

AISF ANNUAL REPORT 2010



**Annual Activities Update and
Financial Report for year
ending March 2010**

A b o u t t h e A I S F

Our Objectives

- To Promote our Members and their Services
- Cultivate Talented Industry Professionals
- Enhance Surface Treatment Technologies
- Ensure Quality Coating to Australian Standards

Our Team

The AISF team includes the Executive Officer - Sharon Campbell, President - Chris Burgess, and a committee of management whom are made up of a broad representation of member companies .

The Committee contribute to discuss issues facing the surface finishing industry and strive to improve member benefit.

Committee members support and time are volunteered and their contribution on behalf of the whole industry cannot be under-estimated. Their support is crucial to the continuance of the Institute, as is the support of the members.

Your Board of Directors are elected by you (our members) to represent the best interests of the whole industry.

Our Services

- Industry Accredited Training
- Technical Information and Resources
- Quality Accreditation
- Representing Industry and Our Members to Regulatory Bodies

Committee of Management

President	Chris Burgess
Past President	Peter Harrison
Treasurer	Dana Woodward
Secretary	David Van Tricht
Committee	Alan Jacobs Richard Hammond Allan Turner Dilshan Warnakulasrya Keith Coombe Grant Walter Carey DeLaeter Keith Mallitt



Chris Burgess
President



Sharon Campbell
Executive Officer



Message From the Chairman

Dear Members

This is my very last President's Report. When I said that in 2006(?), I was clearly mistaken, and this is definitely positively the end. This time it's different; I have sold my business and am embarking on new pursuits.

The world and the AISF have changed much since I first attended the National Council meetings in 1998. For instance, I recently was part of a panel presentation to State and Local Government EPAs here in QLD where I made the observation that in 1997 there were 27 electroplaters taking part, there are now fewer than 10, most likely to be 5 by year's end.

I suspect – without knowing the exact numbers – that similar shrinkage has occurred across the country. Powder coating remains the strength of the organisation – certainly by numbers.

The AISF has changed substantially as well. We now occupy owned premises and training is the major service that is provided – principally in Victoria and South Australia at this stage, with WA seemingly on the verge of commencing theirs as well. Other member benefits include discounted insurance and office products.

Our Executive Officer of seventeen years (Heather Hoggan) has moved on and Sharon Campbell is now enmeshed in the organisation, putting together a whole new face for the organisation and getting the message out there through better marketing of brand AISF.

While all that has changed, some things remain the same.

The AISF is/was/will be a volunteer organisation and it will succeed or fail depending on the contribution of the members. If the committees at Branch and National level do not attract new members, if the processes of renewal and reinvigoration do not occur, then it will not matter what services the AISF offers, it will wither on the vine and lose its relevance.

I have learned much and tried to contribute what I had to the organisation. It has been an honour and a privilege to have served with so many committed individuals over the years. My inspiration over the years however is Keith Mallitt – to me he represents the heart and soul of the AISF. He opened my eyes to just what it is to belong to our industry and to do something other than just toil away in isolation each day.

And on that evergreen note, I bid you farewell.



Chris Burgess
Honorary President
2009 - 2010

Our Members

The Australasian Institute of Surface Finishing is a not for profit organisation whose membership is based on a broad range of industry participants including individuals, small businesses, large companies and suppliers.

In 2009 - 2010, the Australasian Institute of Surface Finishing has a total membership of 184 member companies, with over 350 nominees nationwide.

The largest proportion of our members are Powder Coaters, making up approximately 60% of our member base, 30% Electroplaters and 10% suppliers and Anodisers

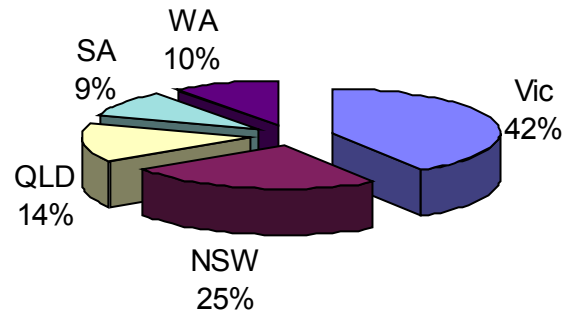
There are four types of membership:

- Individual members (membership is in the name of the person, not a company)
- State Corporate Membership (membership in the name of the company, with two nominees appointed to represent the company)
- National Corporate Membership (membership in the name of the company, with up to eight nominees appointed to represent the company).
- Honorary Membership. (Honorary membership is bestowed upon individuals who have made a large contribution to the Institute over a period of time.)

Presently the Institute has 14 Honorary members

New Members 2009	
Adam Townsend	Victoria
Panel Print	Victoria
Mobile Fabrications	New South Wales
Wainwright Engineering	Victoria
Dexion	New South Wales
A.A.Vinney's Metal Polishers	Victoria
Young Powder Coaters	New South Wales
Swan Hill Powderkote	Victoria
Oxytech Powder Coating	New South Wales
Yardmark	Victoria
Houghton Australia	Victoria
Thomastown Powder Coating	Victoria
Regal Plating	Victoria
Duracoat	New South Wales

AISF Membership 2009/2010



Member Companies	VIC	NSW	QLD	SA	WA	Total
State Corporate	60	35	20	16	10	141
Individual	11	8	5	1	8	33
Total	71	43	25	17	18	174

National Corporate Members

Chemetall Australasia Pty Ltd

Elite Surface Technologies

Henkel Australia

Jotun Powder Coatings

Macdermid Australia

Nordson Australia

PPG Industries Australia

Australian Aluminium Finishing

Capral Aluminium Pty Ltd

Akzo Nobel

Principal Activities

Education and Training

The Australasian Institute of Surface Finishing has a partnership arrangement with Murray Mallee Training Company to provide apprentice and traineeships in both electroplating and powder coating.

AISF training is in alignment with the National Metal and Engineering Industry Competency Standards - Certificate 111 in Engineering - Production Systems. On completion a nationally recognised and accredited statement of results and certificate is issued.

In 2009 there were 26 students enrolled in the programme, 14 Electroplaters and 12 Powder Coaters. The number of trainees in the program has decreased, however a new marketing push and attractive government incentives for AISF Apprenticeships should see an increase in numbers.

Over 100 Students have taken part in the program since its inception in 2006

Surface Finishing

Surface Finishing is professionally designed in full gloss and distributed nationally on a quarterly basis, its main focus is on providing members with pertinent information and resources on issues impacting the Surface Finishing Industry

The design of the magazine has been brought inhouse, and each issue is improving on the last. Circulation has increased, thus offering greater leverage to our advertisers and supporters and is proving to be a great marketing and communication tool for the Institute and our members.

Administration / Office

Sharon Campbell has settled into the role of Executive Officer, having replaced Heather Hoggan who was in the role for some 17 years.

The administration of the Institutes finances was streamlined to be fully functional through the MYOB accounting package. The implementation was a directive of Council to improve our corporate governance and put an electronic system in place.

The auditor report is complimentary of the changes made

to the financial system that Sharon and Federal Treasurer Dave Van Tricht have worked so hard to implement.

Directors Meetings

There were three directors meetings throughout the year - July 2009, October 2009 and February 2010. All states were represented at these meetings.

Financial reports were reviewed and minutes were moved and accepted.

Insurance Services

The insurance facility arranged for AISF members has been running successfully for over two years now. During this time Sears Insurance brokers have further developed their technical knowledge and experience associated with the surface finishing industry.

With the combined leverage of the AISF Group, we have been able to negotiate reduced insurance premiums and the savings are passed onto our members.

Successes of 2009/ 2010

Some of our successes in the past year have been

- Streamlining financial practices
- Increased exposure and networking opportunities through social functions
- Improved communications through the new look Surface Finishing Magazine
- Involvement and leadership in important industry projects like the Hazwaste Fund and Elimination of PIW

Goals Moving Forward

Some of our goals going forward are

- Increased member benefit and support to all our members
- Training and skills development
- Increased exposure to the wider surface finishing community
- Secure funding for various sustainability and environmental projects

Qualicoat Division

Overview

2009 was a busy year for those involved in the development of the Qualicoat, quality assurance system in Australia.

By the end of the year we at the AISF Qualicoat division had added 6 new plants.

Congratulations to Vertikote NSW, Bradnams Windows VIC, Bradnams Windows QLD, Capral Aluminium QLD, Capral Aluminium WA, and Alspec VIC, for passing two rigorous audits of all their process controls, production controls and product controls to become fully endorsed Qualicoat licenced fabricators.

These new plants join those existing businesses, who have been providing a Qualicoat endorsed product for a number of years, those being Australian Aluminium Finishers (AAF) in NSW, VIC, QLD and Trend Windows in NSW.

It is important to note that a Qualicoat endorsed plant provides the only powder coated products that have had all their coating processes endorsed through independent third party auditing.

To hold this world recognised quality assurance licence "Qualicoat" ensures that you are dealing with powder coating plants who are truly world class producers.

Meetings

Division held several meetings (Technical & Members) during the period since AGM in 2009

Qualicoat Australia auditor attended strategy & policy meeting held in Europe with all international Representatives.

General

Marketing – the Committee agreed to review its strategy for promoting and raising awareness of the Qualicoat Licenced brand. This includes looking at renaming to either Qualicoat Australia or Qualicoat Australasia.

Imports – the Committee continues to be concerned with number of imported coated products that do not comply with AS or BC and are not suitable for Australian conditions. We are promoting "Coated in Australia"

Representatives

Qualicoat Committee Office Holders for 2009 are:

President	Colin Brewster Bradnams Windows and Doors
Vice President	Bill Wylie Australian Aluminium Finishing
Treasurer	Fabio Chiavaroli Australian Aluminium Finishing
Technical support	Craig Brennan CMB Management

Technical

Two new qualified Independent NATA auditors have been recognised with the issue of a certificate from Qualicoat Europe.

Interpon & Dulux powders lead the way for performance in Australian conditions and have continued to be tested to comply with a more durable grade of Class 1.5 in the Qualicoat quality management system.

We are investigating purchasing our own acetic salt spray testing machine and offering this resource on a fee for service to all coating services providers.

QualiDeco licence for decorative finishes is now available.



Overview

Anodisers Association of Australasia was formed to promote the use of anodising as a finish for aluminium. The association distributes technical information to members and specifying authorities, and maintains close links to similar international associations.

AAA welcomes the opportunity to provide information on specifying anodising as a finish on aluminium, and its performance characteristics.

International Relationships

AAA seeks to build relationships with other Anodising Associations in other countries to exchange information and views.

We have had communications with Gregory T. Rajskey, CAE, President, Aluminium Anodizers Council in USA in reference to "Anodising: The Naturally Green Alternative" logo they were promoting.

Anodisers in New Zealand, through WANZ, were also interested in maintaining communication with our Association.

Website

Stockstreet Interactive has designed a new website for the Association, and has put a modern twist on the logo.

The new website is on a self update platform, members can add pictures of jobs they have done, this is encouraged. It is also encouraged to add news articles and credit Wikipedia.

Committee signed a maintenance agreement package to receive free google analytic reports and technical support and updates to the website for increased search engine optimisation.

Dumping By Customs

On 24 June 2009 the Chief Executive Officer (CEO) of the Australian Customs and Border Protection Service (Customs and Border Protection) initiated an investigation following an application lodged by Capral Limited on behalf of the Australian industry producing certain aluminium extrusions.

The application requested the publication of a dumping duty notice and countervailing duty notice in respect of certain aluminium extrusions exported to Australia from the People's Republic of China (China).

AAA feels that we should in general support the imposition of an Anti Dumping tax re anti dumping of aluminium into Australia and consider it would ensure the continuance of a good local supply of anodising services with appropriate quality and environmental standards.

Australian Customs are expected to make a decision in 2010 regarding the continuance/revision of the interim duty of 16% on all extruded products from China including finished aluminium.

AISF Celebrates 40 years

This Year the AISF turned 40. Originally named Australasian Institute of Metal Finishing. AIMF was established in March 1969 by the inaugural President Mr Clive Whittington.

The AIMF started with 429 members and worked out of the Institute of Metals and Minerals. In 1991 The AIMF employed a full time person Heather Hoggan who served the Institute for some 17 years.

In 2003 Peter Harrison played an integral role in implementing our Apprenticeship Training Program, which to date has only been able to be run in our Victorian Branch, however we are striving to branch this out Nationally.

In 2006 we changed name to AISF, Institute of Surface Finishing to best categorise our member base. The institute was also doing well financially and we purchased our own office building also in 2006. The institute now has 350 nominee members and 14 Honorary Members who have all contributed greatly to the running success of this association.

To celebrate such a milestone the AISF - Victorian Branch held a Birthday Party in conjunction with their annual Apprentice Awards Dinner on 20th November 2009.

The evening was held at the Celtic Club in Melbourne and attended by 72 guests. A tradesman comedy duo greeted guests on arrival with hammers and plungers, much to their surprise. And roamed around entertaining guests prior to the entree being served.

This was followed by a juggling show. Where members of the audience were dragged on stage to take part in the Jugglers tricks.

Another Anniversary is that of our Executive Officer - Sharon Campbell who joined us in November 2008. Peter Harrison from the Victorian Branch presented Sharon with some flowers and a voucher to mark her first year anniversary with the Institute.

To end the evening Marilyn Monroe came by for a cameo performance and sang Happy Birthday to the President of the Institute Chris Burgess. She was well received by all guests She also posed for pictures for any who desired one.

A great night was had by all

Industry Reunion Dinner

NSW Branch floated the idea of an industry reunion dinner to reunite many of the old faces from the industry who have either retired, moved on or simply disappeared into other fields of endeavour. The task to find some of these people was at times a Sherlock Holmes mystery, but with ingenuity and many meetings a substantial list grew of old colleagues deserving of an invitation to such an evening. With approximately 70 people in attendance.

The prime reason for the evening was to give people an opportunity to catch up with old friends and colleagues and to chat about times old and present. NSW Branch President, Richard Hammond, welcomed all to the night and gave away some prizes.

Some recipients of these were longest serving in the industry, (Bill Jacobs) longest serving supplier, (Neil Sommerville) furthest travelled, (Michael Rose) life members (Tim Elley, Barry Brown, Keith Chapple) and for the ladies, the largest brood of grandchildren!

A continuous slide show was running throughout the night with photos of many conferences, meetings and golf days. Some people never seem to age!! In fact there were photos of the first conference held in Melbourne in 1954. Many thanks to Sharon and Heather for digging out these relics from the archives of the Melbourne office.

Guests were surprised with, a well concealed entertainment package that limited few were aware of. The waiters in the room, who had been serving drinks before the engagement started, they began a routine of trying to "out-sing" each other for bribes from members in the room. The quality of their voices soon exposed them as professional tenors and between them they serenaded the group during dinner, culminating in a version of Puccini's Nessun Dorma.

Keith Chapple responded on behalf of the "old timers" and expressed thanks for the evening and the chance to get together with so many old friends. He also recalled the history of the associations (AES, AIMF, MEA, AISF) and the camaraderie of the members since the first meetings were held prior to World War II.

Many have expressed thanks for the opportunity to get together again and all those who attended will remember the night in the years to come.

Future Developments

Coating to Australian Standards

Every powder coating applicator has a duty of care to supply finished products that are “Fit for Purpose”.

Most powder coaters large and small across the country do an excellent job in producing products that are indeed “Fit for Purpose”.

Unfortunately it’s not uncommon for powder coaters to receive complaints about finished parts that have failed to perform for any number of reasons.

These failures can create friction between businesses and your client, result in loss of business or large financial claims.

To reduce the possibility of complaints and claims, powder coating applicators should be familiar with the AS - Australian Standards® relevant to the products they powder coat.

Specifiers should also be aware of the environment the finished products will be exposed to and the applicable AS - Australian Standard®.

The following Australian Standards® directly relate to powder coating finished products, adhering to these Standards will greatly reduce the potential for coating failures and the consequences that may occur.

The AISF recommends the following standards for all applicators

AS 4506 Metal Finishing—Thermoset Powder Coatings

Provides performance requirements and test procedures for powder coated metal parts other than aluminium for architectural applications.

AS 3715 Metal finishing—Thermoset Powder Coatings

Provides performance requirements and test procedures for architectural applications of aluminium and aluminium alloys.

AS 4312 Atmospheric Corrosivity Zones in Australia

Provides guidelines and classifications of atmospheric environments to enable selection of appropriate finish of non ferrous products.

Enviro - Finishing

Closure of PIW targeted for 2020, threaten the survival of the Surface Finishing Industry. Enviro- finishing is an AISF initiative which promotes an environmental responsible approach and sustainable development for our future.

The Surface Finishing industry has a significant negative environmental impact. It contributes the highest category of Prescribed Industrial Waste (PIW) and its image has suffered accordingly.

No PIW should be going to landfill by 2020. For an industry who uses many toxic and aggressive chemicals which result in heavy metals, complexants and mineral acids ending up in waste streams, and no viable alternatives at present, this threatens the survival of our entire industry.

We as an industry also use relatively high amounts of energy (electrical and fuels) and water which add to the waste problems. These waste streams are continuing to plague the industry with increased waste disposal costs, increased utilities costs, ELV/ REACH flow on from Europe and Asian competition.

The AISF is taking action by coordinating a holistic strategy for environmental change. In collaboration with the EPA we will be able to bring about the most significant environmental initiative this industry sector has ever seen.

The AISF and EPA are entering into a Sustainability Covenant. The covenant is a public commitment by AISF and EPA to work together to contribute to a more sustainable industry.

We aim to

- Lift environmental performance and improve sustainability
- Reduce waste streams
- Increase materials and utilities efficiencies
- Identify, develop, trial and install best practice technologies

Financial Report

Income	2010	2009
	\$	\$
Meeting and Conference Income	15,201.80	16,852.70
Book & Video Sales	2,506.82	1,637.37
Office Income	-	19,900.50
Receipts For Journals	4,669.11	11,300.00
Insurance commission	4,497.89	2,224.75
Interest Received	8,728.71	15,936.00
Pledges To Qualicoat PC Div	19,957.60	-
Pledges To Anodising Ass.	26,355.18	26,355.18
Qualicoat Audit Fee Income	36,800.07	2,200.00
Sundry Income	731.50	430.91
Surplus From Training	32,083.75	48,421.07
SF Magazine Advertising	4,698.18	8,981.82
Qualicoat Zurich fees income	4,280.00	7,000.00
Advertising & Promo Income	250.00	1,133.40
Marketing Fund Contributions - QCoat	29,342.55	58,000.00
Distribution - SFSC Ltd	-	26,145.29
Surplus/(Deficit) - Conference	-	(6,631.06)
Subscriptions	89,705.28	95,740.00
Total income	<u>279,858.44</u>	<u>335,627.93</u>



Financial Report

Expenses	2010	2009
	\$	\$
Awards & Presentations	90.91	1,920.77
Advertising & Development	1,727.20	16,371.16
Anodising Marketing Expenses	17,401.23	26,355.18
Audit & Accounting Fees	7,300.00	5,000.00
Audit Fees - Re: SMSC Ltd	-	7,587.96
Bank Charges	1,866.66	1,845.11
Depreciation	2,977.00	3,909.00
Directory Expenses	527.00	-
EPA Project	6,299.56	-
Filing Fees	310.00	310.00
General expenses	914.35	1,062.09
Legal fees	2,926.50	-
Branch & Div. Meeting Exp	29,637.93	28,493.29
Council Meeting Expenses	15,968.24	12,035.19
Magazine Expenses	16,800.10	14,011.48
Payments For Journals	2,906.46	9,170.27
Payments For Books	2,352.53	378.44
Print, Stat, Post, Internet & Telephone	15,377.56	12,617.30
Qualicoat Marketing Exp	46,754.15	43,313.84
Office Equipment Expenses	772.42	1,699.78
Qualicoat Zurich fees	7,167.01	9,879.86
QC Technical Services Fees	9,656.00	-
Qualicoat - Admin Costs	44,685.04	11,006.40
Rent, Electricity & Insurance	10,841.56	23,817.89
Salaries & Related Costs	76,262.87	74,063.95
Staff training	2,746.09	1,840.00
Sundry Training Expenses	4,324.81	2,692.48
Travel, accom & conference	-	277.73
Website Expenses	4,700.00	-
Write Down of Course Costs Set up costs	2,220.00	1,080.00
Total expenses	<u>335,513.18</u>	<u>310,739.17</u>
Surplus/(Deficit) from Ordinary Activities	<u>(55,654.74)</u>	<u>24,888.76</u>

Financial Report

Balance Sheet

	2010	2009
	\$	\$
Current Assets		
Cash assets	248,167.99	277,307.01
Receivables	11,421.94	4,468.36
Inventories	11,461.34	13,681.34
Current tax assets	4,550.91	(437.99)
Total Current Assets	275,602.18	295,018.72
Non-Current Assets		
Property, plant and equipment	306,655.30	309,163.30
Total Non-Current Assets	306,655.30	309,163.30
Total Assets	581,675.69	604,182.02
Current Liabilities		
Payables	19,334.92	1,808.75
Financial liabilities	290.94	-
Current tax liabilities	10,620.00	2,900.73
Provisions	1,662.67	-
Other	52,843.93	46,312.78
Total Current Liabilities	84,752.46	51,022.26
Total Liabilities	84,752.46	51,022.26
Net Assets	497,505.02	553,159.76
Equity		
Retained profits	497,505.02	553,159.76
Total Equity	497,505.02	553,159.76

Independent Audit Report

Scope

We have audited the attached financial report, being a special purpose financial report comprising the Directors' Report, Detailed Income and Expenditure Statement, Profit and Loss Appropriation, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, for the year ended 31 March 2010 of AUSTRALASIAN INSTITUTE OF SURFACE FINISHING. The company's directors are responsible for 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 appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. 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.

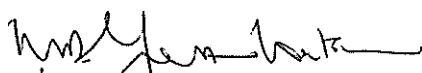
Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented 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 company's financial position, and 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 to the extent described in Note 1.

Audit opinion

In our opinion, the financial report of AUSTRALASIAN INSTITUTE OF SURFACE FINISHING is in accordance with:

1. the Corporations Act 2001, including:
 - (a) giving a true and fair view of the company's financial position as at 31 March 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - (b) complying with Accounting Standards, comprising AASB 1025: Application of the Reporting Entity Concept and Other Amendments and other Accounting Standards to the extent described in Note 1 and the Corporations Regulations; and
2. other mandatory professional requirements to the extent described in Note 1.

Signed on : *22nd July 2010*



INGRAMS & CO., Chartered Accountants
Michael Gretton-Watson

Financial Loss Explained

Overview

In the financial year 2009 -2010 The Australasian Institute of Surface Finishing incurred a loss of \$55,654.74. This was most unfortunate and can be attributed to several factors.

Two of our largest revenue streams were impacted, this can be attributed to the Global Financial Crisis, many businesses in the surface finishing industry suffered financially, some even faced closure, thus resulting in a loss of membership to the AISF.

Our Apprenticeship Program also suffered with student numbers declining. In 2009, many businesses made cut backs, and were putting off staff, rather than training them.

We also incurred some extra expenses throughout the year, which are not consistent with the average expenditure for the Institute and its Branches and Divisions.

Breakdown

Anodisers Association	-2,760.92
AISF Federal Council	-21,710.82
New South Wales	-7,109.86
Queensland	583.61
Qualicoat	-16,123.04
Training	-1,140.00
Surface Finishing Magazine	-12,081.92
South Australia	-1,130.44
Victoria	6,879.63
Western Australia	-1,060.98
Total Loss Incurred	-55,654.74

Reason for loss	Action Plan to avoid future losses
<p>AISF Federal Council - had some large expenses last year with extra trips for Federal Treasurer - Dave Van Tricht to come to Melbourne and assist with MYOB and the streamlining of our financial system to improve our corporate governance.</p> <p>There was an upgrade of MYOB software and new website design and development. This totalled approx \$10k of expenses not usually made in the year. There has also been a decline in Apprenticeship numbers and revenue coming into the Institute.</p>	<p>MYOB is improving, David's visits are less frequent. Website is almost complete and we have switched providers which will save us money in the long run.</p> <p>We have also started a marketing push on our Apprenticeship Program with a new angle. We have put articles in the magazine, information on the website regarding the Government Incentives available to employers of AISF Apprenticeships. We also heavily promoted this at the Victorian Trade Exhibition. The AISF is also working hard to have the Apprenticeships rolled out Nationally to increase numbers, Perth is almost ready to start.</p>
<p>Surface Finishing Magazine</p> <p>SF ran at a loss this year, this was to be expected. We increased the size and quality of the publication, as well as the distribution list, thus causing an increase in print and postage fees. However advertising revenue was still down</p>	<p>Advertising has picked up this year, with total revenue at \$7k this year as opposed to \$4.5k last year. Sharon has also had some lessons in sales pitches to fill advertising space. It was also decided to do the December members supplement electronically, this will save on print and mailing costs</p>
<p>New South Wales Branch</p> <p>NSW incurred a loss this year mainly due to the Reunion Dinner that they decided to fund for past members of the Institute</p>	<p>This was a one off event, that the branch decided to fund, to contribute something back to the members. Funding for any future events, will be considered carefully.</p>
<p>South Australian Branch</p> <p>SA ran at a loss mainly due to being unable to collect golf day income and the debt had to be written off. SA also suffered a loss in membership and no training courses or activities took place throughout the year to generate revenue</p>	<p>It has been suggested to the South Australian Branch to ensure all monies for future events are collected prior to the event. The Executive Officer also encouraged a training course in 2010 to generate revenue and encourages SA to be more active to engage members, in order to generate new members and retain existing members</p>

Financial Loss Explained

Reason for loss	Action Plan to avoid future losses
Western Australian Branch WA is a new, up and coming branch, they spent funds this year to market and promote the AISF in WA. And also to get training up and running in their state.	This year membership numbers has increased. Carey DeLaeter has worked hard to get training up and running in WA so that they can use that as a revenue stream in WA.
Qualicoat Division Qualicoat loss of \$16k is mostly to do with a change in internal accounting. Qualicoat incurred extra expenses this year with Technical Admin fees and Marketing projects to promote the Qualicoat system.	Money was technically taken out of reserved marketing fund put aside for future use. Next year we will do a journal to reflect this, so that the division should not show a recorded loss.
Anodisers Association Anodisers loss of \$2.7k is also due to a change in internal accounting. A lot of money was spent on environmental research and marketing this money should have come out of the Marketing Fund reserve	Money was technically taken out of reserved marketing fund put aside for future use. Next year we will do a journal to reflect this, so that the division should not show a recorded loss.

Reserved Marketing Funds

Qualicoat Division and Anodisers Association both have received large contributions from various sources over the past few years to be put towards a reserved Marketing Fund. These funds are to be used to help promote their services and purpose to the industry.

During the financial year 2009 -2010, both divisions spent a large proportion of that money on various marketing and promotion initiatives.

Some of these initiatives included;

- Environmental Projects
- Legal advice on issues facing the industry
- New website design and Search Engine Optimization
- Qualicoat representation in Zurich

Qualicoat division also enlisted services from CMB Management for a technical services consultant for. This consultant provides technical advice and support for all members and assists in the promotion and marketing of the Qualicoat Quality System.

Although the loss shown for both Anodisers Association and Qualicoat is an internal accounting loss, and this money was technically taken from the reserved Marketing Fund, these additional expenses have had significant impact on the financial position of each division.

Summary

In summary, taking into consideration the \$18,883 accounting loss for the two divisions, the Institutes actual loss was approximately \$25,000.

\$12,000 of this was magazine production costs, which is on the improve, advertising revenue is expected to double in 2010-2011 financial year.

\$4,500 of this was costs attributed to streamlining financial practices in accordance with corporate governance policies. This was an initial set up cost, and is not expected to be so high next year.

\$5500 was for website development for marketing purposes for both the institute and our members.

The remainder was for ad - hoc branch and divisional expenses, which were inconsistent with regular expenses and are not expected to occur in the following year.

Therefore, I am confident that the Institute should incur minimal losses in future.

Peter Harrison
 Federal President 2010 - 2011

