



The Financial report has been prepared as required in accordance with the Fair Work (Registered Organisations) Act 2009 and the Australian Accounting Standards. The Audit was undertaken by Daley and Co Chartered Accountants.

Daley and Co were appointed as auditor by the Executive in late 2016 and have an extensive background working with registered organisations.

The report indicates a significant loss for the 2016/2017 Financial Year of \$802,957. This is a significant reduction from the 2015/2016 Financial Year surplus result of \$655,060.

While this result is disappointing there are a number of contributing factors which are highlighted as follows:

- Loss on Disposal of Murray Crescent \$250,384 – Our property at Murray Crescent was sold as it was evident that the property was not suitable for the operations of a professional association. The Executive determined that maintaining the property as an investment would impose an unacceptable administrative burden for a limited and uncertain net return.
- Increase in employee benefits expense \$230,450 – This increase reflects the growth in our staff to 13 full and part time employees. It should be noted that there has been a significant decrease in wages and salaries for “office holders” from \$420,892 to \$268,893. Unfortunately, this was offset by one off separation payments of \$296,111 paid to former officials. The detail of these payments are subject to strict confidentiality provisions in the relevant deeds.
- Legal expenses of \$408,999 – This is the result of litigation that has now been settled, redrafting of the AFPA rules and “legacy” funding matters. As an example, two of these legacy matters cost our organisation \$129,000. The Executive and National Council has introduced policy and procedure to ensure more effective management of legal costs.
- Decrease in membership revenue of \$177,320 – This is largely reflective on the reduction in the size of the AFP of over 100 members. (This was acknowledged by Commissioner Colvin in senate estimates on Tuesday 24 October 2017)

The Executive is seeking to reverse this result in 2017/2018 and currently the budget for the 2017/2018 Financial Year indicates a modest surplus.

Adrian Smith
Secretary Treasurer
31 October 2017