

## **FROM THE CHAIR: SUPPLEMENTARY INFORMATION ON FINANCIAL ACCOUNTS FOR YEAR ENDED 30 JUNE 2017**

The financial accounts for the past financial year have been posted on our website. However, at this stage they have not been formally approved by the board, which is currently in progress. This document is to provide you with further information and context in addition to the Treasurer's Report.

### **Income received**

Total income received during the period was \$47,734. This was a decrease in income from the previous year of approximately \$15,000. The decrease is attributable to a number of factors.

#### **1. Individual Membership fee revenue**

Individual membership fee revenue for the period was \$4,591, a decrease of \$6,717.

(a) We experienced a technical glitch with a new online membership renewal process which resulted in members not receiving renewal notices. This has been corrected and members who inadvertently lapsed are now renewing or being reminded to renew. According to our Secretary we currently have approximately 200 unfinancial members. We have no reason to expect that the majority of these will not renew. This represents around 18,000 in revenue and when taken into account with that actually received would have seen things in line with historical individual membership levels (see comment below). It is relevant to note that IA's individual membership fees have never been the largest component of revenue for the organisation. Indeed, the fact that IA has such individual membership revenue sets it apart from the vast majority ISOC chapters where individual membership is free.

(b) A review of the financial accounts back to 2000 has shown that the major sources of revenue has been from categories other than individual membership, including at one time significant government grants much of which now goes to ACCAN.

(c) Nonetheless, the Board has resolved to investigate avenues for increasing the value of individual membership, including a greater focus on the activities of the Special Interest Groups. This initiative will pass on to the new board for actioning along with continuing efforts to have lapsed members renew.

#### **2. Organisational Membership fee revenue**

Total organisational income for the period was \$37,536, a decrease of approximately \$12,000 from the previous period.

(a) A review of the financial accounts back to 2000 has shown that the combined categories of organisational members and donations/sponsorship has always far exceeded individual membership fee revenue. Allowing for significant fluctuations over the last seventeen years, the organisational member / sponsorship category generally exceeded individual memberships by a minimum of 100 percent. The current reporting period is therefore in line with the historical financial trends of the organisation.

(b) Unfortunately, for reasons beyond our control a number of our Organisational Members have ceased or postponed their contributions. Most notably, our Platinum member AusRegistry decided not to contribute

pending the renewal of its contract to supply services to auDA. Having undergone well publicised board and management changes auDA itself has not yet decided whether or not to continue its support.

#### **Expenses paid 1 July 2016 – 30 June 2017**

Operational expenses paid during the period were \$75,000. This is a decrease of \$5,000 from the previous period and reflects management's efforts to accommodate the reduced incomes. In this regard the Board has acknowledged the contribution of outgoing CEO / Executive Director Laurie Patton who performed his duties for a portion of the period pro-bono.

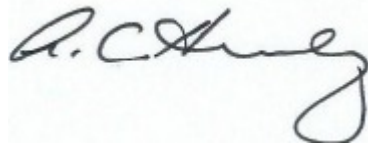
#### **Cash balance as at 30 June 2017**

The closing cash balance as at 30 June 2017 was \$19,319. According to the Treasurer, we currently have approximately \$8000 in the bank with expected GST refunds and other revenues to be received.

#### **Forward Position**

A review of the history of the organisation undertaken by Vice-President and former treasurer Paul Brooks shows that our current circumstances are in accord with the situation at various times in the past. ISOC-AU / IA has in fact only had two periods when it had substantial excess funds. The first was in or around 2006-2008 when revenues included substantial government grants no longer available. The second occasion was shortly after Laurie joined and the restructured Organisational Membership scheme introduced. As I have noted above, much of that revenue was not received in the current period for reasons beyond our control.

Following the AGM a new board, with a substantial number of new directors, will need to determine the best future course for IA. For my part I concur with Laurie, who in his report to the AGM has noted that three years ago the organisation set out to increase its standing and effectiveness while hoping to be able to secure increased ongoing income from corporate sources. It is clear from my short time on the board that IA has been very successful in the former but it has not proven possible to achieve the latter. It may be that, like other ISOC chapters, the future of IA is to return to a largely volunteer-based model.



Anne Hurley

Chair