The pandemic touched all of us. Our colleagues in Bangkok, along with staff and clients of our SKPA-2 subrecipients carried a particularly heavy burden. Across our members and partners the vast bulk of us eventually caught COVID, an experience ranging from mild inconvenience to serious health complications. I thank everyone for their patience and perseverance. Our collective resilience was beyond impressive.

Of course, COVID disrupted more than just our health, forcing us to work from home, pivot to online meetings and then navigate the return to the office. It interrupted clinical processes such as HIV testing and dominated policy and advocacy.

Yet despite all of this, AFAO's work prospered. We maintained and built upon a warm and productive relationship with the then-Health Minister Greg Hunt, providing trusted advice and, when necessary, robust advocacy. We engaged early and meaningfully with Labor, both in opposition and then in the early days of government.

Australia's new Health Minister, Mark Butler, has committed to important planks of our *Agenda 2025*

plan to end HIV transmission. He will establish a taskforce to drive the effort to end HIV transmission and also restore funding to peak organisations involved in the community-led HIV response. He also committed to fund a pilot program of peer contact tracing and wrap-around clinical and peer support at diagnosis. Separately, Labor agreed to consult on the unique health issues and barriers to access that LGBTIQ Australians face, with the assistance of AFAO.

These solid foundations proved critical with the emergence of MPX. The rapid advice and intelligence we provided government came from the deep community roots AFAO and its members enjoy. We helped guide the community conversation, contributing to and shaping policy and media coverage. Our close work with the Chief Medical Officer, Professor Paul Kelly and the Australian Health Protection Principal Committee shaped the eventual policy – heavy investment in vaccines and a serious commitment to health promotion, delivered by and for our communities.

I have always believed Australia can be among the world's very first nations to effectively end HIV transmission. This year we saw the clearest evidence that this is more than an aspiration. There were 552 new HIV diagnoses in Australia in 2021, meaning the number of new diagnoses has halved over the past 10 years.

UNAIDS' target for the proportion of people with HIV who have been diagnosed, are on treatment and who have achieved viral suppression is 95-95-95 by 2025. In Australia an estimated 91 per cent people with HIV were diagnosed, 92 per cent of those diagnosed were on antiretroviral therapy (ART) and 98 per cent of people on ART had achieved viral suppression (91-92-98).

We are tantalisingly close and a final push will get us there. That final push, however, requires resources. As anyone touched by HIV knows, there is no steady state for an epidemic. You either advance or retreat. AFAO and its partners are pushing forward to a hopeful future, where HIV transmission is vanishingly rare and those who live with HIV are free from stigma.

A handwritten signature in black ink, appearing to read 'D O'Donnell'.

Adj Prof Darryl O'Donnell
Chief Executive Officer



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AFAO CEO Darryl O'Donnell with the Hon Mark Butler MP, Minister for Health and Aged Care, at a roundtable for health stakeholders in Adelaide. Thanks to our friends at Nexus Public Affairs for inviting us to this event.

AUSTRALIAN PROGRAM

POLICY ACHIEVEMENTS

In 2021/22, AFAO continued to build on previous successful policy outcomes to strengthen the community-led response to HIV. This included in the challenging regulatory environment for the approval and funding of medicines and devices. Our advocacy to the Therapeutic Goods Administration (TGA) saw a relaxation in the restrictions on the sale of HIV self-tests, and removal of barriers created by the TGA's Advertising Code to health promotion delivered by AFAO's members.

AFAO also continued to provide political support to NAPWHA's advocacy to the Commonwealth for HIV treatment to be available to all people with HIV regardless of visa status. At the 2021 World AIDS Day Parliamentary Breakfast, the Minister for Health announced an investment of \$39 million over five years to provide HIV treatment for people ineligible for Medicare, and AFAO continued to provide support to NAPWHA in the Commonwealth's development of new access arrangements.

HEALTH PROMOTION

In partnership with our member organisation, the Anwernekenhe National HIV Alliance, we continued our work producing health promotion resources for Aboriginal and Torres Strait Islander communities. Building on the production of a new edition of the *Us Mob and HIV* booklet (last published in 2014) and four digital HIV factsheets in 2020/21, we produced a new *Us Mob and HIV* website in 2021/22. We also completely redesigned and rebuilt the *Better to Know* website (a sexual health website for Indigenous people). This also included the development of a new toolkit for healthcare workers to support their Aboriginal and Torres Strait Islander clients around HIV and sexual health.

POLITICAL ENGAGEMENT

Ahead of the 2022 federal election, AFAO developed election asks in consultation with its membership and the broader HIV sector. These were guided by *Agenda 2025* and also included asks on LGBTIQ health and for Australia's leadership in Asia and the Pacific. These asks were provided to the major parties (the Liberal National Coalition, the Australian Labor Party and the Australian Greens) in the form of a survey. Each of the parties formally responded to the survey.

The World AIDS Day Parliamentary Breakfast continues to be a highlight of AFAO's year. The event was held virtually due to COVID-19. The Minister for Foreign Affairs and the Minister for Health, and their shadow counterparts, once again spoke at the event, as well as other politicians, and community, research and clinical leaders. A wide range of politicians from across Australia's parliament attended the event. The Executive Director of the Global Fund to Fight AIDS, TB and Malaria, Mr Peter Sands, was the guest speaker.

A national Blood Borne Viruses and Sexually Transmissible Infections Standing Committee (BBVSS) workshop (informed by a working group co-chaired by AFAO and Hepatitis Australia) brought together government, researchers and community partners to discuss BBVs and STIs in culturally and linguistically diverse communities. A report from the workshop was developed for endorsement by BBVSS with recommendations spanning a broad range of areas, including strengthened representation of people from culturally and linguistically diverse backgrounds, education and prevention, testing and treatment, equitable access, workforce, stigma and research.

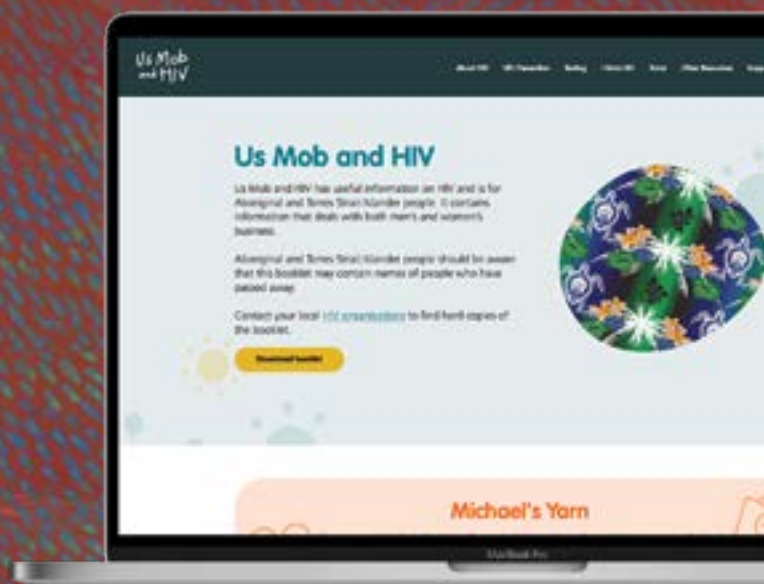
Us Mob and HIV

MEMBER ENGAGEMENT AND CAPACITY BUILDING

AFAO continued to provide support to our state members WAAC, Meridian and TasCARHD in opposition to mandatory disease testing laws. AFAO also supported Scarlet Alliance with its members' work to decriminalise sex work in Victoria, Queensland and South Australia, and supported Meridian with discrimination laws in the ACT.

AFAO and NAPWHA's new online learning and workforce development program, HOLA (HIV Online Learning Australia) is performing strongly in the first year of the two-year program. HOLA includes 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 communities of practice. The program's ongoing monitoring and evaluation is showing high levels of engagement and satisfaction from staff across AFAO and NAPWHA's member organisations.

In 2021/2022, AFAO sadly farewelled Mas Banu, Project Officer - Aboriginal and Torres Strait Islander Communities, and Euan Malcolm, Policy Analyst, both of whom made substantial contributions to AFAO's work.



INTERNATIONAL PROGRAM

Building upon the achievements of the *Sustainability of HIV Services for Key Populations in South East Asia* SKPA-1, AFAO began implementing SKPA-2 on 1 July. SKPA-2 is a three-year, USD\$12.5m program funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

The aim of SKPA-2 is to improve the sustainability of evidence-informed prioritised HIV services for key populations in Bhutan, Mongolia, the Philippines, and Sri Lanka. As donor funding winds down, it is critical the spending for community-led HIV services is embedded within national budgets.

Program implementation has been off to a strong start with signed implementing partner agreements in place at the initiation of the program which allowed work to commence without delay. A mix of existing and new staff make up AFAO's SKPA-2 team, with members based in both Bangkok and Australia.

AFAO's *Sustainable Community-Led Monitoring of HIV Services: A Toolkit for Key Populations* was launched in August 2022. Informed by work completed under SKPA-1, the toolkit will be used by partners in SKPA-2. The toolkit is a community-led approach to measuring the quality of HIV services from the perspective of key population service users.

A kick-off workshop was held in Bangkok in August 2022, which all program partners attended including the Global Fund, UNAIDS and World Health Organization and other key stakeholders. Across two days the foundations were laid to ensure a joint understanding of the objectives of the program. The time spent in person allowed the building of relationships between partners which has already proven to be invaluable.

Connected to the workshop was the first meeting of the Regional Steering Committee — the governance and advisory body which oversees the implementation of the program. It is chaired by UNAIDS Asia-Pacific and comprises a government and civil society representative from the Country Coordinating Mechanism (CCM) of each SKPA-2 implementing country and representatives from World Health Organization, World Bank Global Practice Team, and the Australian Department of Foreign Affairs & Trade (DFAT).

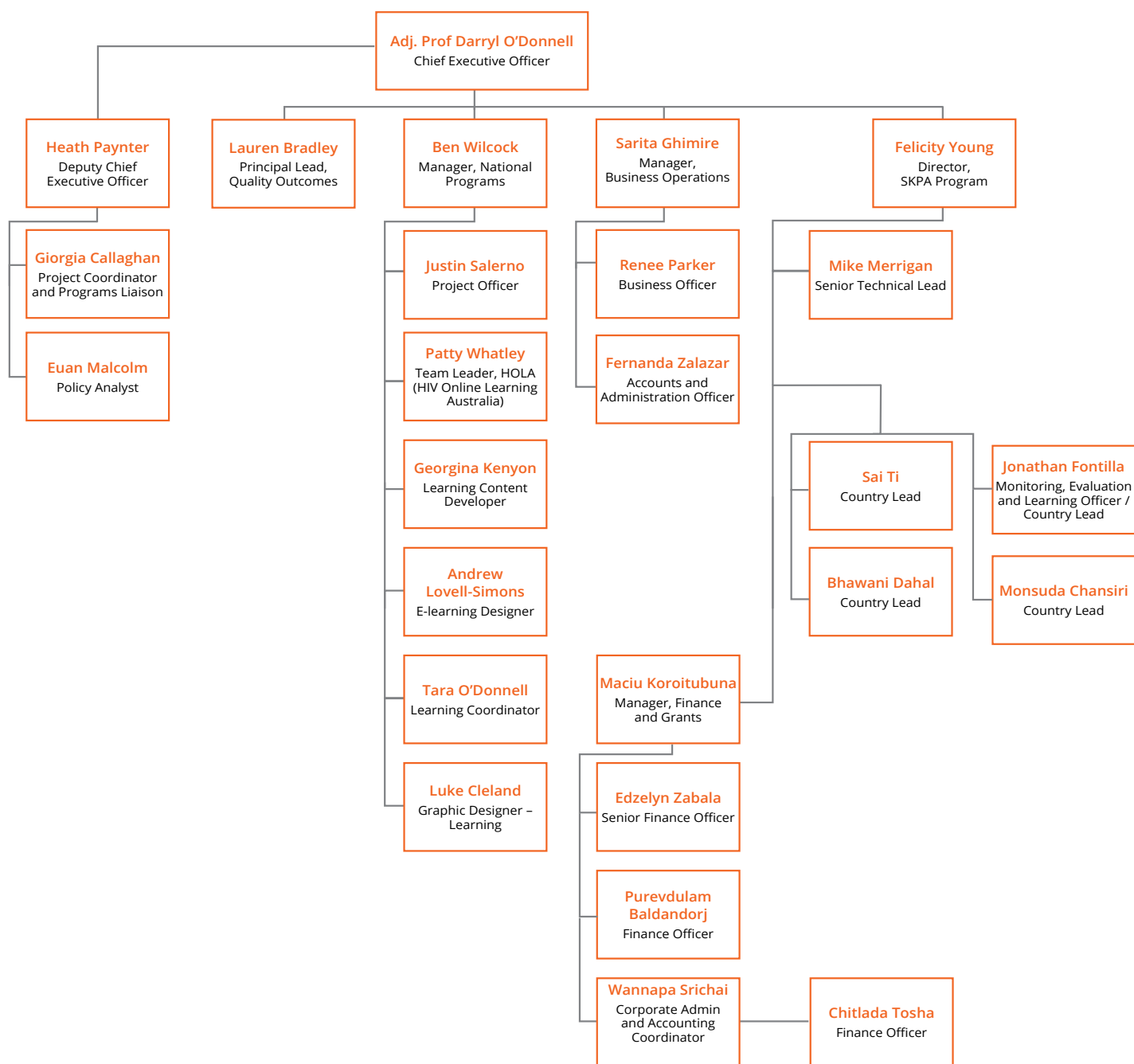
The priority activity to be undertaken in the first half of year one is a baseline assessment akin to a gap analysis. This comprehensive assessment will help partners to understand the financial landscape, political economy, strategic information needs, operational policy and regulatory barriers, and human rights and gender situation in each country. It will also assess the extent to which each country is prepared for financial sustainability of services for key populations and the extent to which key populations and people living with HIV are meaningfully engaged in their country's national HIV responses.

Travel to the countries to interview key stakeholders has been undertaken with a comprehensive report due at the end of the 2022. The findings from this report will help shape the direction of SKPA-2 activities for the duration of the program.



ORGANISATIONAL CHART

AT 30 JUNE 2022





AFAO MEMBERS



AFAO AFFILIATES



FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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 2022

The directors present their report, together with the financial statements, on the Federation for the year ended 30 June 2022.

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

Peter Black

Susan Chong

Robert Griew

Jason Ong

Colin Ross

Jake Docker (from October 2021 – March 2022)

Peter Grogan – Vice President

Laurie Leigh (from Nov 2021)

Michael Doyle

Scott Harlum (from October 2021)

Mish Pony

Adam Stankevicius

David Menadue (until October 2021)

DIRECTORS' REGISTER OF ATTENDANCE

	Board Meetings	
	Number Eligible To Attend	Number Attended
Orr, Mark	11	11
Grogan, Peter	11	11
Black, Peter	11	10
Chong, Susan	11	11
Docker, Jake	4	3
Doyle, Michael	11	11
Harlum, Scott	7	5
Griew, Robert	11	9
Leigh, Laurie	6	6
Menadue, David	5	5
Ong, Jason	11	8
Pony, Mish	11	10
Stankevicius, Adam	11	9
Ross, Colin	11	8

AFAO BOARD AS AT 30 JUNE 2022

Mark Orr, President: Mark is the Chief Executive of a large mental health organisation in the not-for-profit sector and is a Board Director of the organisation's NSW state peak, the Mental Health Coordinating Council. He is the immediate past President 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 and Fellow of the Governance Institute of Australia. Mark was appointed a Member of the Order Australia in 2019 for services to community health.

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 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 2019-2021 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 includes 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.

Scott Harlum: Scott brings a range of professional experience to the role of AFAO Director, including as a former journalist, as Brand Manager with a multinational agricultural company, in population health policy roles with the Queensland Government, as health policy manager with the Consumers' Health Forum of Australia, and in communications roles with a large member-based not-for-profit in NSW.

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.

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.

Laurie Leigh: Laurie is the Interim Chief Executive Officer of National Disability Services, a national peak association representing disability providers across Australia. Since initially training as a registered nurse in the UK, Laurie has worked across many facets of health and human services, from mental health, safety and quality, primary health, aged care and disability. Previously a Board member of the NSW Users and AIDS Association (NUAA), Laurie is a graduate of the Australian Institute of Company Directors and brings many years' experiences of corporate and clinical governance to AFAO. She has a Masters in Health Services Management.

Colin Ross: Colin is the Chairperson of the Anwernekenhe National HIV Alliance.

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

David is a former schoolteacher, retired since the 1990's 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 marginalized 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 has been the President of Meridian (formerly the AIDS Action Council of the ACT) for the past two years. 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.

Jake Docker: Jake is the Chief Executive Officer of the Australian Injecting and illicit Drug User's League (AIVL). Before AIVL, Jake worked in leadership positions in the NGO sector, providing services to vulnerable children, families, and youth. He also has a strong leadership background in State Government, working across the areas of Community Corrections, Child Protection and Health. Jake has a strong passion for promoting health equity and ensuring that 'hard to reach' groups have equal access to healthcare.

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;

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
THE BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30 JUNE 2022

- 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 2022 AFAO's total income was \$9,546,641 and its total expenditure was \$9,411,980, resulting in an operating surplus of \$134,661 (2021 surplus of \$149,263).

AFAO's end of year position was in line with the estimated projection for the year.

As at 30 June 2022 AFAO has total assets of \$3,288,497 and total liabilities of \$2,345,693 with a net asset position of \$942,804 (2021: \$808,143).

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-1) program, funded by the Global Fund to fight HIV, Tuberculosis and Malaria, ended 31 December 2021, with close-out activities occurring through 30 June 2022. AFAO was successful in its competitive bid to lead the Global Fund's SKPA-2 program for the period 1 July 2022 through 30 June 2025. The program is being implemented in Bhutan, Mongolia, the Philippines and Sri Lanka.

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



Mark Orr

President



Peter Grogan

Chair, Finance and Audit Committee

Dated this 27th day of October 2022

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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 2022, 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



Liam Te-Wierik
Partner – Audit & Assurance

Sydney, 27 October 2022

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
REVENUE			
Donation and gifts		337	147,517
Grants			
Department of Foreign Affairs and Trade		-	145,732
Domestic	3	2,364,843	1,671,996
Overseas	3	6,794,687	4,502,457
Interest income		804	3,942
Other income			
Domestic		158,333	417,067
Overseas	3	227,637	-
TOTAL REVENUE		9,546,641	6,888,711
EXPENDITURE			
Overseas aid and development programs			
Funds to overseas program	4	4,973,309	3,253,281
Program support costs	4	1,548,515	844,255
Community education		152,037	112,087
Fundraising costs		-	56,909
Accountability and administration		338,450	293,954
Domestic programs			
Domestic programs expenditure	4	1,907,135	1,657,406
Accountability and administration		492,534	521,556
TOTAL EXPENDITURE		9,411,980	6,739,448
SURPLUS FOR THE YEAR		134,661	149,263

The accompanying notes form part of these financial statements

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,240,174	5,608,286
Other financial assets	5	104,340	104,222
Trade and other receivables	6	557,026	1,887,340
Other current assets		54,090	42,727
TOTAL CURRENT ASSETS		2,955,630	7,642,575
NON-CURRENT ASSETS			
Right-of-use-asset	7	244,039	327,727
Property, plant and equipment	8	88,828	116,879
TOTAL NON-CURRENT ASSETS		332,867	444,606
TOTAL ASSETS		3,288,497	8,087,181
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	356,342	298,573
Lease liability	10	77,272	76,899
Contract liabilities	11	1,346,869	6,346,044
Employee benefits	12	333,762	220,015
Other liabilities		42,308	51,556
TOTAL CURRENT LIABILITIES		2,156,553	6,993,087
NON-CURRENT LIABILITIES			
Lease liability	10	181,432	258,704
Employee benefits		7,708	27,247
TOTAL NON-CURRENT LIABILITIES		189,140	285,951
TOTAL LIABILITIES		2,345,693	7,279,038
NET ASSETS		942,804	808,143
EQUITY			
Reserves	13		175,000
Retained earnings		942,804	633,143
TOTAL EQUITY		942,804	808,143

The accompanying notes form part of these financial statements

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
RETAINED EARNINGS, BEGINNING BALANCE	808,143	483,880
Surplus for the year	134,661	149,263
Reserves	-	175,000
RETAINED EARNINGS, ENDING BALANCE	942,804	808,143

AUSTRALIAN FEDERATION OF AIDS ORGANISATIONS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants - domestic		2,406,098	5,793,050
Receipt of grants - overseas		2,036,672	2,103,614
Receipt of other income		376,602	463,765
Payment of program and operating expenses		(5,922,185)	(4,712,504)
Payments to employees for program and operating activities		(2,177,919)	(1,651,822)
Net cash flows from/(used) in operating activities		(3,280,732)	1,996,103
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(140,255)
Movement in term deposits		377	29,484
Interest received		804	3,942
Net cash flows from/(used) in investing activities		1,181	(106,829)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease - principal		(76,899)	(63,582)
Payment of lease - interest		(11,662)	(9,518)
Net cash flow used in financing activities		(88,561)	(73,100)
Net increase/(decrease) in cash and cash equivalent		(3,368,112)	1,816,174
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR		5,608,286	3,792,112
CASH AND CASH EQUIVALENT AT END OF THE YEAR	5	2,240,174	5,608,286

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

a) General information

The financial statements for the year ended 30 June 2022 covers the Australian Federation of AIDS Organisations Limited (the Federation/AFAO) as an individual not-for-profit company limited by guaranty, incorporated and domiciled in Australia. The Federation is registered with the Australian Charities and Not-for-Profits Commission and the Charitable Fundraising Act (NSW) 1991.

b) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. The requirements of the Australian Council for International Development (ACFID) and other authoritative pronouncements of the Australian Accounting Standards Board, the Charitable Fundraising Act (NSW) 1991 and the Australian Not-for-Profits Commission were also incorporated in the preparation of the financial statements.

The financial statements are presented in Australian Dollars, which is AFAO's functional and presentation currency. The balances are rounded to the nearest whole dollar.

The financial statements have been prepared on an accrual basis in accordance with the historical cost convention unless otherwise stated.

c) Summary of significant accounting policies

The following significant accounting principles were adopted in the preparation and presentation of the financial statements:

i. Revenue recognition

The Federation's revenue comprises mainly of domestic and overseas grants.

AASB 15 Revenue from Contracts with Customers requires revenue to be recognised when control of a promised group or service is passed to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The customer for these contracts is the fund /grant provider and revenue are recognised by identifying the contract with the customer, identifying the performance obligation, determining the transaction price, allocating the transaction price to the performance obligations, and recognising revenue as and when control of the performance obligations is transferred. If any of the specific performance obligations are yet to be met at the end of year date, a liability is recognised to the extent that the obligation remains unsatisfied.

Any other arrangements that are not accounted for as contracts with customers are treated as revenue in accordance with AASB 1058 Income for Not-for-Profit-Entities. Assets arising from grants are recognised at their fair value at the earlier of the receipt of the asset or the date when the Federation's entitlement to invoice the grantor is established. The Federation recognises any related liability amounts once the asset is received. Income is recognised for any difference between the recorded assets and liabilities.

Services income

Revenue from fees received for services and management fees is recognised when the specific service is provided.

Donations and bequests

Donations and bequests received including cash and goods for resale are recognised as revenue when the Federation gains control, economic benefits are probable, and the amount of the donation or bequests can be measured reliably.

Interest and dividend income

Interest revenue is recognised using the effective interest method. Dividend incomes are recognised at the time the right to receive payment is established.

ii. 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, adjusted for any bank overdrafts.

iii. Trade receivables

Trade receivables are recognised at original invoice amounts less any allowance for expected credit losses. The Federation assesses impairment of trade receivables based on the days past due.

iv. Financial instruments

Financial assets and financial liabilities are recognised when the Federation becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets carried at fair value through profit or loss. 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, its carrying value is written off.

Financial assets at amortised cost

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Federation's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

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 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 as 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.

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.

v. Property, plant and equipment

Property, 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.

vi. 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 leaves 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.

vii. Right-of-use assets

Right-of-use asset is recognised at the commencement date of the 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.

viii. Lease liabilities

A lease liability is recognised at the commencement date of the 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.

ix. 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.

x. 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), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

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.

xi. 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.

xii. 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.

xiii. 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 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors continually evaluates its judgements and estimates incorporated into the financial reports in relation to assets, liabilities, contingent liabilities, revenue, and expenses based on historical knowledge and best available current information. Management bases its judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events if it believes to be reasonable under the circumstances. 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.

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 several 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. Most of the grants received by the Federation have been accounted for under AASB 15 as the agreements contain sufficiently specific performance obligations.

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 considered.

NOTE 3: REVENUE

	2022 \$	2021 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS (AASB 15)		
DOMESTIC GRANTS		
Department of Health – recurrent	2,343,258	1,640,631
Department of Health – nonrecurrent	-	15,115
Total Department of Health	2,343,258	1,655,746
Department of Foreign Affairs and Trade – nonrecurrent	-	145,732
Other domestic grants	21,585	16,250
TOTAL DOMESTIC GRANTS	2,364,843	1,817,728
OVERSEAS GRANTS		
The Global Fund – recurrent	6,794,687	4,502,457
Other one-off grants/income		
Gilead Science Europe Ltd.	102,823	-
WHO-UNAIDS	16,287	-
International Network of People who Use Drugs	108,527	-
Total one-off grants/income	227,637	-
TOTAL OVERSEAS INCOME	7,022,324	4,502,457
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	9,387,167	6,320,185
OTHER REVENUE (AASB 1058)		
Donations and contributions	38,793	235,065
Membership fees	66,000	71,663
COVID 19 – Australian Government support	-	155,000
Interest	804	3,942
Other income	53,877	102,860
TOTAL OTHER REVENUE	159,474	568,526
TOTAL REVENUE AND OTHER INCOME	9,546,641	6,888,711

NOTE 4: EXPENSES

	2022 \$	2021 \$
OVERSEAS AID AND DEVELOPMENT PROGRAM EXPENSES		
Funds to overseas programs		
Overseas partner expenses	4,004,608	2,367,074
Overseas office direct expenses	927,809	743,133
Small grants paid to partners	40,892	143,074
Total funds to overseas programs	4,973,309	3,253,281
Program support costs		
Consultancy fees	648,064	122,450
Salaries and related costs	605,924	410,486
Community systems strengthening	284,075	289,089
Other expenses	10,452	22,230
Total program support costs	1,548,515	844,255
Community education	152,037	112,087
Fundraising costs	-	56,909
Administration	338,450	293,954
TOTAL OVERSEAS AID AND DEVELOPMENT PROGRAM EXPENSES	7,012,311	4,560,486
DOMESTIC PROGRAM EXPENSES		
Department of Health programs	1,893,834	1,651,756
Other expenses	13,301	5,650
TOTAL DOMESTIC PROGRAM EXPENSES	1,907,135	1,657,406

NOTE 5: CASH ON HAND AND AT BANK

	2022 \$	2021 \$
Cash at bank – AUD account	1,762,107	1,593,150
Cash at bank – USD account	477,767	4,014,836
Cash on hand	300	300
TOTAL CASH ON HAND AND AT BANK	2,240,174	5,608,286
Term deposits – short term	104,340	104,222
TOTAL OTHER - FINANCIAL ASSETS	104,340	104,222

NOTE 6: TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Global Fund sub-recipients program advances	543,919	1,716,526
Department of Health		168,300
Other receivables	13,107	2,514
TOTAL TRADE AND OTHER RECEIVABLES	557,026	1,887,340

NOTE 7: RIGHT-OF-USE ASSET

	2022 \$	2021 \$
Right of use – building lease	381,430	381,430
Less: amortisation	(139,858)	(63,572)
Right of use – vehicle lease	22,206	22,206
Less: amortisation	(19,739)	(12,337)
TOTAL RIGHT-OF-USE ASSETS	244,039	327,727

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2022 \$	2021 \$
Leasehold improvements at cost	258,466	258,466
Less: accumulated depreciation	(169,638)	(141,587)
TOTAL PROPERTY, PLANT AND EQUIPMENT	88,828	116,879

MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT

CARRYING AMOUNT AT THE BEGINNING OF THE YEAR	116,879	140,255
Addition/(disposal)	-	-
Depreciation	(28,051)	(23,376)
CARRYING AMOUNT AT THE END OF THE YEAR	88,828	116,879

NOTE 9: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade payables for domestic programs	66,410	94,462
Trade payables for overseas programs	288,251	167,275
Other payables	1,681	36,836
TOTAL TRADE AND OTHER PAYABLES	356,342	298,573

NOTE 10: LEASE LIABILITIES

	2022 \$	2021 \$
CURRENT LEASE LIABILITY		
Lease liability – building	74,620	69,178
Lease liability – motor vehicle	2,652	7,721
TOTAL CURRENT LEASE LIABILITY	77,272	76,899
NON-CURRENT LEASE LIABILITY		
Lease liability – building	181,432	256,052
Lease liability – motor vehicle	-	2,652
TOTAL NON-CURRENT LEASE LIABILITY	181,432	258,704

NOTE 11: CONTRACT LIABILITIES

	2022 \$	2021 \$
Program grants - overseas	576,769	5,627,911
Program grants - domestic	674,326	611,486
Other grants - overseas	34,598	106,647
Other grants - domestic	61,176	-
Total contract liabilities	1,346,869	6,346,044

NOTE 12: EMPLOYEE BENEFITS PAYABLE

	2022 \$	2021 \$
Salaries and wages	32,642	21,985
Provision for annual leave	141,752	67,501
Provision for long service leave -current	136,195	111,104
Superannuation	23,173	19,425
TOTAL EMPLOYEE BENEFITS PAYABLE - CURRENT	333,762	220,015
PROVISION FOR LONG SERVICE LEAVE - NONCURRENT	7,708	27,247

NOTE 13: RESERVES FOR CONTINGENCY

	2022 \$	2021 \$
OPENING BALANCE	175,000	175,000
Transfer (to)/from retained earnings	(175,000)	-
BALANCE AT END OF THE YEAR	-	175,000

AFAO set aside funds as a contingency for redundancies during a period of funding insecurity in 2016/17. With AFAO's return to financial security, these reserves-with the agreement of the auditors have now been returned to retained earnings.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2022 \$	2021 \$
KEY MANAGEMENT PERSONNEL COMPENSATION	895,409	773,953

Key Management Personnel (KMP) is composed of the CEO, Deputy CEO, Business Operations Manager, and SKPA1 Project Director (part of FY 2021 and full year from FY 2022).

NOTE 15: CONTINGENT LIABILITIES

The Federation had no contingent liabilities as at 30 June 2022 (2021: None).

NOTE 16: COMPLIANCE WITH ACFID CODE OF CONDUCT

The financial statements comply with the requirements set out in the ACFID Code of Conduct. Some items required in the ACFID Code of Conduct reporting are not recorded as they have nil balances for both the reporting periods covered.

For further information on the Code, refer to the ACFID website: <http://acfid.asn.au/>.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

No material events that affect the Federation or these financial statements have occurred since balance date requiring disclosure.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Federation's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Mark Orr

President



Peter Grogan

Chair, Finance and Audit Committee

Dated this 27th day of October 2022.

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 (the "Federation"), which comprises the statement of financial position as at 30 June 2022, 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:

- a giving a true and fair view of the Registered Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

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

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Other information

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2022, 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.

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 Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act, and for 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 Registered Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Registered Entity'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 Registered Entity'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 Registered Entity'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 Registered Entity 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 2022.

Fundraising

In our opinion:

- a. Australian Federation of AIDS Organisations Limited has properly kept the accounts and associated records during the year ended 30 June 2022 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 2022 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.

Responsibilities

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



Liam Te-Wierik
Partner – Audit & Assurance

Sydney, 27 October 2022

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