

PAPUA NEW GUINEA ASSOCIATION OF AUSTRALIA, Inc.
70th ANNUAL GENERAL MEETING – 1 MAY 2021

TREASURER'S REPORT
Murrough Benson

A modest surplus of \$3,472 was recorded in the year ended 31 December 2020, a marginal increase on the previous year.

The 2020 result was achieved despite reduced income from a number of sources:

- Net income from functions (including raffles and silent auctions) was down \$1,534, reflecting the impact of COVID-19 restrictions that severely constrained our events schedule.
- Income earned on sales of books, DVDs and tote bags declined by \$1,389, partly impacted by the function constraints.
- Interest earned on investments declined by \$578 as market interest rates continued to decline.

Also impacting negatively on the 2020 result was a \$614 increase in general operating expenses that are largely outside our control.

Partially offsetting these negative impacts was an increase in the membership subscription rate in March 2019 that was fully reflected in the latest year, lifting revenue by \$2,619 despite a continued decline in membership numbers that has been a feature of at least the past ten years. Reduced membership fed through to a \$1,519 reduction in printing and distribution costs of the journal.

Tax has not been paid by the Association for the past two years and we have no reason to believe that this situation will not continue. On advice of the Auditor we have used since early 2020, exemption from having to lodge a tax return was sought under the Australian Taxation Office's self-assessment Cultural Organisations provisions. Specifically, our Auditor considered exemption was warranted on the grounds that a key role of the Association is to "supply and encourage literature, etc. along with the usual not for profit requirements." On the Auditor's advice the 2019 tax return was submitted as a 'final' return; tax instalments previously paid for that year have subsequently been refunded by the ATO.

The Association's financial position remains sound. Total Member Funds (the difference between Total Assets and Total Liabilities) increased by the amount of the surplus generated in 2020 to \$132,916. Notwithstanding this solid position, some vulnerabilities remain.

As you all know, I'm sure, for as long as the Association has been in existence the results achieved, both financially and in terms of services delivered to members, have been heavily dependent on volunteers whose enthusiastic support has always been greatly appreciated. Unfortunately, it is becoming increasingly difficult to fill gaps in this volunteer workforce as people drop out for a range of reasons, other commitments, health and age amongst them. The alternative if we can't find people to help out with a range of tasks will be to resort to commercial providers, the cost of which will have to be passed on to all members if we are not to erode our Member Funds, potentially quite quickly. So if you think you may be able to help out in any way, no matter how small, please let us know. Location is not necessarily a constraint these days; currently only five of the 12 Committee members are based in Sydney. You don't need to be on the Committee either. Alternatively, if you know of someone who is not a member and may be able to help we'd love to hear from them too.

Another vulnerability is our declining membership. In the past ten years, we have lost 1,404 members while new members have totalled 690 (not including the 141 who transferred across from the Rabaul and Montevideo Group in 2013). That's a net loss of 714 members in ten years. Clearly, these trends are not sustainable if the Association is to continue to prosper. Any thoughts you may have on how this loss of members could be turned around or, at the very least, slowed would be very welcome.

In closing, I move the motion that the Audited Financial Statements tabled here today be adopted as a true record of the financial transactions of the Association for the year ended 31 December 2020 and the Treasurer be instructed to prepare and lodge the 2021 Annual Return to the Department of Fair Trading. Do I have a seconder?