



**VICTORIAN
AIDS
COUNCIL**

GAY MEN'S HEALTH CENTRE 2005-06

STATEMENT OF PURPOSE

The Victorian AIDS Council was formed in 1983 as the central part of the Victorian gay community's response to HIV/AIDS.

In 1986 the Gay Men's Health Centre was formed to address the broader health needs of the gay community. Together, the Victorian AIDS Council and Gay Men's Health Centre work to confront the continuing challenges of the HIV/AIDS epidemic and, increasingly, the gay community's broader health concerns.

Our core work aims to preserve the independence, dignity and health of people with HIV/AIDS and to reduce the transmission of HIV.

We are committed to social justice and social change. Since our inception we have been a strategic partner of government, hospitals and other service providers.

Our effectiveness and inspiration come from the hard work and dedication of our volunteers and paid staff, who are men and women of many backgrounds, and from the ongoing support of the communities we serve.

AWARDS

PRESIDENT'S AWARD -- GAY AND LESBIAN HEALTH VICTORIA

The President's Award for 2006 goes to Gay and Lesbian Health Victoria in recognition of their work as the world's first health resource unit for gay, lesbian, bisexual, transgender and intersex people. Since the Victorian government announced the establishment of GLHV in December 2003, Anne Mitchell and her small team have achieved a remarkable amount with modest funding including establishing the GLHV research and information Clearing-house, developing resources and training in GLBTI issues for health care providers and organisations, developing and piloting a sexual diversity audit for health care providers, developing health resources for GLBTI communities, and publishing and presenting papers on GLBTI health issues. GLHV is now an important and valued partner of many GLBTI organisations in Victoria and daily adds value to and supports their work.

GAY AND LESBIAN COMMUNITY AWARD -- JOY MELBOURNE

We have recognised JOY Melbourne's work by awards in the Media category in 1998/99 and in 2001/02. This award celebrates and acknowledges JOY's role as part of the diverse GLBTI communities in Melbourne and the entry point they provide us for the work we do with these communities.

Since its inception in 1993, and particularly since it gained a full-time licence in 2001, JOY has entrenched its place as a partner of GLBTI community organisations in Victoria. It is a fundamental partner in the work of all parts

of VAC/GMHC and this award recognises the ongoing contribution of the newsroom, individual program producers and presenters and the JOY volunteers to our work.

GENERAL COMMUNITY AWARD -- THE CAST AND CREW OF THE SECRET LIFE OF ARSE

Throughout 2006, a group of Australia's leading comedians and radio personalities worked around their existing heavy schedules (including everything from hosting breakfast radio to appearing in their own Comedy Festival shows) to bring to life twenty episodes of The Secret Life of Arse, a radio serial created by the VAC/GMHC Health Promotion team using a new medium for HIV prevention and other gay men's health promotion messages.

Our thanks go to the extremely gifted team of Andrea Powell, Judith Lucy, Denise Scott, Adam Richard, Wes Snelling, Tim Nicholson, Virginia Trioli, Nancy Cato, Benny 'Two Fat Lattes' Mazzullo, Scott 'Comedy Inc' Brennan, and Catherine 'Water Rats' McClements. Particular mention must also be made of the project's sound engineers, Geoff Spurrell and Patrick van der Wers who performed magic on the recording and mixing desk.

MEDIA AWARD -- GREG DYETT, SBS RADIO WORLD AIDS DAY PRO- GRAM 01 DECEMBER 2005

This award recognises the outstanding program prepared by Greg Dyett and presented by SBS Radio to mark World AIDS Day 2005. The program provided a balanced and comprehensive report

on HIV in Australia, in the Asia Pacific region and in those countries that make up a significant proportion of SBS Radio's audience. The program was characterised by meticulous research and managed to combine both a presentation of the latest HIV data with an approach that humanised the figures and emphasised that behind the statistics were people whose lives were affected by their acquisition of or contact with HIV.

MEDIA AWARD -- JOSEPHINE CAFAGNA 'CONDOM VENDING MACHINES IN PRISONS' STATELINE, ABC TV BROADCAST 14 JULY 2006

This award recognises the outstanding program on condoms and prisons prepared by Josephine Cafagna and broadcast by ABC TV on Stateline on 14 July 2006. The program raised the intractable issue of condom availability in Victorian prisons that, despite several reports and recommendations dating back to the mid 1990s, is still no closer to being implemented in Victoria. The program contained inputs from a range of sources and made it plain that this is a public health issue that can no longer be ignored. The program was also timed perfectly to enable VAC/GMHC to raise this issue with the Departments of Health and Corrections in the run up to the International AIDS Conference in Toronto where the issue of condoms and prisons was a key focus of international efforts to identify and reduce HIV vulnerability.

VAC/GMHC SPECIAL SERVICE AWARD -- BRYAN COLLYER

Bryan Collyer has been a volunteer with the VAC/GMHC Community Support Program for nine years. He has made an outstanding contribution to our work as a volunteer with, and then as area coordinator of, the former South Support group and, more recently, as transport coordinator for the CSP Southern Region. As coordinator, Bryan has shown great sensitivity in matching clients with appropriate volunteers and alerting staff to any issues that arise for clients. The Community Support Program relies heavily on skilled volunteers like Bryan and his efficiency and dedication are an inspiration.

VAC/GMHC SPECIAL SERVICE AWARD -- DON MCGOVERN

For the past two and a half years, Don McGovern has been a stalwart volunteer at the PLC every Tuesday and Thursday, often doing those jobs that nobody else wants to do. In particular, Don has traveled to Foodbank each week to collect the supplies for our pantry service that provides food to more than 90 people each fortnight. Don has also been a long-term Red Ribbon volunteer and has helped out in other VAC/GMHC programs. We would be unable to provide many of our services without the ongoing dedication of volunteers like Don whose contribution to the organisation has been outstanding.

VAC/GMHC SPECIAL SERVICE AWARD -- MARK TRABSKY

Mark Trabsky has been a volunteer with the HIV/AIDS Legal Centre for more than two years and has played a key role in its survival and future viability, in restructuring the way HALC operates, and in training new legal volunteers. Despite being a final year law student with major demands on his time, Mark volunteers for HALC each week to screen appointments, roster HALC volunteers, provide sensitive support to HALC clients, and deal with the multitude of issues that arise in an unfunded community legal service. Mark's enthusiasm, humour, intelligence and passionate commitment to social justice have made him an outstanding young volunteer.

RESEARCH AWARD -- NATIONAL CENTRE IN HIV SOCIAL RESEARCH & NATIONAL CENTRE IN HIV EPIDEMIOLOGY AND CLINICAL RESEARCH -- MELBOURNE GAY COMMUNITY PERIODIC SURVEY

The National Centre in HIV Social Research and the National Centre in HIV Epidemiology and Clinical Research have conducted seven Melbourne Gay Community Periodic Surveys -- in 1998 and then annually since 2000. The Periodic Survey provides a snapshot of sexual and HIV-related practices among gay and homosexually active men and is funded by the Victorian Department of Human Services. This research provides our Health Promotion team with valuable information about trends in HIV and STI risk behaviours and underpins all of our work in this program.

This award recognises the significant contribution to our work made by Paul Van de Ven, Clive Aspen, Patrick Rawstorne and Peter Hull who have worked on the surveys for the NCHSR, by Garrett Prestage who has worked on all the surveys for the NCHECR, by the VAC/GMHC volunteers who worked on the seven survey teams and by the thousands of Victorian gay men who have provided data to the survey teams.

LIFE MEMBERSHIP -- JON WILLIS

Jon Willis has made an outstanding contribution to the governance of VAC/GMHC since he was first elected to the Board in 2000. After serving two terms as an ordinary Board member, Jon served as Treasurer in 2002/03, President in 2003/04, and Vice President /Secretary in 2004/05 and 2005/06. Jon has brought to the Board the commitment to the wellbeing of people living with HIV/AIDS, the wry sense of humour and the fierce intellect that has characterised his work at the Australian Research Centre in Sex, Health and Society. Jon's analytical skills and his ability to identify quickly the fundamental issues for action have proved invaluable to the Board's work as the political and funding environment has grown more complex.

Jon's achievements as an HIV/AIDS activist, an academic researcher and a very effective advocate for people living with HIV/AIDS and Aboriginal and Torres Strait Islander people have brought a depth and a richness to the Board's deliberations and more than merit the awarding of the organisations' highest honour -- the award of Life Member.

PRESIDENT'S MESSAGE

Kevin Guiney

PRESIDENT'S MESSAGE

Kevin Guiney



It's at a time like this we need to look back at the 25 years of this hideous pandemic and take stock of where we've been, where we're at and where we want to go.

VAC/GMHC was established as a robust community based organisation over 20 years ago with a strong connection to the gay and to a lesser extent lesbian communities. That connection is still strong but it seems that, as AIDS is no longer the death sentence it used to be, many seem to think everything is okay and positive people can just go about their business, return to work and get on with their lives.

Stigma and discrimination are still major obstacles to HIV positive people living a normal life. And it's not just out there in the wider community. It's also amongst our own gay and lesbian community that we are told to 'Get over it! Every - thing's okay.' In fact nothing could be further from the truth. Unfortunately, there are still a large number of gay men being diagnosed with HIV in Victoria every year. Why is this so? I, and all of my colleagues, wish we knew why.

What's going wrong? In the early days of the epidemic, gay men sat at the table as equals to discuss issues and make the decisions about our HIV/AIDS education and prevention, our care and support and the infrastructure needed to provide a sustained response. That isn't happening any more. Too often at a state and national level our involvement is only given lip service.

On an international level, gay men are even more invisible. For example the United Nations Special Declaration in 2001 omitted gay men and men who have sex with men, sex workers and drug users and called them 'at risk populations' and 'vulnerable groups'. Then again at the UN High Level Meeting in 2006, to review what progress had been made, the same language was used.

We need to work on our partnerships in our dealings with our local communities and in particular our dealings with government. In fact we need to revitalise our HIV positive community and our links with the gay community to try to halt the increase in infections in Victoria.

The challenges ahead won't be easy. How do we re-engage with gay men who are suffering from 'safe sex fatigue'? How do we engage with young gay men who didn't live through the horrible times of the 80s and early 90s before better therapies become available? The work at VAC/GMHC is always ongoing. There are always plenty of challenges facing us in our work. Let's get on with it.

On a more personal note, I would like to take this opportunity to thank all the other 8 board members for their enormous contribution over the last year. It has been truly remarkable and an inspiration. In particular, I would like to thank Mike Kennedy, our Executive Director, for his tireless work.

EXECUTIVE DIRECTOR

Mike Kennedy

Achievements

- DHS progress with development of Victorian Gay Men's HIV Prevention Strategy
- Finalisation of GMHC Employment Agreement
- Acceptance of two oral presentations for 2006 Toronto International AIDS Conference

Challenges

- The ongoing rises in HIV and STI diagnoses in gay men and other men who have sex with men
- Meeting service demands within ongoing budget constraints

EXECUTIVE DIRECTOR

Mike Kennedy



The continuing rises in diagnoses of HIV and STIs in gay men and other men who have sex with men in Victoria present VAC/GMHC with its most significant challenge across all program areas.

From slightly more than 300 new HIV diagnoses a year in 1990, the numbers declined steadily through the 1990s to a low of 140 cases in 1999. New diagnoses rose sharply to 218 in 2000, and 233 in 2002, before falling slightly to 225 in 2003 and 223 in 2004. Last year we saw another sharp increase to 286. The first six months of 2006 have recorded 174 new HIV diagnoses and unless there is a turnaround in the second half of the year, we are facing annual HIV figures of more than 300 again as we did in the first decade of the epidemic.

This rise in HIV diagnoses has been accompanied by rises in diagnoses of sexually transmissible infections in gay men and the link between STIs and HIV transmission is now well established. Melbourne is not the only place in the gay world that is seeing this pattern. At the recent satellite meeting on gay men's HIV prevention, that preceded the International AIDS Conference in Toronto, delegates from a number of cities with large established gay communities reported similar increases. What emerged from those discussions was that the rises probably have multiple, interrelated causes and will need multiple, interrelated responses.

In this respect, HIV is no different from other health promotion challenges. We have sophisticated, well funded, integrated responses to the challenges of smoking and tobacco control, obesity, and sun protection. Yet our response to HIV to date has been uni-dimensional, poorly funded and not well integrated.

The challenges posed by the rises are not confined to health promotion. Our lobbying and advocacy work with government has focused on developing the political will to fund an appropriate, integrated response and we have had some success in this area as outlined in more detail in the Board section of this annual report.

Rises in HIV diagnoses and the very satisfying decline in the AIDS death rate that has resulted from advances in antiretroviral therapy have contributed to significant growth in the number of people living with HIV/AIDS, which puts added pressure on our care and support services. The Community Support Program, the Positive Living Centre, Counselling and the Centre Clinic have all experienced both an increase in demand since 2000 and an increased diversity in the sorts of services people now require. The case for better service planning and better integrated services across the HIV sector is a compelling one in this area of our work.

VAC/GMHC is in a strong position to respond to these challenges, with a President and a Board that are highly engaged in framing a strategic response to guide the work of an incredibly able management team and committed paid staff and volunteers. Our broad range of community partners continues to provide remarkable assistance. Thank you all for your amazing contribution this year and into the future.

BOARD REPORT

Unlike many community based organisations that have difficulty in recruiting Board members, VAC and GMHC again had contested elections for Board positions this year.

The 2005-06 Board was Kevin Guiney (President), Jon Willis (Vice President/ Secretary), Mark McColl (Treasurer), Greg Iverson (PLWHA Victoria rep) [Absent], Val Sands, Mark Saunders [Absent], Jack Graham, Andrew Higgs, Grant Davies, Kylie Johnston (staff rep) and Mike Kennedy.



BOARD REPORT

BOARD WORK PLAN

As in previous years, the Board met together for a day early in the year to plan its work program. Monitoring the progress of this work plan becomes a standing agenda item for Board meetings for the remainder of the year. A Board Briefing Paper accompanies all substantive matters that go to the Board for consideration and the Board considered twenty such papers this year.

As in previous years, the Board established a range of committees to assist it in its work. This process enables the committees to work through a level of detail that would be impossible at a Board meeting and has the added benefit of enabling the Board to draw on a wider pool of expertise to progress its work. The committees this year were the Finance Committee, the Strategic Directions Committee, the Research Promotion and Ethics Committee, the Political Organising Strategic Development Committee, the Policy Strategic Development Committee and the Fundraising and Marketing Strategic Development Committee.

The Board extends its thank to all of the external members who assisted its work by participating as committee members this year.

FINANCIAL REPORTS

The year was another tight one financially for the organisation with a modest surplus being generated from periods when staff positions were unfilled while recruitment action was underway. The issue of CPI payments from the Department of Human Services remains a contentious issue. "Commonwealth funded" programs like ours are paid the indexation figure the State actually receives from the Commonwealth under the Public Health Outcomes Funding Agreement – a figure that this year was 0.65% less than the indexation figure paid to "State funded" programs. The one year shortfall amounts to almost \$18,000 but the cumulative effect of this differential treatment over time is considerable.

At a time when HIV notifications are increasing in Victoria and the consequent demand for our HIV prevention and care and support services is growing, the application of this indexation differential makes it even more difficult to meet the growing demand for services.

RELATIONS WITH GOVERNMENT

While VAC/GMHC's relationship with the government and the department remains fundamentally sound, several issues that arose this year have put some strains on that relationship.

Early in the year senior departmental staff asked VAC to withdraw an outdoor advertising campaign promoting the availability of post-exposure prophylaxis and sought to apply some pressure for us to comply with that request. The Board took the view that the campaign was appropriate, that VAC/GMHC had

involved appropriate levels of consultation with the department in the campaign's development stages, and declined the request to withdraw the campaign. The resolution of this dispute saw the campaign funding extended to incorporate a second PEP billboard, and the two images then ran in tandem for the remainder of the campaign. The Department is now formulating a protocol for campaign approvals.

Late in 2005, the department circulated a discussion paper outlining proposed changes to the Health Act 1958 with a very short time allowed for public submissions. VAC/GMHC and most parts of the HIV sector in Victoria expressed strong opposition to several of the proposed changes, including a return to named HIV notifications, an increase in the powers of the contact tracers (including the right to compel medical practitioners and other service providers to provide information about clients despite any statutory or professional requirement to maintain confidentiality), an expansion of the current provisions relating to compulsory testing orders, and the removal of the existing requirement for pre-test counseling for an HIV test.

In response to the levels of concern that were expressed, the Health Minister announced that de-identified HIV notifications would remain in place and the existing pre and post-test counseling requirements would not be changed. It is now clear that the new Public Health Bill will not go to the Parliament before the election due in November 2006 but it is unclear

whether, when the Bill is eventually introduced, it will still include provisions that the sector would find unacceptable.

Finally, our lobbying efforts for a more strategic approach to planning and funding in the HIV sector in Victoria seem to be paying off. The department has agreed to a project to develop a model of care and access pathways across all dimensions of HIV care and support provision. This work will commence in the second half of 2006. Work has also commenced on the development of a Gay Men's HIV Prevention Plan and this work should be complete by the end of 2006. The Minister has also announced more than \$1 million of new money for 2006-07 to be recurrent in 2007-08 to scale up the HIV prevention response in Victoria. This additional funding should also mean that there will be money to implement the Gay Men's HIV Prevention Plan once it is finalised.

COUNSELLING SERVICES PROGRAM

"This workshop helped to put me in touch with what has been going on inside. It was a fascinating, moving and extraordinarily helpful experience and a perfect opportunity for gay men with anxiety to grow together, in the care of VAC's staff, amazing and wonderful things happen".

COMMENT FROM VAC COUNSELLING SERVICES ANXIETY GROUP PARTICIPANT.

- VAC/GMHC Counselling Services works to preserve the dignity, independence and health of people living with HIV/AIDS, to prevent the spread of HIV, as well as addressing a variety of issues relating to Gay, Lesbian, Bisexual and Transgender (GLBT) communities, through counselling and education. Counselling Services provides counselling by working with individuals, couples and groups
- Counselling Services is made of a team of 45 people which includes three paid staff, 14 volunteer counsellors, 13 interns, eight supervisors and four students on placements
- Ongoing training, supervision and professional development is offered to all Counselling Services volunteers, interns and students to ensure the best services are provided to clients
- Counselling Services provides individual and couple counselling to more than 80 members of the GLBT community per week
- The development of a therapeutic groups program has been a focus for Counselling Services in 2005-2006

COUNSELLING SERVICES PROGRAM

Nicci Rossel -- Manager



Therapeutic groups can provide an extremely supportive environment for clients to deal with a range of complex issues and are one of the ways the Counselling Program is addressing the continuing challenges of the HIV/AIDS epidemic and the needs of the gay community. Therapeutic groups that have been facilitated in 2005--2006 include a Negative Partners Group, three Anxiety Groups and a Revisioning Group.

ANXIETY GROUP

The development of an anxiety group has been timely and reflects a high need for this type of counselling in the community. Anxiety is an increasing issue within the GLBT communities and is often hidden and not spoken about or understood. For some people it's a fear of spiders, for others, a trip to the supermarket can be a frightening experience. Some people may obsess over germs and experience a compulsion to continually wash their hands. For many it is an experience of panic, a feeling of impending doom. While at its extreme some people find that leaving their house becomes impossible, for most it is a general sense of nervous tension. What these people and millions of other Australians are living with is ANXIETY. Australian research indicates that four in ten people experience an anxiety disorder at some stage in their lives, while one in ten are living with an anxiety disorder at any one time, so it's a significant issue in the community.

Over time, constant anxious feelings can lead to the development of an anxiety disorder, panic attacks, phobias, and many other conditions such as depression, physical health problems, eating disorders, drug and alcohol dependency and suicidality. The cost to the community is exorbitant, while the impact on the individual is devastating and disrupting to the personal, emotional, social, physical and occupational areas of their life. Despite the fact the anxiety symptoms can be effectively treated, most people with anxiety do not access treatment. For gay men, therapeutic groups can provide the perfect environment to explore the relationship between self-esteem and anxiety. The VAC/GMHC anxiety groups have proved effective in managing anxiety and reducing unhelpful and unhealthy coping strategies which have had a detrimental impact on many aspects of gay men's lives.

CLIENT EVALUATION SURVEY

Counselling Services is 'Extremely professional, highly supportive and respectful and a very validating and affirming experience. I am very grateful for the experience'

FEEDBACK FROM COUNSELLING SERVICES CLIENT.

Counselling Services, has over the past few years, worked to create an effective tool to both qualitatively and quantitatively measure program efficacy. Previously, Counselling Services relied on anecdotal evidence to gauge its effectiveness and to inform how best to improve its services.

Feedback via a client evaluation survey has highlighted the high regard held for the Counselling Services Program and indicated that it provides an advanced level of counselling expertise in relation to HIV and GLBT communities. This was concluded from the participants' responses which stated that Counselling Services is 'GLBT friendly, the best point of reference for counselling in HIV/AIDS and is needs specific and non-judgemental'.

The client evaluation survey findings support the prognosis that there is a need for HIV/AIDS specific counselling within GLBT communities. When a counselling service is sensitive to, and has a knowledge of, key issues affecting a client there is likely to be a better counselling outcome for that client. Counselling Services will continue to evaluate its services as a way of ensuring high quality counselling for GLBT communities.

HEALTH PROMOTION PROGRAM

- Rises in HIV and STI Diagnoses
- PEP Campaign
- Volunteer Outreach to SOPVs
- Future engagement

HEALTH PROMOTION PROGRAM

Colin Batrouney -- Manager



This year we saw a 19 percent increase in HIV diagnoses in Victoria together with significant rises in Sexually Transmitted Infections (STIs) other than HIV-- underlining the importance of regular sexual health checks for homosexually active men. The most concerning aspect of the rises in HIV infection is the fact that the majority of new HIV notifications in gay men are in the age group 30--39. The people in this age group have lived through the epidemic and, one would assume, been exposed to most safe sex campaigns implemented in the last 20 years. Answering the question as to why these people are putting themselves at risk is perhaps our biggest challenge in HIV prevention for gay men.

2005 saw a significant campaign initiative from the Health Promotion Program in collaboration with The Alfred Hospital to promote awareness around post-exposure prophylaxis (PEP). The campaign, which was launched in August 2005, included a range of print materials, fridge magnets and, in a first for the program billboards. The campaign's success has been measured in increased calls to the Alfred Hospital PEP 1800 line, hits to the VAC/GMHC www.getpep.info website and, most importantly the provision and dispensing of PEP to people who need it.

This year has also seen the Outreach Project move towards being predominantly staffed by volunteers. Over the course of the last 12 months the Outreach Project workers have recruited and trained more than 20 volunteers. These volunteers have been trained to work in sex on premises venues (SOPV) all over the Melbourne metropolitan area, to provide patrons with information about safe sex, risk and PEP. The outreach team has also conducted a number of education updates for staff and management of SOPV on a broad range of issues from the risks association with bondage and fisting to STI prevention.

One of the biggest challenges we face in prevention is ascertaining how best to engage people on issues related to sexual health and HIV after more than 20 years of HIV education. We think that part of the answer lies in us gaining an understanding of how HIV and sexual health fits into the lives of gay men now. We understand that gay men are not an homogenous group and demonstrate varying degrees of community engagement. What we, VAC/GMHC, consider to be important may be on the periphery for many homosexually active men. What can we do about this? Part of the answer is going back to basics and attempting to engage people where they are at, emotionally, geographically and sexually, finding ways to make our messages not only relevant but engaging, so that our work becomes more like an exchange and not an imposition. If we can move in this direction our work will remain dynamic and effective.

HIV SERVICES PROGRAM

The Positive Living Centre (PLC)

- 890 members (93% male, 6% female, 1% transgender)
- 12,000 visits by members
- 4900 dinners served
- 855 people attending North and South Drop In
- 3000 pantry visits
- 14 Peer Support Groups conducted, 105 participants
- 269 HALC clients directly assisted, with 230 external referrals
- 512 Fresh contacts
- 404 Complimentary Therapies appointments

Health Coach Pilot Project

- 13 clients recruited for the project- health related goals identified
- 22 training opportunities were provided to participants
- Collaborative relationships strengthened with clinical, allied services and local businesses

The Community Support Program (CSP)

- 75 clients at any given point, with 101 clients supported over the year
- RDNS/CSP Partnership Agreement signed
- Two newly appointed Client Support Officers
- Pilot project providing monthly day trips for the most socially isolated CSP clients
- Revitalising volunteer Key Performance Indicators to better challenge, engage and utilise volunteer skills

The David Williams Fund (DWF)

- 1324 requests for emergency financial assistance
- \$159,972 in requests
- \$106,322 dispersed in response to requests
- \$57,000 donated by MAC Cosmetics; a vital community partner
- Increasing demand for assistance outstripping the funding available

HIV SERVICES PROGRAM

John Hall -- AG Manager



The HIV Services Program continues to see increased demands upon the services and activities undertaken at the Positive Living Centre and within the Community Support Program. This is perhaps totally understandable as more and more people are living with HIV, and are being impacted upon by poverty, isolation, discrimination and stigma. Whilst complex support needs are increasingly evident, we are able to respond to the diverse issues confronting many people living with HIV/AIDS, despite the funding limitations.

POSITIVE LIVING CENTRE

'...out of all the services offered at the PLC, I find the most valuable is the patience of the staff who are always available to listen...'

PLC Membership has steadily increased over the past year to just under 900, with, on average, seven new members joining each month.

A noticeable change is the growing pressure on nutritional services, with increased demand for breakfast, brunch and dinner services. Up to 65 people arrive for an evening meal, which is an increase of approx 40% since we commenced the service in 2002. Demands on the pantry service are also at an all time high, with emergency requests becoming a regular feature. Four member services forums have been conducted over the last year, which provides an opportunity for ideas to be canvassed, suggestions to be considered and openly discussed with feedback provided on any changes.

HEALTH COACH PILOT PROJECT

'...Its hard to tell what will happen as it is a pilot program, but I think it has been marvelous and even if nothing else happens I am not smoking and that makes me very happy...'

An exciting initiative is the (pilot) Personal Health Coach project, which has seen 13 people participate in phase one. It is designed to build sustainable skills for positive people by identifying and applying healthy living strategies. Clients identify health related goals and work towards these under the guidance of the coach. Phase two is about to begin with 16 new participants.

THIS PROJECT IS CO-FUNDED BY PLWHA VICTORIA.

COMMUNITY SUPPORT PROGRAM

'...it's great to have something special to look forward to...just to be with each other, sharing and caring...'

At any given point, the three Client Support Officers (CSOs) in the CSP, utilise approximately 100 trained and highly skilled volunteers to provide support to 75 clients, via comprehensive management plans.

The Client Support Officers are examining ways to further develop roles for CSP volunteers and have recently piloted a project actively targeting the most isolated CSP clients. CSOs and volunteers have facilitated these outings, which have effectively engaged those clients who would not usually participate in any social situation or group activity.

CSP has always valued the collaborative working relationship with the Royal District Nursing Service (RDNS) and VAC/GMHC and RDNS have duly signed a Partnership Agreement. This underpins clinical expertise in our training program and also delivers best care practices in the community to our shared clients. This now totals nearly 50% of our client base. The RDNS is, in every sense, the clinical arm of the CSP.

Whilst the majority of CSP clients are in relatively stable health, we still receive referrals from people who are seriously ill and require intensive support from staff and volunteers. This demanding one on one support is balanced against the broader social and practical support for our isolated clients.

DAVID WILLIAMS FUND

'...such a simple thing for most people (a new mattress and doona) but such a precious gift for me can bring peace of mind and a good nights sleep...'

Demand for David Williams Fund financial assistance continues to grow, reflecting the financial difficulty faced by many people living with HIV/AIDS. Food voucher requests are the largest component, totaling 819, white goods next with 96 requests and then utilities with 66 requests.

IN-HOME SUPPORT PROGRAM

- 7 clients case managed
in supported housing
- 18 outreach clients supported and
maintained in their own homes
- 6084 hours of paid attendant care
provided for these 25 clients
- 1144 transports provided
- IHSP Committee of Management
maps program's future direction

VAC/GMHC Note

By agreement with the Department of Human Services, VAC/GMHC auspices the In-Home Support Program (IHSP) as the Department cannot directly fund an unincorporated organisation.

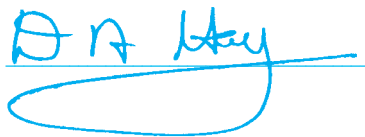
VAC holds the funds from DHS on behalf of the program and provides financial and HR services to the program.

The IHSP Committee of Management provides the Program's governance.

Positive Living Centre 51 Commercial Road Prahran Victoria 3181
Phone 1800 622 795 or 03 9863 0444 Fax 03 9820 3166

IN-HOME SUPPORT PROGRAM

Don Hay -- Co-ordinator



'... knowing that I am secure in my accommodation and have the ongoing support of the co-ordinator and my attendant carers, has decreased my stress levels hugely. I am happier, more in control of my life and my physical and mental health have improved greatly ...'

The IHSP celebrates its tenth year in 2006. Over this time IHSP has ensured ongoing assistance for those people who, as a result of HIV/AIDS, require a high level of home care. The objective is to enable these individuals to remain in their own home and community environment, and to support them to realise good health outcomes and to maintain their independence. With a total of 25 clients requiring various degrees of intensive support, it is considered that the program is operating at capacity.

Currently seven clients, identified as having complex needs, reside in properties managed by Supported Housing Ltd. These clients are all case managed by the IHSP Co-ordinator who is the only paid staff member of the program. Depending on the extent of physical and/or cognitive impairment, paid attendant carers from Disability Attendant Support Service Inc. (DASSI), are rostered to provide an appropriate level of assistance for activities of daily living. This is undertaken in accordance with the client's care plan. Additionally, a further eighteen 'outreach clients' are supported via paid attendant care arranged by the IHSP Co-ordinator. This is in keeping with IHSP's key objective which is to support people to reside in their own homes for as long as possible. Collaborative care arrangements have been established with other agencies to effectively support these clients. It remains the responsibility of those agencies to ultimately manage the identified goals and outcomes for the outreach population. The paid attendant care model allows for a wide variety of practical activities to be undertaken, which can complement other services more suited to a volunteer service. This care model includes assistance with house and property cleaning and maintenance, and provides a greater degree of flexibility to meet transport needs.

Vital working relationships with key agencies continue to be developed and enhanced. People Living With HIV/AIDS Victoria (PLWHA Victoria), The Royal District Nursing Service (RDNS), AIDS Housing Action Group (AHAG), Victorian AIDS Council/Gay Men's Health Centre (VAC/GMHC), The Royal Melbourne Hospital and The Alfred Hospital all play an important role in the life of both the Program and its clients. Whilst acknowledging the complexities facing the clients, many are now considered to be in stable or improving health as a result of intensive and collaborative approaches.

Throughout this financial year the Committee of Management, which is comprised of representatives from both the community and clinical sector, have been considering future directions and options for the Program. The funding body, DHS, has requested that the Committee consider integration or the amalgamation with another service provider. Consequently, this proposal is currently being examined, and will be subject to further discussions.



CENTRE CLINICS

- Model of care streamlines new and emerging complexities in health care for PLWHA
- Antiretroviral therapy, for treatment naïve patients, becoming simpler and safer
- New epidemics of sexually transmitted infections, particularly syphilis.
- New medical challenges balanced against the human side of HIV

The Centre Clinic Rear 77 Fitzroy Street St Kilda Victoria 3182
Phone 03 9525 5866 Fax 03 9525 3673 www.viccids-asn.au

CENTRE CLINICS

Nick Medland -- Clinic Director



25 years of HIV presents us with new challenges, old challenges complicated by the passage of time, and challenges swollen by the growing epidemic.

Much debate has raged over the past year about the rise in the complexity in health care needs of people living with HIV. It is not clear whether this reflects the maturation of the post-HAART era in which complex needs that may always have been present are being appreciated for the first time, or whether the spectrum of lives affected by HIV, from perfect health to illness or disability, really has sprouted new dimensions. What is clear, however, is that being a good HIV doctor in 2006 requires more than a good heart and a clear mind.

But new problems bring new tools. The Centre Clinics have increasingly been working to a Model of Care. While avoiding the trap of formularising, acute attention to detail is essential in detecting and avoiding complications, comorbidities, cardiovascular problems and mental health challenges. Perhaps most importantly, we don't allow this new complexity to interfere with the heart of primary health care: the human relationship between patient and doctor.

Antiretroviral therapy, however, appears to be moving in the opposite direction. Once a person starting treatment would be faced with a bewildering range of trade-offs between pill burden, adherence schedules, side effects, antiviral potency and meal restrictions. Today once daily fixed dose combinations are now commonplace and two or three pills a day is the rule rather than the exception. The sexual health of PLWHA and gay men has been a pillar of the work of the VAC/GMHC Centre Clinics.

The challenges here, too, are substantial and evolving. Syphilis, once known in this part of the world from text books, is now common place and enjoying an exponential rise. New guidelines and formularised testing procedures are being implemented across the board.

Sexual Health and HIV medicine are increasingly looking like medical specialties, and in fact many of the clinic's doctors are involved in sexual health and HIV specialist training programs. A new challenge, should the complexity of HIV and sexual health indeed move beyond the reach of many primary care general practitioners, will be to protect the client focused community-service culture which has been the heart and soul of VAC/GMHC Centre Clinic's success. HIV remains a human challenge first and foremost and thereafter medical, scientific, social or political.

HIV remains a challenge of generous proportions. The response to it remains peopled by dedicated and committed individuals. 'Obligations and the ability to fulfill them are gifts from God,' former US President Bill Clinton told the International AIDS Conference in Toronto

this year. 'We are fortunate to live in a time when we have the opportunity to meet our obligations'. He echoes Robert Kennedy's speech in South Africa in 1966 in which he referred to the curse 'May you live in interesting times'. A challenge is an opportunity for individuals, communities and societies to show who they really are.

STRATEGIC DEVELOPMENT & ALLIED SERVICES PROGRAM

- Encourage, facilitate and promote volunteer participation
- Provide sound policy advice and advocacy related to HIV/AIDS
- Foster sponsorship partnerships and identify innovative fund-raising strategies
- Ensure legal & statutory obligations are met
- Material resource upgrades and maintenance

SDAS is a support and management Program that provides essential organisational and infrastructure support. Its functions are pivotal to ensuring the ongoing whole-of-organisation work of VAC/GMGHC.

STRATEGIC DEVELOPMENT & ALLIED SERVICES PROGRAM

Fiona Tunley -- Manager



Currently VAC/GMHC has 300 volunteers working within the organisation – 85% of the VAC/GMHC workforce! Volunteer work interfaces with the key response areas of the organisation including care and support, health promotion, policy and strategic planning. Volunteer training and support provide an enabling environment for volunteers to do this work.

This year VAC/GMHC has focused on a number of projects to encourage volunteer engagement. These include: the creation of a quarterly volunteer newsletter, a National Volunteers Week event, convening a Volunteer Reference Group, implementation of formal volunteer supervision and support mechanisms, revision and creation of volunteer policy, and a revision of volunteer recruitment and induction processes.

The organisation has been re-positioned as a professional fundraising organisation, developing capacity to seek funding from new and diverse sources, whilst continuing to engage strongly with the communities it serves. This has been achieved by building relationships with new and existing business partners, encouraging third party fundraising and actively seeking philanthropic and community grants. Annual events and appeals have produced increased revenues and new reporting procedures have allowed improved communication with stakeholders and supporters and greater transparency in fundraising activities.

VAC/GMHC continues to provide policy advice and advocates on issues impacting on our community. During the year VAC/GMHC input into the Review of the Health Act 1958, Draft policy paper. VAC/GMHC facilitated a community meeting whereby community groups and individuals were able to meet and input into the HIV, Hepatitis C and communicable diseases sections of the draft policy paper on the review of the Health Act.

Many internal policies were reviewed and/or created. To assist the creation of internal policy development a Policy Strategic Development Committee of the Board was convened – to make recommendations on issues of policy review and development to the VAC/GMHC Board. The aim of the committee is to assist the Board to acquit its role of ensuring that the organisation is operating within an effective policy environment.

Finance and Human Resources management continues to ensure that legal and statutory obligations are met. 2005/2006 saw changes in OH&S legislation and workplace reform – both key considerations for organisational HR management.

Further, the implementation of the new chart of accounts in 2005/2006 has allowed for more strict management of cash flow and budgets. The strict control on finances has ensured the ongoing viability of the organisation and has enabled us to generate a modest surplus for the year.

Building maintenance and infrastructure repairs and improvements were a key focus in 2005/2006. The replacement of the Claremont Street roof required that there be minimal impact on staff output measures while staff were evacuated from the building with essential support and strategy relocating to the PLC for the duration of the repairs.

IT systems, hardware and software upgrades were a priority during the year. Outmoded IT equipment was replaced, as was associated software. In addition the organisation has a greater reliance on Internet services. Eighteen workstations were replaced, the Clinic Server was upgraded and e-mail gateway security software was upgraded to include SPAM filtering.

VICTORIAN AIDS COUNCIL INC. Reg No A3609

BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE 2006

Your Board of Directors submit the financial report of the Victorian AIDS Council Inc. for the financial year ended 30th June 2006.

BOARD OF DIRECTORS

The names of the Board of Directors members throughout the year and at the date of this report are: Kevin Guiney, Jon Willis, Mark McColl, Grant Davies, Valarie Sands, Mark Saunders, Jack Graham, Andrew Higgs, Kylie Johnston, Greg Iverson and Mike Kennedy. John Daye stood down at last year's annual general meeting.

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year was that of providing support, education, and advocacy for all those affected by HIV/AIDS, especially gay and bisexual men.

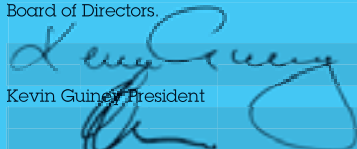
SIGNIFICANT CHANGES

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

FINANCIAL RESULTS

The profit from ordinary activities for the year was \$64,497 (2005 - \$78,068) and no provision for income tax was required as the Association is exempt from income tax.

Signed in accordance with a resolution of the Board of Directors.



Kevin Guiney, President

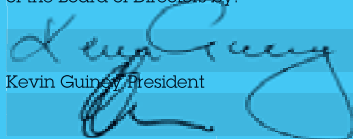
Mark McColl, Treasurer
South Yarra, 21st September 2006

STATEMENT BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2006

The Board of Directors has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Directors the financial report as set out on pages 1 to 4:

- a. Presents a true and fair view of the financial position of the Victorian AIDS Council Inc. as at 30th June 2006 and its performance and cash flows for the year ended on that date.
- b. At the date of this statement, there are reasonable grounds to believe that the Victorian AIDS Council Inc. will be able to pay its debts as and when they fall due. This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:



Kevin Guiney, President

Mark McColl, Treasurer
South Yarra, 21st September 2006

**INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	NOTE	2006 \$	2005 \$
Operating Revenue	2	3,710,707	3,746,677
Operating Expenses		1,453,381	1,527,908
Service Fee Paid to Gay Mens Health Centre Inc. for the provision of staff services and on costs		2,192,829	2,140,701
Profit from ordinary activities	3	64,497	78,068
Retained Profits at the Beginning of the Financial Year		539,890	461,822
Retained Profits at the End of the Financial Year		604,387	539,890

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT

**BALANCE SHEET
AS AT 30TH JUNE 2006**

CURRENT ASSETS			
Cash & Cash Equivalents	4	1,129,753	906,863
Trade & Other Receivables	5	96,310	76,093
Total Current Assets		1,226,063	982,956
NON-CURRENT ASSETS			
Plant & Equipment	6	352,413	354,319
Total Non-Current Assets		352,413	354,319
Total Assets		1,578,476	1,337,275
CURRENT LIABILITIES			
Trade & Other Payables	7	974,089	797,385
Total Current Liabilities		974,089	797,385
Total Liabilities		974,089	797,385
Net Assets		604,387	539,890

MEMBERS' FUNDS

Retained Profits		604,387	539,890
Total Members' Funds		604,387	539,890

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members	4,662	6,407
Core Funding Grant Receipts, Donation & Bequests	3,387,931	3,418,692
Receipts from Sales of Publications & Services	433,124	361,306
Interest Received	15,607	15,291
Payments to Suppliers and Employees	(3,540,584)	(3,461,390)
Net Cash Provided by Operating Activities -- Note B	300,740	340,306
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(88,283)	(62,976)
Net Cash (used in) Investing Activities	(88,283)	(62,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Cash Held	212,457	277,330
Cash at the Beginning of the Financial Year	874,854	597,524
Cash at the End of the Financial Year -- Note A	1,087,311	874,854

NOTE A Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money markets. Cash at the end of the financial year is shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2006 \$	2005 \$
Cash at Bank	1,046,774	824,580
Cash on Hand	1,500	1,550
Interest Bearing Deposits	64,945	61,684
Support Group Bank Accounts	16,534	19,049
Bank Overdraft -- (Unsecured)	(42,442)	(23,648)
Bank Loan -- Re Airconditioning Unit (Unsecured)	--	(8,361)
	1,087,311	874,854

NOTE B Reconciliation of net cash provided by operating activities to profit from ordinary activities
Profit from continuing operations 64,497 78,068

NON-CASH FLOWS IN PROFIT FROM CONTINUING

OPERATIONS:		
Depreciation	90,189	78,438
CHANGES IN ASSETS AND LIABILITIES:		
(Increase)/Decrease in Trade and Other Receivables	(20,217)	142,974
Increase/(Decrease) in Trade and Other Payables	166,271	40,826
	300,740	340,306

THE ASSOCIATION HAS NO CREDIT STAND-BY OR FINANCING FACILITIES IN PLACE. THERE WERE NO NON-CASH FINANCING OR INVESTING ACTIVITIES DURING THE PERIOD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic) 1981.

The Board of Management has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981 and the following Australian Accounting Standards:

- AASB 101 -- Presentation of Financial Statements
- AASB 107 -- Cash Flow Statements
- AASB 108 -- Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 -- Events Occurring After Reporting Date
- AASB 112 -- Income Taxes
- AASB 116 -- Property, Plant & Equipment
- AASB 117 -- Leases
- AASB 118 -- Revenue
- AASB 1031 -- Materiality

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets. The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

A. GRANTS RECEIVED

Grants received have been allocated proportionately over the period covered by the grant and brought to account as income accordingly.

B. MEMBERSHIP SUBSCRIPTIONS INCOME

In accordance with generally accepted accounting principles for similar organisations, membership subscriptions are accounted for on a cash receipts basis.

C. PLANT AND EQUIPMENT

Each class of property, plant and equipment are included at cost less depreciation and impairment losses or at independent valuation.

The carrying amount of plant and equipment is reviewed annually by the board to ensure that it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets including buildings and capitalised leasehold improvements is depreciated on a diminishing balance value over their useful lives to the Association commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate %
Plant & Equipment	6
Office Furniture	6.6
Motor Vehicles	25
Leasehold Improvements	10
Computer Equipment	20

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained profits.

D. INCOME TAX

The association has been granted exemption from income tax under Section 50-15 of the Income Tax Assessment Act 1997, as amended.

E. LEASES

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

	2006	2005
	\$	\$

2. OPERATING REVENUE

Bequests, Fundraising & Sales	179,740	184,534
Donations	147,006	303,858
Fees Received	397,669	356,264
Grants Received	2,930,568	2,875,281
Interest Received	15,607	15,291
Membership Fees	4,662	6,407
Other Income	35,455	5,042
	3,710,707	3,746,677

3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

CREDITING AS INCOME:

Interest Received	15,607	15,291
-------------------	--------	--------

CHARGING AS EXPENSES:

Interest Paid	258	1,148
Depreciation of Plant & Equipment	90,189	78,438
Auditors' Remuneration		
-- Auditing the Accounts	11,025	10,950
-- Other Services	--	--

2006

2005

\$

\$

4. CASH AND CASH EQUIVALENTS

Cash at Bank	1,046,774	824,580
Cash on Hand	1,500	1,550
Interest Bearing Deposits	64,945	61,684
Support Group Bank Accounts	16,534	19,049
	1,129,753	906,863

5. TRADE AND OTHER RECEIVABLES

Accrued Revenue	912	21,781
Prepayments	14,382	8,593
Sundry Debtors	2,995	1,577
Unsecured Loan -- Gay Men's Health Centre Inc.	78,021	44,142
	96,310	76,093

6. PLANT AND EQUIPMENT

Computer Equipment at Cost	603,288	559,470
Less Accumulated Depreciation	(506,233)	(469,023)
	97,055	90,447
Motor Vehicle at Cost	27,515	29,637
Less Accumulated Depreciation	(2,525)	(22,409)
	24,990	7,228
Leasehold Improvements at Cost	90,870	90,870
Less Accumulated Amortisation	(42,378)	(32,997)
	48,492	57,873
Office Furniture at Cost	600,107	585,329
Less Accumulated Depreciation	(418,231)	(386,558)
	181,876	198,771
	352,413	354,319

7. TRADE AND OTHER PAYABLES

Bank Overdraft -- (Unsecured)	42,442	23,648
Bank Loan -- Re Airconditioning Unit (Unsecured)	--	8,361
Grants in Advance (Unexpended)	327,760	270,074
Project Funds in Advance (Unexpended)	521,167	433,083
Trade Creditors	48,716	33,279
Capital Grant in Advance (Unexpended)	34,004	28,940
	974,089	797,385

8. LEASE COMMITMENTS

OPERATING LEASES,

Rental Properties & Motor Vehicles

Payable -- Minimum Lease Payments

-- Not later than 12 months	56,857	63,498
-- Between 12 months & 5 years	66,532	13,762
-- Greater than 5 years	--	--
Total Lease Liabilities	123,389	77,260

The association has two property leases and eight motor vehicle leases.

The property leases are non-cancellable leases, each with a five year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by CPI. An option exists to renew each lease at the end of the five year term for three additional terms of five years. The leases allow for the sub-letting of all lease areas.

Summit Auto Lease Australia Pty Ltd hold charges over the assets of the association for the operating leases on the motor vehicles.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF VICTORIAN AIDS COUNCIL INC.**

SCOPE

THE FINANCIAL REPORT AND COMMITTEE'S RESPONSIBILITY

The special purpose financial report comprises the income statement, balance sheet, cash flow statement, notes to the financial statements, and the statement by members of the board of directors for the Victorian AIDS Council Inc. (the association), for the year ended 30th June 2006. The board of directors of the association is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the board of director's financial reporting requirements under the Associations Incorporation Act (Vic) 1981.

We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the board of directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE



In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

QUALIFICATION

As is common for organisations of this type, it is not practicable for the association to maintain effective systems of internal controls over donations and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to donations and fund raising was limited to amounts recorded.

AUDIT OPINION

In our opinion, except for the effects on the financial report of the matters referred to in the qualification paragraph, the financial report of the Victorian AIDS Council Inc. presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the Victorian AIDS Council Inc. as at 30th June 2006 and the results of its operations and cash flows for the year then ended.


LOCKWOOD WEHRENS
Chartered Accountants

Andrew Wehrens Partner
Camberwell, 28th September 2006

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AWEHRENS@LOCK-WOOD.COM.AU
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LOCKWOOD WEHRENS - ABN 74 135 421 190
AUDITORS

GAY MEN'S HEALTH CENTRE INC.

Reg No A0010550F

BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE 2006

Your Board of Directors submit the financial report of the Gay Men's Health Centre Inc for the financial year ended 30th June 2006.

BOARD OF DIRECTORS

The names of the Board of Directors members throughout the year and at the date of this report are: Kevin Guiney, Jon Willis, Mark McColl, Grant Davies, Valarie Sands, Mark Saunders, Jack Graham, Andrew Higgs, Kylie Johnston, Greg Iverson and Mike Kennedy. John Daye stood down at last year's annual general meeting.

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year was that of promoting the health and well being of gay and bisexual men.

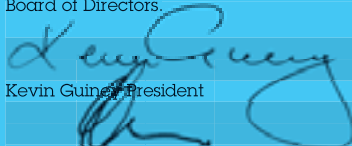
SIGNIFICANT CHANGES

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

OPERATING RESULT

The loss from ordinary activities for the year was \$12,394 (2005 -- \$6,608 profit) and no provision for income tax was required as the association is exempt from income tax.

Signed in accordance with a resolution of the Board of Directors.



Kevin Guiney, President

Mark McColl Treasurer

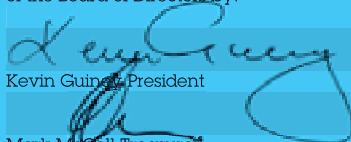
South Yarra, 21st September 2006

STATEMENT BY THE BOARD OF DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2006

The Board of Directors has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board of Directors the financial report as set out on pages 5 to 8:

- Presents a true and fair view of the financial position of the Gay Men's Health Centre Inc. as at 30th June 2006 and its performance and cash flows for the year ended on that date.
- At the date of this statement, there are reasonable grounds to believe that the Gay Men's Health Centre Inc. will be able to pay its debts as and when they fall due. This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:



Kevin Guiney, President

Mark McColl Treasurer

South Yarra, 21st September 2006

**INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	NOTE	2006 \$	2005 \$
Operating Revenue	2	2,198,487	2,155,788
EXPENDITURE			
Audit fees		5,455	5,250
Depreciation		541	860
Interest Expense		108	22
Other Expenses		1,946	2,348
Salaries, Wages and On Costs		2,202,831	2,140,700
		2,210,881	2,149,180
Profit/(Loss) from Ordinary Activities	3	(12,394)	6,608
Retained Profits at the Beginning of the Financial Year		1,088,198	1,081,590
Retained Profits at the End of the Financial Year		1,075,804	1,088,198

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT.

BALANCE SHEET

AS AT 30TH JUNE 2006

CURRENT ASSETS			
Cash and Cash Equivalents	4	253,716	234,228
Trade and Other Receivables	5	499	-
Total Current Assets		254,215	234,228
NON-CURRENT ASSETS			
Property, Plant & Equipment	6	3,621,690	3,292,231
Total Non-Current Assets		3,621,690	3,292,231
Total Assets		3,875,905	3,526,459
CURRENT LIABILITIES			
Trade and Other Payables	7	132,953	107,280
Provisions	8	232,592	226,425
Total Current Liabilities		365,545	333,705
Total Liabilities		365,545	333,705
Net Assets		3,510,360	3,192,754
MEMBERS' FUNDS			
Reserves	9	2,434,556	2,104,556
Retained Profits		1,075,804	1,088,198
Total Members Funds		3,510,360	3,192,754

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 2006

	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	5,159	9,312
Receipts from Customers	2,182,830	2,146,476
Payments to Suppliers and Employees	(2,144,539)	(2,197,346)
Net Cash Provided by/(used in) Operating Activities -- Note B	43,450	(41,558)
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES	--	--
Net Increase/(Decrease) in Cash Held	43,450	(41,558)
Cash at the Beginning of the Financial Year	210,266	251,824
Cash at the End of the Financial Year -- Note A	253,716	210,266

NOTE A Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money markets. Cash at the end of the financial year is shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2006 \$	2005 \$
Cash at Bank	11,169	-
Cash at Bank	2,655	-
Bank Overdraft -- Unsecured	--	(23,962)
Investments	239,892	234,228
	253,716	210,266

NOTE B Reconciliation of net cash provided by/(used in) operating activities to profit/(loss) from ordinary activities
Profit/(Loss) from
Ordinary Activities (12,394) 6,608

NON-CASH FLOWS IN PROFIT

FROM ORDINARY ACTIVITIES:

Depreciation	541	860
CHANGES IN ASSETS AND LIABILITIES: (Increase)/Decrease in		
Trade and Other Receivables	(499)	34,395
Increase/(Decrease) in		
Trade and Other Payables	49,635	(113,047)
Increase/(Decrease) in Provisions	6,167	29,626
	43,450	(41,558)

THE ASSOCIATION HAS NO CREDIT STAND-BY OR FINANCING FACILITIES IN PLACE. THERE WERE NO NON-CASH FINANCING OR INVESTING ACTIVITIES DURING THE PERIOD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic) 1981.

The Board of Management has determined that the association is not a reporting entity. The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981 and the following Australian Accounting Standards:

- AASB 101 -- Presentation of Financial Statements
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- AASB 110 -- Events after the Balance Sheet Date
- AASB 112 -- Income Taxes
- AASB 116 -- Property, Plant and Equipment
- AASB 117 -- Leases
- AASB 118 -- Revenue
- AASB 1031 -- Materiality

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

A. GRANTS RECEIVED

Grants received have been allocated proportionately over the period covered by the grant and brought to account as income accordingly.

B. EMPLOYEE BENEFITS

Provision is made in respect of the liability for annual leave and long service leave at balance date at current rates of remuneration based on applicable award or contract conditions.

C. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment are included at cost less depreciation and impairment losses or at independent valuation. The carrying amount of plant and equipment is reviewed annually by the board to ensure that it is not in excess of the recoverable amount from these assets. The depreciable amount of all fixed assets including buildings and capitalised leasehold improvements is depreciated on a diminishing balance value over their useful lives to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	6%

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained profits.

D. INCOME TAX

The association has been granted exemption from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997, as amended.

	2006	2005
	\$	\$
2. OPERATING REVENUE		
Insurance Recovery	--	5,775
Interest Received	5,658	9,312
Service Fees Received from Victorian AIDS Council Inc for Provision of Staff Services and On Costs	2,192,829	2,140,701
	2,198,487	2,155,788

3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

CREDITING AS INCOME:

Interest Received	5,658	9,312
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CHARGING AS EXPENSES:

Depreciation of Plant & Equipment	541	860
Interest Paid	108	22
Auditors' Remuneration		
-- Auditing the Accounts	5,455	5,250
-- Other Services	--	--

4. CASH AND CASH EQUIVALENTS

Cash at Bank	11,169	--
Cash at Bank -- New A/C	2,655	--
Interest Bearing Deposits	239,892	234,228
	253,716	234,228

	2006	2005
	\$	\$
5. TRADE AND OTHER RECEIVABLES		
Accrued Revenue	499	--
	499	--

6. PROPERTY, PLANT AND EQUIPMENT

Freehold Land and Building -- 6-8 Claremont Street at Independent Valuation 30th June 2006	3,500,000	--
Freehold Land and Building -- 6-8 Claremont Street at Independent Valuation 30th April 2004	--	3,000,000
10 Car Parking Spaces -- 11-17 Daly Street at Independent Valuation 30th June 2006	120,000	--
10 Car Parking Spaces -- 11-17 Daly Street at Independent Valuation 30th April 2004	--	290,000
Plant & Equipment at Cost	33,446	33,446
Less Accumulated Depreciation	(31,756)	(31,215)
	1,690	2,231
	3,621,690	3,292,231

The land and building at 6-8 Claremont Street South Yarra and the car parking spaces at 11-17 Daly Street South Yarra were purchased solely with funds raised by the association by way of donations, bequests, sponsorship and other fundraising initiatives. Grants received have been used entirely as specified in grant guidelines, and have not been used in the purchase of the land, buildings or car parking spaces.

The land and building at 6-8 Claremont Street South Yarra and the car parking spaces at 11-17 Daly Street South Yarra were independently valued on 30th June 2006 by Mr Gerard Browne Valuer, Assoc Dip Val (RMIT), Licenced Real Estate Agent, in accordance with a policy of property revaluation every two years.

The land and building at 6-8 Claremont Street South Yarra and the car parking spaces at 11-17 Daly Street South Yarra were independently valued on 30th April 2004 by Mr Chris J Holroyd, BA(Hons), Pg.Dip, ARICS AAPI of Charter Keck Cramer in accordance with a policy of property revaluation every two years.

7. TRADE AND OTHER PAYABLES

Unsecured Loan -- Victorian AIDS Council Inc.	78,021	44,142
Bank Overdraft -- Unsecured	--	23,962
Trade Creditors	54,932	39,176
	132,953	107,280

8. PROVISIONS

Annual Leave	136,245	151,275
Long Service Leave	96,347	75,150
	232,592	226,425

9. RESERVES

Asset Revaluation Reserve	2,434,556	2,104,556
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MOVEMENTS DURING THE YEAR

Opening Balance	2,104,556	2,104,556
Revaluation Increment on Freehold Land and Building	500,000	--
Revaluation Decrement on Car Parking Spaces	(170,000)	--
Closing Balance	2,434,556	2,104,556

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF GAY MEN'S HEALTH CENTRE INC.**

SCOPE

THE FINANCIAL REPORT AND COMMITTEE'S RESPONSIBILITY

The special purpose financial report comprises the income statement, balance sheet, cash flow statement, notes to the financial statements, and the statement by members of the board of directors for the Gay Men's Health Centre Inc. (the association), for the year ended 30th June 2006. The board of directors of the association is responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The special purpose financial report has been prepared for distribution to members for the purpose of fulfilling the board of director's financial reporting requirements under the Associations Incorporation Act (Vic) 1981.

We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the board of directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In our opinion, the financial report of the Gay Men's Health Centre Inc. presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the Gay Men's Health Centre Inc. as at 30th June 2006 and the results of its operations and cash flows for the year then ended.



LOCKWOOD WEHRENS
Chartered Accountants



Andrew Wehrens Partner
Camberwell, 28th September 2006

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AUDITORS

CONSOLIDATED FINANCIAL REPORT

BOARDS OF DIRECTORS REPORT

FOR THE YEAR ENDED 30TH JUNE 2006

Your Boards of Directors submit the consolidated financial report of the Victorian AIDS Council Inc. and Gay Men's Health Centre Inc for the financial year ended 30th June 2006.

BOARD OF DIRECTORS

The names of the Board of Directors members throughout the year and at the date of this report are: Kevin Guiney, Jon Willis, Mark McColl, Grant Davies, Valarie Sands, Mark Saunders, Jack Graham, Andrew Higgs, Kylie Johnston, Greg Iverson and Mike Kennedy. John Daye stood down at last year's annual general meeting.

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year was that of providing support, education, and advocacy for all those affected by HIV/AIDS, especially gay and bisexual men and promoting the health and well being of gay and bisexual men.

SIGNIFICANT CHANGES

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

FINANCIAL RESULTS

The profit from ordinary activities for the year was \$52,103 (2005 \$84,676) and no provision for income tax was required as the associations are exempt from income tax.

Signed in accordance with a resolution of the Boards of Directors.



Kevin Guiney, President



Mark McColl, Treasurer

South Yarra, 21st September 2006

STATEMENT BY THE BOARDS OF DIRECTORS FOR THE YEAR ENDED 30TH JUNE 2006

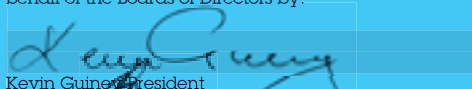
The Boards of Directors have determined that the associations are not reporting entities and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Boards of Directors the financial report as set out on pages 9 to 12:

a. Presents a true and fair view of the consolidated financial position of the Victorian AIDS Council Inc. and Gay Men's Health Centre Inc. as at 30th June 2006 and their performance and cash flows for the year ended on that date.

b. At the date of this statement, there are reasonable grounds to believe that the Victorian AIDS Council Inc. and Gay Men's Health Centre Inc. will be able to pay their debts as and when they fall due.

This statement is made in accordance with a resolution of the Boards of Directors and is signed for and on behalf of the Boards of Directors by:



Kevin Guiney, President



Mark McColl, Treasurer

South Yarra, 21st September 2006

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2006

	NOTE	2006	2005
		\$	\$
Operating Revenue	2	3,716,365	3,761,764
Profit from Ordinary Activities	3	52,103	84,676
Retained Profits at the Beginning of the Financial Year		1,628,088	1,543,412
Retained Profits at the End of the Financial Year		1,680,191	1,628,088

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT.

BALANCE SHEET AS AT 30TH JUNE 2006

CURRENT ASSETS

Cash & Cash Equivalents	4	1,383,469	1,141,091
Trade & Other Receivables	5	18,788	31,951
Total Current Assets		1,402,257	1,173,042

NON-CURRENT ASSETS

Property, Plant & Equipment	6	3,974,103	3,646,550
Total Non-Current Assets		3,974,103	3,646,550
Total Assets		5,376,360	4,819,592

CURRENT LIABILITIES

Trade & Other Payables	7	1,029,021	860,523
Provisions	8	232,592	226,425
Total Current Liabilities		1,261,613	1,086,948
Total Liabilities		1,261,613	1,086,948
Net Assets		4,114,747	3,732,644

MEMBERS' FUNDS

Reserves	9	2,434,556	2,104,556
Retained Profits		1,680,191	1,628,088
Total Members' Funds		4,114,747	3,732,644

THE ACCOMPANYING NOTES FORM PART OF THIS FINANCIAL REPORT.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	2006 \$	2005 \$
	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Members	4,662	6,407
Core Funding Grant Receipts, Donation & Bequests	3,119,643	3,418,692
Receipts from Sales of Publications & Services	433,124	367,081
Interest received	21,265	24,603
Payments to Suppliers and Employees	(3,234,504)	(3,518,035)
Net Cash Provided by Operating Activities -- Note B	344,190	298,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(88,283)	(62,976)
Net Cash (used in) Investing Activities	(88,283)	(62,976)
CASH FLOWS FROM FINANCING ACTIVITIES		
	--	--
Net Increase in Cash Held Cash at the Beginning of the Financial Year	255,907 1,085,120	235,772 849,348
Cash at the End of the Financial Year -- Note A	1,341,027	1,085,120

NOTE A Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money markets. Cash at the end of the financial year is shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Bank Loan -- Re Airconditioning Unit (Unsecured)	--	(8,361)
Bank Overdraft -- (Unsecured)	(42,442)	(47,610)
Cash at Bank	1,060,598	824,580
Cash on Hand	1,500	1,550
Investments	304,837	295,912
Support Group Bank Accounts	16,534	19,049
	1,341,027	1,085,120

NOTE B Reconciliation of net cash provided by ordinary activities to profit from ordinary activities

Profit from Ordinary Activities

Profit from Ordinary Activities	52,103	84,676
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NON-CASH FLOWS IN PROFIT

FROM CONTINUING OPERATIONS

Depreciation	90,730	79,298
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CHANGES IN ASSETS & LIABILITIES

(Increase)/Decrease in Trade and Other Receivables	13,163	177,369
Increase/(Decrease) in Trade and Other Payables	182,027	(72,221)
Increase/(Decrease) in Provisions	6,167	29,626
	344,190	298,748

THE ASSOCIATION HAS NO CREDIT STAND-BY OR FINANCING FACILITIES IN PLACE. THERE WERE NO NON-CASH FINANCING OR INVESTING ACTIVITIES DURING THE PERIOD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic) 1981. The Boards of Management have determined that the associations are not reporting entities.

The consolidated financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981 and the following Australian Accounting Standards:

- AASB 101 -- Presentation of Financial Statements
- AASB 107 -- Cash Flow Statements
- AASB 108 -- Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 -- Events Occurring After Reporting Date
- AASB 112 -- Income Taxes
- AASB 116 -- Property, Plant & Equipment
- AASB 117 -- Leases
- AASB 118 -- Revenue
- AASB 1031 -- Materiality

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The consolidated financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

A. PRINCIPLES OF CONSOLIDATION

The combined financial report of the Victorian AIDS Council Inc. and Gay Men's Health Centre Inc. comprises the consolidated financial reports of both Associations. Any transactions between the two Associations or any monies owing or owed have been eliminated so as to present a report as if the two Associations were one entity.

B. GRANTS RECEIVED

Grants received have been allocated proportionately over the period covered by the grant and brought to account as income accordingly.

C. MEMBERSHIP SUBSCRIPTIONS INCOME

In accordance with generally accepted accounting principles for similar organisations, membership subscriptions are accounted for on a cash receipts basis.

D. PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment are included at cost less depreciation and impairment losses or at independent valuation.

The carrying amount of plant and equipment is reviewed annually by the board to ensure that it is not in excess of the recoverable amount from these assets.

The depreciable amount of all fixed assets including buildings and capitalised leasehold improvements is depreciated on a diminishing balance value over their useful lives to the Association commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate %
Plant & Equipment	6
Office Furniture	6.6
Motor Vehicles	25
Leasehold Improvements	10
Computer Equipment	20

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained profits.

E. INCOME TAX

Both the Associations have been granted exemption from income tax under Section 50-15 of the Income Tax Assessment Act 1997, as amended.

F. LEASES

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

G. EMPLOYEE BENEFITS

Provision is made in respect of the liability for annual leave and long service leave at balance date at current rates of remuneration based on applicable award or contract conditions.

	2006 \$	2005 \$
2. OPERATING REVENUE		
Bequests, Fundraising & Sales	179,740	184,534
Donations	147,006	303,858
Fees Received	397,669	356,264
Grants Received	2,930,568	2,875,281
Insurance Recovery	--	5,775
Interest Received	21,265	24,603
Membership Fees	4,662	6,407
Other Income	35,455	5,042
	3,716,365	3,761,764
3. PROFIT FROM CONTINUING OPERATIONS		
Profit from continuing operations has been determined after:		
CREDITING AS INCOME		
Interest Received	21,265	24,603
CHARGING AS EXPENSES		
Depreciation of Plant & Equipment	90,730	79,298
Interest Paid	366	1,170
Auditors' Remuneration		
-- Auditing the Accounts	16,480	16,200
-- Other Services	--	--
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	1,060,598	824,580
Cash on Hand	1,500	1,550
Interest Bearing Deposits	304,837	295,912
Support Group Bank Accounts	16,534	19,049
	1,383,469	1,141,091
5. TRADE AND OTHER RECEIVABLES		
Accrued Revenue	1,411	21,781
Prepayments	14,382	8,593
Sundry Debtors	2,995	1,577
	18,788	31,951
6. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land and Building -- 6-8 Claremont Street at Independent Valuation 30th April 2004	--	3,000,000
Freehold Land and Building -- 6-8 Claremont Street at Independent Valuation 30th June 2006	3,500,000	--
10 Car Parking Spaces -- 11-17 Daly Street at Independent Valuation 30th April 2004	--	290,000
10 Car Parking Spaces -- 11-17 Daly Street at Independent Valuation 30th June 2006	120,000	--

	2006 \$	2005 \$
Plant & Equipment	33,446	33,446
Less Accumulated Depreciation	(31,756)	(31,215)
	1,690	2,231
Computer Equipment at Cost	603,288	559,470
Less Accumulated Depreciation	(506,233)	(469,023)
	97,055	90,447
Motor Vehicle at Cost	27,515	29,637
Less Accumulated Depreciation	(2,525)	(22,409)
	24,990	7,228
Leasehold Improvements at Cost	90,870	90,870
Less Accumulated Amortisation	(42,378)	(32,997)
	48,492	57,873
Office Furniture at Cost	600,107	585,329
Less Accumulated Depreciation	(418,231)	(386,558)
	181,876	198,771
	3,974,103	3,646,550

The land and building at 6-8 Claremont Street South Yarra and the car parking spaces at 11-17 Daly Street South Yarra were purchased solely with funds raised by the association by way of donations, bequests, sponsorship and other fundraising initiatives. Grants received have been used entirely as specified in grant guidelines and not have been used in the purchase of the land, building or car parking spaces.

The land and building at 6-8 Claremont Street South Yarra and the 10 car parking spaces at 11-17 Daly Street South Yarra were independently valued on 30th June 2006 by Mr Gerard Browne Valuer, Assoc Dip Val (RMIT), Licenced Estate Agent, AAPI in accordance with a policy of property revaluation every two years.

The land and building at 6-8 Claremont Street South Yarra and the 10 car parking spaces at 11-17 Daly Street South Yarra were independently valued on 30th April 2004 by Mr Chris J Holroyd, BA (Hons), Pg.Dip, ARICS AAPI of Charter Keck Cramer in accordance with a policy of property revaluation every two years.

7. TRADE AND OTHER PAYABLES

Bank Loan -- Re Air conditioning Unit (Unsecured)	--	8,361
Bank Overdraft (Unsecured)	42,442	47,610
Grants in Advance (Unexpended)	327,760	270,074
Project Funds in Advance (Unexpended)	521,167	433,083
Trade Creditors	103,648	72,455
Capital Grant in Advance (Unexpended)	34,004	28,940
	1,029,021	860,523

8. PROVISIONS

Annual Leave	136,245	151,275
Long Service Leave	96,347	75,150
	232,592	226,425

9. RESERVES

Asset Revaluation Reserve	2,434,556	2,104,556
	2,434,556	2,104,556

MOVEMENTS DURING THE YEAR

Opening Balance	2,104,556	2,104,556
Revaluation Increment on Freehold Land and Building	500,000	--
Revaluation Decrement on Car Parking Spaces	(170,000)	--
Closing Balance	2,434,556	2,104,556

	2006	2005
	\$	\$
10. LEASE COMMITMENTS		
OPERATING LEASES		
Rental Properties & Motor Vehicles		
Payable -- Minimum Lease Payments		
-- Less than 12 months	56,857	63,498
-- Less than 12 months		
but not greater than 5 years	66,532	13,762
-- Greater than 5 years	--	--
Total Lease Liabilities	123,389	77,260

The association has two property leases and eight motor vehicle leases.

The property leases are non-cancellable leases, each with a five year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by CPI. An option exists to renew each lease at the end of the five year term for three additional terms of five years. The leases allow for the sub-letting of all lease areas.

Summit Auto Lease Australia Pty Ltd hold charges over the assets of the association for the operating leases on the motor vehicles.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF VICTORIAN AIDS COUNCIL INC. & GAY MEN'S HEALTH CENTRE INC.

SCOPE

THE FINANCIAL REPORT AND BOARD'S RESPONSIBILITY

The consolidated financial report comprises the income statement, balance sheet, cash flow statement, notes to the financial statements, and the statement by members of the board of directors for the Victorian AIDS Council Inc. and the Gay Men's Health Centre Inc. (the associations), for the year ended 30th June 2006. The boards of directors of the associations are responsible for the preparation and true and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act (Vic) 1981 and are appropriate to meet the needs of the members. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The financial report has been prepared for distribution to members for the purpose of fulfilling the boards of director's financial reporting requirements under the Associations Incorporation Act (Vic) 1981. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the associations. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and

the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the associations' financial position, and of their performance as represented by the results of their operations and their cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. No opinion is expressed as to whether the accounting policies used and described in Note 1, are appropriate for the needs of the members. We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the boards of directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

QUALIFICATION

As is common for organisations of this type, it is not practicable for the associations to maintain effective systems of internal controls over donations and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to donations and fund raising was limited to amounts recorded.

QUALIFIED AUDIT OPINION

In our opinion, except for the effects on the consolidated financial report of the matters referred to in the qualification paragraph, the consolidated financial report of the Victorian AIDS Council Inc and the Gay Men's Health Centre Inc. presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the consolidated financial position of the Victorian AIDS Council Inc and the Gay Men's Health Centre Inc. as at 30th June 2006 and the results of their operations and cash flows for the year then ended.

Lakshmi Wehrens.

LOCKWOOD WEHRENS
Chartered Accountants

A Wehrens

Andrew Wehrens Partner
Camberwell, 28th September 2006

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AUDITORS

ADDITIONAL STATISTICAL FINANCIAL INFORMATION (UNAUDITED) FOR THE SEVEN YEARS ENDED 30TH JUNE 2006

For the Year Ended	2006	2005	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$	\$	\$
INCOME AND EXPENDITURE							
Total Income	3,716,365	3,761,764	3,682,800	3,862,674	3,503,489	3,187,145	3,035,752
Government Funding	2,930,568	2,875,281	2,945,468	3,108,756	2,959,723	2,576,830	2,516,926
Members Fees	4,662	6,407	3,557	6,042	8,502	4,957	8,021
Interest	21,265	24,603	21,822	33,942	21,907	15,841	12,079
Other Income	759,870	855,473	711,953	713,934	513,357	589,517	498,726
Total Expenditure	3,664,262	3,677,088	3,590,764	3,849,916	3,815,418	3,137,592	3,035,750
Profit/(Loss)	52,103	84,676	92,036	12,758	(311,929)	49,553	2
ASSETS AND LIABILITIES							
Current Assets	1,402,257	1,173,042	1,009,852	698,450	921,766	1,576,158	711,090
Property, Plant and Equipment (1)	3,974,103	3,646,550	3,662,872	3,246,670	3,287,028	1,413,372	1,498,473
Total Assets	5,376,360	4,819,592	4,672,724	3,945,120	4,208,794	2,989,530	2,209,563
Creditors	1,029,021	860,523	827,957	637,294	921,584	1,067,704	253,999
Provisions	232,592	226,425	196,799	216,739	208,881	164,124	157,414
Total Liabilities	1,261,613	1,086,948	1,024,756	854,033	1,130,465	1,231,828	411,413
Reserves (1)	2,434,556	2,104,556	2,104,556	1,632,556	1,632,556	--	--
Members' Funds	1,680,191	1,628,088	1,543,412	1,458,531	1,445,773	1,757,702	1,708,150
FINANCIAL RATIOS							
Current Ratio	1.111	1.080	0.985	0.818	0.815	1.280	1.728
GENERAL PERFORMANCE							
Full Time and Part Time Employees	28(F) 21(P)	23(F) 26(P)	30(F) 19(P)	26(F) 22(P)	26(F) 25(P)	23(F) 19(P)	26(F) 37(P)
Volunteers	155	145	142	147	157	129	83
Members	405	425	448	443	404	411	396

(1) ALL BUSINESS REAL ESTATE PROPERTY IS OWNED BY THE GAY MEN'S HEALTH CENTRE INC AND WAS LAST REVALUED AS AT 30TH JUNE 2006.

THANKS

The Secret Life of Arse' cast: Judith Lucy, Andrea Poell, Denise Scott, Adam Richard, Scott Brennan, Catherine McClements, Benny Mazzullo, Nancy Cato, Virginia Trioli, Colin Bartrouney, Tex McKenzie
55 Porter Street Sauna Aboide Nightclub
Adam Wright-CAN AFAO AHAG AIDS
Trust of Australia Alfred Social Work Dept
All Souls Opportunity Shop ALSO
Foundation Andrew Timmins Angelo Morelli Annie Phelan ARSCHS Art
Deco Picture Framing Asylum Seeker Resource Centre Australian Ballet
Australian Shakespeare Company
Australian Therapeutic Supplies B News
Baby take a bow Bambra Press Bay City
Caulfield Bay City Seaford Beat Bookshop
Bell Shakespeare Company Beyond
Dance Party Bill Dailias Borooncara
Volunteer Resource Centre Brendan
Castle Brett Hayhoe Brian Mier Brian
Price Café Zuccherò Cancer Council
of Victoria Carolyn Worth-SECASA
Cath Cairns Cath Hill Catholic AIDS
Committee members Chapel of Chapel
Cinema Nova Circus OZ Club 80 Club
Spa Sauna Colin Krycer Colt's Lifestyle
& Fitness Comedy Festival Craig Delphine
Crowne Plaza Melbourne Dani Phaedonis
Danyelle Crowe Daren Pope David
Adams David Burnett David Chong
David Menadue David West Deal or no
deal Dean Murphy Deb Cutts-Prostate
Cancer Foundation of Australia Deborah
Cox Di Clark Di Rolle Dion Kagan Disability
Attendant Support Service Inc. (DASSI)
Dominic Whitehouse Don McGowan
Don Meadows DT's Hotel Dungeon
Warehouse Eagle Leather Ease Eclipse
Elizabeth Watts Enda Markey Equal

Opportunity Commission Fab Nobs
Theatre Company Family Feud Fashion@
Fed Square Showcase Series Fiona Bell
Fiona Maris Freehills Gambler's Help Gary
Spencer Gasworks Gay & Lesbian Health
Victoria Gay & Lesbian Switchboard Gay
AA Gel Works Pty Ltd Geoff Tate Glen
Eira Volunteer Resource Service Globe
Café GLYDE The Sexual Health Company
GPAC Grant Davies HALC volunteers
Hares & Hyenas Harriet Cornfield-Fraser
Heaven@151 Heavenly Solutions Henry
von Doussa Hilary Ash HIV Peer Support
Facilitators HIV, Hep & STI Education
Resource Centre HomoHistories7
Conference Hong Young Tsao ICE Café
Ikon Images Imax In Home Support
Committee of Management International
Concert Attractions International Puppetry
Carnival Jackie Schultz James Clyne
Jeff Barlow Jeffrey Robertson John
Blizzard John Thomson John Wain JOY
94.9 Judith Gorst Judy Frecker Kaye Sera
Kerri Boyd Kristen Douglas-Dept of
Education and Training Kristin Tytler
L'Occitane Laird Hotel Laura Redgrave
Lawrence Cameron Lecezia & De Sade
Len White Level One on Franklin Levi
Strauss Life Saving Victoria Lifeworks
Linda Hailey Liz Crock Liza Mclean Louise
Naughton-Smith Luke Gallagher Lynne
Hillier M.A.C. Cosmetics M.Le Maize Café
Marc Bryce Marg Hayes Mark Shrubsole
Market Hotel Martin Watts Martin Wischer
Matthew McCarthy and Clear Design
cleardesign.com.au Matthew William-
Photographer, Oxfam Australia MCV
Megan Coulter Melbourne Festival
Melbourne Film Festival Melbourne
Fringe Festival Melbourne Maritime
Museum Melbourne Observation
Deck Melbourne Queer Film Festival
Melbourne Sexual Health Centre
Melbourne Star Melbourne Symphony

Orchestra Melbourne Writers Festival
Melbourne's Dirty Bad Boys Melissa
Thompson MensLine Michael Angelakos
Michael Coppel Michael Hall-Manark
Printing Michael Parsons Minus 18 Mix
it up Musica Viva NAG Nan McGregor
NAPWA Nick Ward Opera Australia
Oriental Spirit OUT Video Outreach
Project Volunteers OZ Showbiz Cares/
Equity Fights AIDS Paul Jones Peel Dance
Bar Peer Education Volunteers People
to People Computer Services Peter Dunn
Peter Gourlay-Equal Opportunity
Commission Peter Papadopoulos
Piercing Urge PLC kitchen volunteers
PLC operations volunteers PLC reception
volunteers PLWHA Victoria Positive Gay
Men's Group Positive Speaker's Bureau
Positive Women Prahran Market Clinic
Q Magazine Queer Muslims Redemption
Relationships Australia Richie Robertson
Ritchies Supermarkets Robert Gourlay
Rod Macintosh Ron & David at The Laird
Rosz Craig Royal District Nursing Service
Royal Melbourne Show Rug Up Project
Safe Sex Packers Sally Carr-RhED SAX
Healthcare Scott Davis Sharon Horvat-
Danilovic Show Biz Show Gun Sonic
Dolphin Sonny Williams South Eastern
Volunteer Resource Service Spiegletent
SSL Australia St Kilda Football Club
Stage Two Lighting Star Hotel Staying
Negative Storytellers: Andrew B, Anthony
M, Travis dJ, Phillip S, Henry vD, Leon
O'D, Mike E, Adam M, James D, Brad,
Robert B, Peter, Indi T, Greg A, Chris G,
Doug P, Peter G, Julian, Andrew T,
Ethan, Glenn and Graham L Staying
Negative Transcribers: Phillip S and
Joseph T Steamworks Sauna Stella
Entertainment Straight Arrows
Subway Sauna Suellen Peak Supported
Housing Ltd Suzy Malhotra Sydney Dance
Company Tattersall's Australian Dance

Sport Championship Ten Plus The Art
Centre The Astor The Greenstore The
Melbourne Theatre Company The Opium
Den The Women's Circus Trent McWhinney
Trevor Jacobson Utopia VAC/GMHG
Night Managers Vanessa Wagner Vic
Bears Vic Perri Victoria Police Gay &
Lesbian Liaison Officers Vince Boyd
Vintage Men VIVAIDS Volunteering
Victoria WCIG Employment Services
Wendy Little Westgarth Wet On
Wellington WoolClub Dance Party
Xchange Hotel Yackandandah Gay
& Lesbian Festival Young Bucks

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