



AGM 2020



Welcome





Acknowledgement of country

Ostomy NSW Limited acknowledges the Dharawal speaking people who are the Traditional Custodians of the land of Sutherland Shire.

We pay respect to the Elders past and present of the Dharawal nation and extend that respect to other Aboriginal people visiting this site.

The Sutherland Shire is unique in Australia's history, as Kamay Botany Bay was the location of the first recorded contact point between our First Nations people and Europeans.



Agenda

11:00am – AGM

Bring the AGM to order – open the meeting.

Zoom participants to be recorded (email to manager@ostomynsw.org.au)

Record any apologies / acknowledge number of proxies.

Minutes of past AGM.

Vice President's report.

Manager's Report.

Director's Finance discussion.

Resolutions:

Remuneration Report

Election of Directors

Special Resolutions to amend Constitution

Declare AGM closed



Zoom participants

Please send an email to manager@ostomynsw.org.au

With your name and membership number to record your participation at this meeting.



Apologies and Proxies received

- Apologies from 6 members
 - Wojciech Ihnatowicz, Terrie Anne Sneddon, Robyn Hand, Mike Simpson, Margaret Cameron, Helen Linnegar.
- Proxy votes received from 37 members



Vice President's Report

Vice Presidents' perspective

Ostomates need this scheme



chasm



We order>> products come> we get on with life...



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Vice President's Report

- ONL Members survey says we are doing very well.
- Products give us a lifestyle. Ordering+help+support gives it to us 24/7...continuously.
- We are currently surveying nurses for advice, feedback,
- Threat is revenue. Despite 14 months of requests for fee increase from Department of Health, no increase as yet,
- Other than Association's funded by charities, or the very small, other Association's revenue is below costs.
- System developed by ONL will be provided to other 20 Associations during 2020-21 – this will cost.



Objectives – Ostomy NSW

- Continue to provide efficient and accurate delivery of stoma appliances and ancillary products to company members under the Stoma Appliance Scheme.
- Improve the wellbeing and quality of life of all ostomates and the community in general.
- A financial model that ensures long term viability, liquidity and solvency with capacity for growth.
- Maintain a workforce that retains talent, is trained in all aspects of the Stoma Appliance Scheme and works in an efficient and safe manner.



Strategies – Ostomy NSW

To achieve our stated objectives, the company has adopted the following:

- Maintain adequate premises with the right use of technology to do good things for our members.
- Keep members informed of any issues that directly affect their deliveries or products, without attempting at any time to provide or imply any medical advice.
- Be recognised by its members as the Ostomy association that excels in member service.



Measures – Ostomy NSW

- Communication with members to ensure their voice is heard by asking stakeholders about ONL's service.

Action: Member survey

- The right balance between paid staff and volunteers.

Action: set the level of full-time equivalents (FTE).

- Financial viability.

Action: Monthly P&L, quarterly comparisons over 3 years, surplus result from sum of three years.



ONL
OSTOMY NSW LIMITED

ABN 92 003 107 220



Revenue Raising for Associations

Why is this important?



Regional Members Meetings 2019.



National context

- National Association 'ACSA" . Legislated to distribute 3,500+ stoma appliance items.
- 'Licences' ACSA 21 member Associations to claim on Medicare for members' despatched products.
- Dept Human Services, Dept Health joint custodians of Stoma scheme,
- Dept Health stipulate Associations' scheme access member fee,
- Claims on Medicare \$94m pa, and growing,
- State Health Service part funded by Federal Govt.
- Govts supply Stoma services, many paid by Medicare,
- Stoma nurses have to pay for stoma education (time+\$\$),
- Dept of Health REOI lodged 17 Nov...more details on slides 40 and 41.





NSW in national context

By member size, (Medicare), 21 Associations. 44,000 ostomates, receive \$94m pa in products. Say \$2,200 each ostomate pa.

Larger: ONL has 6,545 with NSW Stoma 7,200

NSW } some 81,000 Despatches in 2018, of some
} 3,600 different products, different allowances,

Smallest : Warranambool , 207 members.

Associations Boards + ACSA Board are unpaid volunteers. Only reimbursed roles' travel costs



\$\$\$ flow

1. Medicare Members order product from Association,
 2. Association buys in product from suppliers. ONL and NSL typically orders \$1,000,000 each month. On delivery Association pays supplier.
 3. Association dispatches product then claims in arrears on Medicare. Paid within 10 days
- Medicare pays Associations 2.75% on the distributed cost of products, 2.75% on \$94m = \$2.9m. For 21 Associations

Threats:

Rejection (temporary), of Medicare claim,

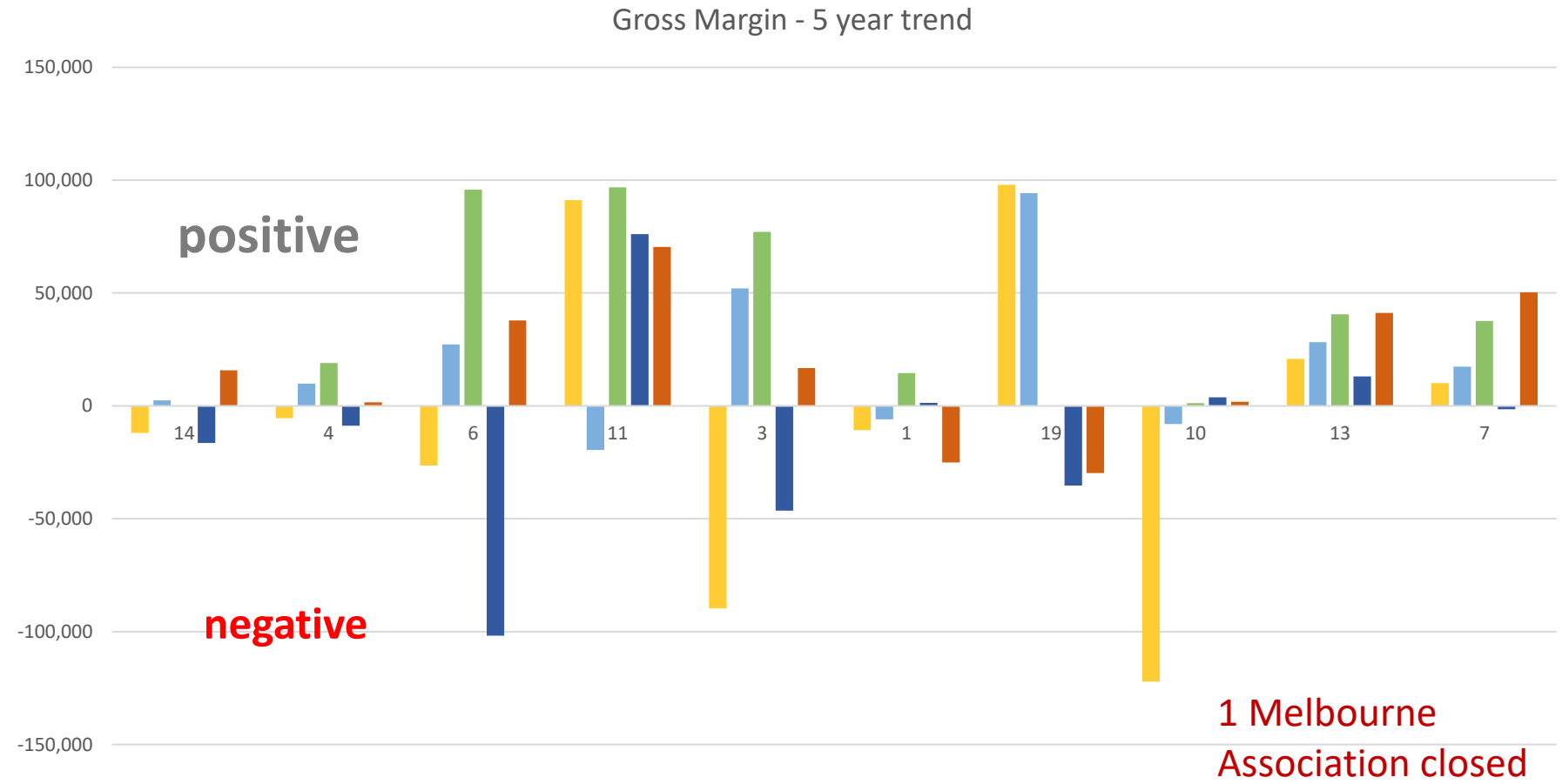
Left with discontinued stock. Keep up with changes,

Costs - Aust Post, office supplies, strata fees, mail, Award salaries >>>> all rise about 3% to 5% pa.





Random financial outcomes – 21 Associations 5 year trend.





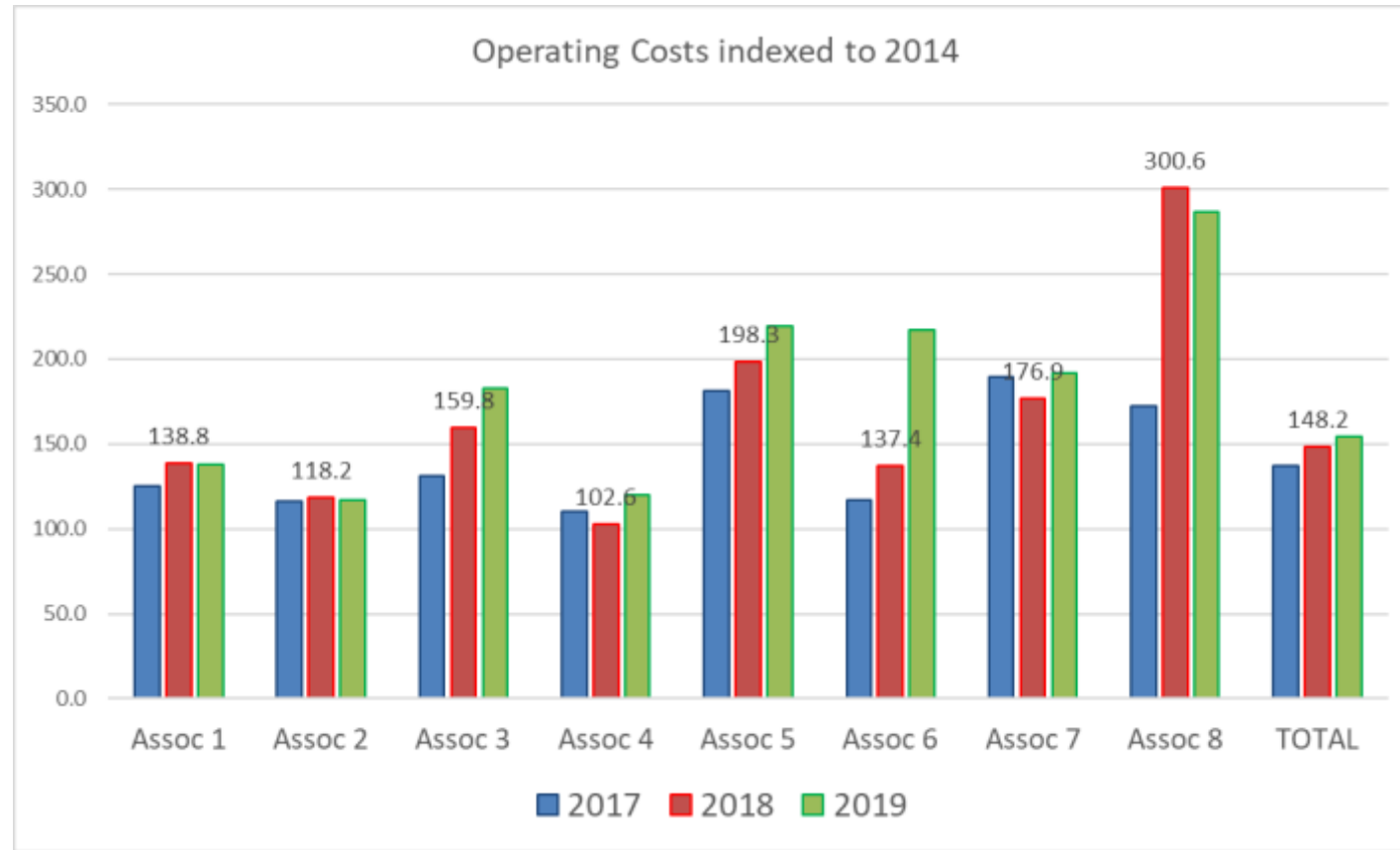
Operating Costs per member

	O.N.L.	TOTAL	
2014	176	128	Best Year
2015	195	139	
2016	193	165	
2017	198	167	
2018	203	174	
2019	203	175	Worst Year
Average 3 Years	201	172	

Operating Costs are increasing – for ONL and for all associations.
Government commission is static at 2.75%



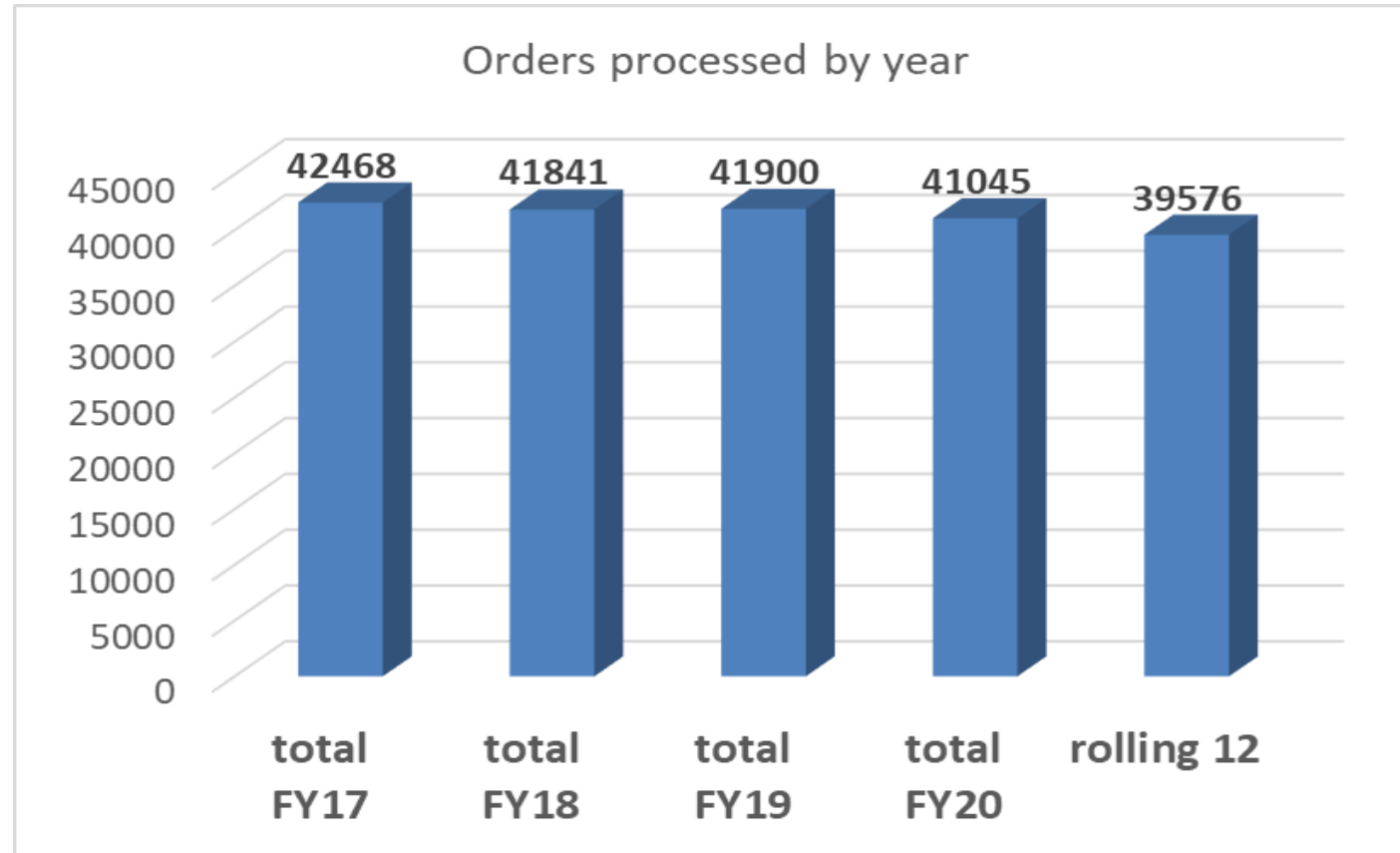
Operating Costs indexed to 2014



Assoc 2 is Ostomy NSW Limited



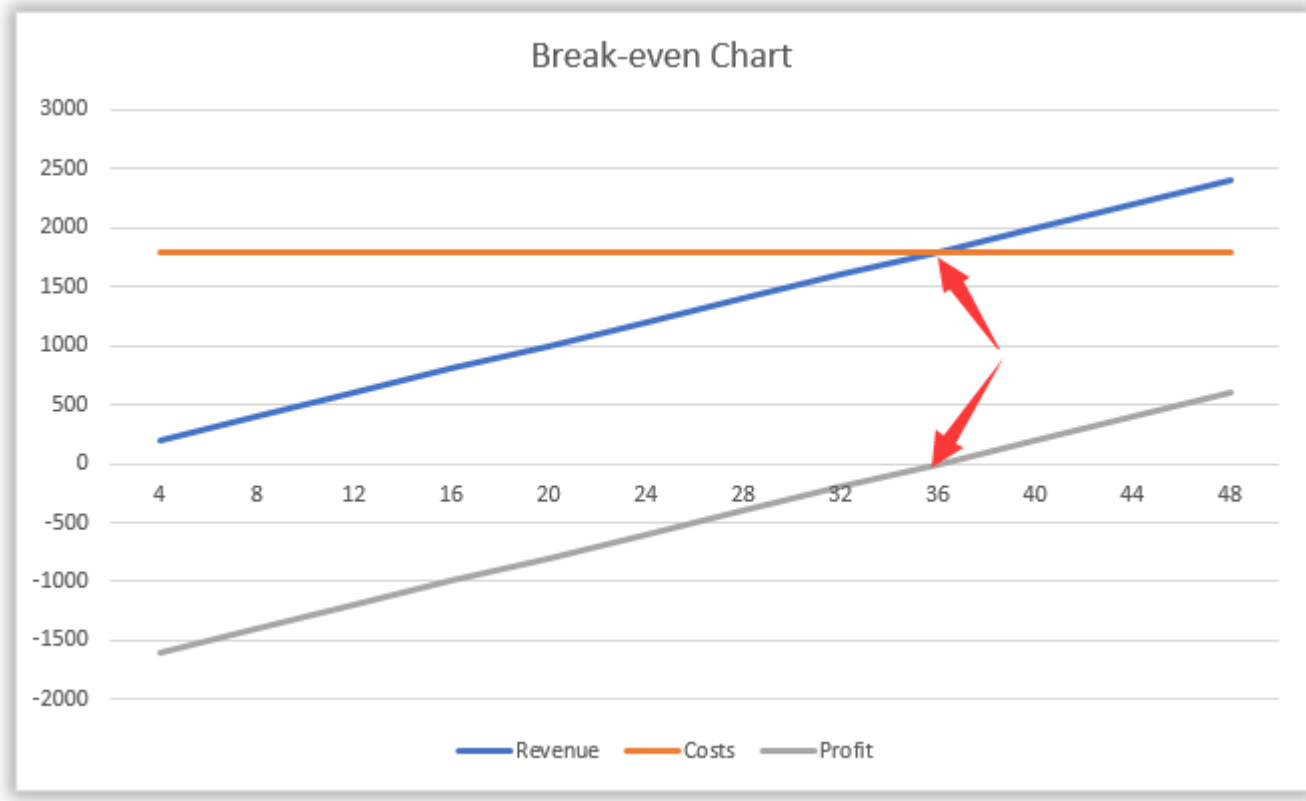
Orders processed by year (Ostomy NSW)



Annual volumes are around 42,000. 2020 is reduced due to May (fire) and generally less orders under COVID-19 restrictions; due to no pick ups.



Associations cost to revenue





Ostomate wellbeing

Stoma needs specialised products; glues, pastes, clothing , skin, care, diet.

Relies on access to low cost or free stoma care.

Concerns:

residents in retirement facility

country or remote members.

Association's costs exceed Medicare revenue by 34% ,

Health services split responsibility of Governments.

Yet cost cutting & 'fee for service' is current 'efficiency'.

Solution:

Members to think > act achieve income – gain revenue



Revenue Raising

- Medicare commission 2.75%
- Stoma Appliance Access (Membership) Fees \$60 / \$50
- Donations:
 - Bequests
 - In addition to membership fees
 - Activities in the General Public
 - Raffles



Revenue Raising in 2019

- Membership renewal letter included request for donations
- Return and Earn – barcode reader available
- Fundraising pack available on website
- Education Days – pass the hat
- Controlled costs (Employee costs held despite 3.5% increase)
- More volunteers



Financial Report



Financial Report - Highlights

- A budget forecast for 2020 was a \$2,000 surplus.
- A small deficit reported at 30 June 2020 (-\$659).
- Significant costs after the fire were partially met by our insurance claim at 30 June 2020.
- A further \$200,000 was received from insurance after 30 June 2020.
- Government COVID-19 support contributed positively to our result.

- Balance Sheet has over \$2.2m retained earnings (member's equity).
- Cash as at 18 November 2020 \$2.75m.



Profit and Loss statement – 30 June 2020

Ostomy NSW Limited			
Accounts	2019	2020	\$ Chg
Income from Operations			
Membership Fees	\$292,743	\$378,547	\$85,804
Membership Postage	\$414,990	\$480,850	\$65,860
Medicare PBS Payments	\$12,885,047	\$13,028,317	\$143,271
Medicare Commission Paid	\$354,545	\$358,298	\$3,752
Total Membership Income	\$14,015,345	\$14,293,588	\$278,243
Total Non Membership Income	\$97,866	\$64,865	-\$33,001
Total Income	\$14,115,271	\$14,358,452	\$243,181
Total Cost Of Sales	\$12,856,909	\$13,028,952	\$172,044
Gross Profit	\$1,204,081	\$1,329,500	\$125,419
Total Operational Expenses	\$487,353	\$509,121	-\$21,768
Total Administrative Expenses	\$76,555	\$93,452	-\$16,897
Total Employment Expenses	\$733,891	\$758,551	-\$24,659
Total Expenses	\$1,297,800	\$1,361,123	-\$63,323
Operating Profit	-\$39,438	-\$31,624	\$7,814
Total Other Income	\$12,912	\$77,615	\$64,703
Total Other Expenses		-\$46,641	-\$46,641
Net Profit / (Loss)	-\$26,526	-\$649	\$25,877

Comparison to 2019

Income +\$243,181

Gross Profit +\$125,419

Expenses + \$63,323

Net Profit + 25,877



Profit and Loss statement – 5 year history

<u>Ostomy NSW Limited</u>					
<u>Accounts</u>	2016	2017	2018	2019	2020
Income from Operations					
Total Income	\$13,964,205	\$14,247,166	\$14,489,089	\$14,115,271	\$14,358,452
Total Cost Of Sales	\$12,834,463	\$13,094,326	\$13,071,130	\$12,856,909	\$13,028,952
Gross Profit	\$1,129,742	\$1,152,839	\$1,417,960	\$1,204,081	\$1,329,500
Total Operational Expenses	\$497,557	\$462,676	\$494,403	\$487,353	\$509,121
Total Administrative Expenses	\$81,044	\$88,952	\$86,446	\$76,555	\$93,452
Total Employment Expenses	\$674,224	\$734,297	\$730,660	\$733,891	\$758,551
Total Expenses	\$1,252,825	\$1,286,584	\$1,311,510	\$1,297,800	\$1,361,123
Operating Profit	-\$123,083	-\$133,745	\$106,450	-\$39,438	-\$31,624
Total Other Income	\$28,481	\$18,584	\$14,300	\$12,912	\$77,615
Total Other Expenses					-\$46,641
Net Profit / (Loss)	-\$94,602	-\$115,871	\$120,749	-\$26,526	-\$649



Balance Sheet as at 30 June 2020

Balance Sheet as at 30 June 2020			
Assets		Liabilities	
<u>Current Assets</u>		<u>Current Liabilities</u>	
Total Bank Accounts	\$1,926,131	Total Creditors	\$1,066,486
Total Inventory	\$87,974	Total Prepayments & Accrual	\$317,481
Total Debtors	\$600,368	Total Employment Liabilities	\$188,473
		Visa Card	\$569
		Total GST Liabilities	-\$6,856
		STN Training Scholarship	\$29,620
Total Current Assets	\$2,614,923	Total Current Liabilities	\$1,595,772
		Total Liabilities	\$1,595,772
Total Land & Buildings	\$1,160,725		
Total Office Equipment	\$33,252	Equity	
Total Fixtures & Fittings	\$0	Retained Earnings	\$2,251,407
Total Computer Equipment	\$11,596	Current Year Earnings	-\$359
Total Computer Software	\$25,874		
Total Non Current Assets	\$1,231,448	Total Equity	\$2,251,049
Security Deposits	\$450		
Total Assets	\$3,846,821	Total Liabilities and Equity	\$3,846,821
Net Working Capital	\$1,019,151		

Retained Earnings
for member benefit



Comments - Impact of the fire and Government support

- Fire deficit as at 30 June is **-\$46,461** (*we received a further +\$200,000 after 30 June*)
- Additional salaries (JobKeeper top-up) **-\$11,298** (May and June)
- JobKeeper from Government **+\$45,000** (May only, June was paid in July)
- Cash Boost (Payroll Tax refund) **+\$24,890**
- Loss of revenue in May (approx.) **-\$10,725**
- Cost of interstate orders **-\$15,116**
- Rent at Yalgar Road **-\$15,167**

- *Without extraordinary items, we may have recorded a **surplus of around \$28,000.***



Financial comments

- Financial position at 30 June 2020 very sound and best result for the past 5 years, excluding the 2018 bequest.
- An impact of around \$28,000 at 30 June was felt due to the fire and COVID-19.
- Another \$200K was received from insurance post-30 June results.
- Balance Sheet shows retained earnings over \$2.2m, with \$1.9m cash at bank.



Value of Land and Buildings at 30 June 2020

- Total Land & Buildings \$1,160,725
- This is reported at “cost” less depreciation – the price we paid for it.
- Revaluation is not required for June 2020.
- The Strata Plan insurance claim on the whole building has been declined and further action is underway to recover the claim.
- A note to accounts:
 - “The Directors believe that the building will be restored to a fully-functioning and usable condition at some time in the future, but before 30 June 2022.”



Insurance update

- ONL contents business insurance have been providing us with these premises and assistance.
- Strata Plan building insurer denied our claim and this is in the hands of a legal team – this is a strata issue, not just ONL.
- Demolition work commenced this week after months of negotiation around the denied claim.
- ONL has to pay our share (20.6%) with an expectation of damages from a successful law suit.



Manager's report





What have we achieved in 2020?

- 80% of orders received are dispatched in 2 days.
- 90%+ orders are dispatched in 3 days.
- Excellent service from suppliers: 24-48 hour delivery.
- Improved some “digital” technology – online ordering and payment gateway now on our website.
- Maintained our staff at 14.
- Kept our same trading hours.
- Some disruption to our volunteers due to COVID-19.
- Increased email and mobile phone database.
- Recovered within 3 weeks in a new location from our fire.
- COVID-19 protective measures in place since April.





Dept of Health – Expression Of Interest

- The Department of Health (DOH) released the results of their Stoma Appliance Scheme Consultation Outcomes.
- Most responses to the consultation were positive,
- Common themes raised during consultation
 - *A more consistent approach to ordering and distribution arrangements*
 - *Access to an online ordering capability, for ostomates*
 - *cost equity for ostomates based on their individual living and financial circumstances*
 - *More comprehensive and accessible education about effectively managing a stoma*
 - *Information about the Scheme.*



Dept of Health – Expression Of Interest

In order to address these results,

- a Request for Expression of Interest (REOI) has been released by the department and more details can be found on the DOH website.
- ACSA* has submitted a REOI on behalf of all associations, expressing the importance of support from all 21 associations.
- Message from Dept of Health:

“Ostomates should note that there will be no changes to the Scheme as a result of this process. The purpose of the REOI is to gather information only. Any changes to the Scheme as a result of a (future) tender process requires Government consideration and information about any changes would be communicated to all ostomates and other stakeholders well in advance to ensure understanding of implications or any changes in supply arrangements.”

In the future, things may change - We will keep you informed.

*ACSA is Australian Council of Stoma Associations = National body

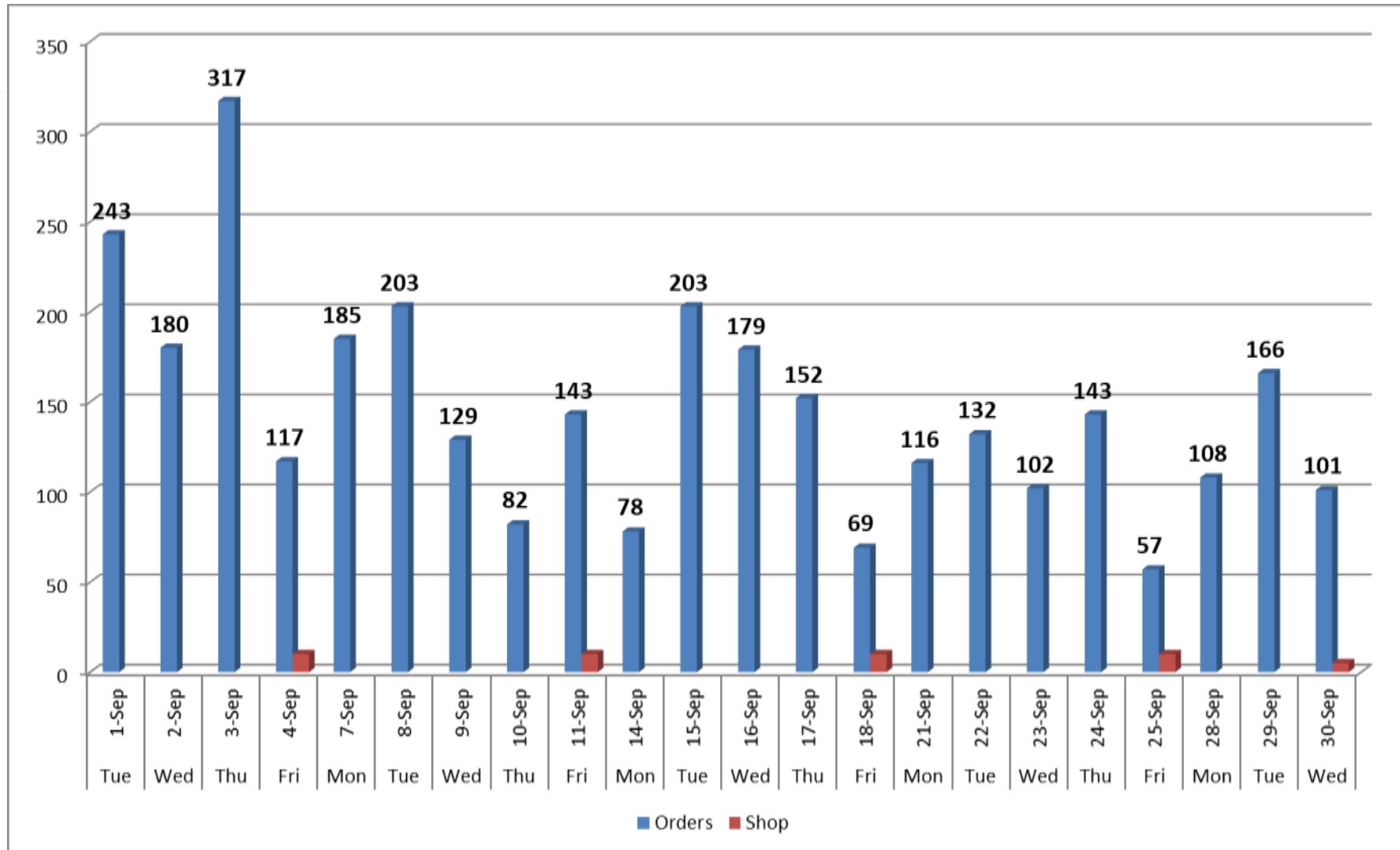


Monthly Orders





Daily Dispatch (example September 2020)





NEWS

Notice of Annual General Meeting of Members

Notice is hereby given that the Annual General Meeting (AGM) of Ostomy NSW Limited (the "Company") will be held on Friday 8th November 2019 at Blacktown Workers Club, 55 Campbell St, Blacktown NSW commencing at 4:00 pm. Business to be conducted at the meeting is to pass resolutions to:

1. **Annual Financial Statements and Reports**

Receive and consider the Annual Financial Statements for the year ending 30th June 2019 and the Reports of the Directors and of the Auditor for the year ending 30th June 2019. These are available on our website from Monday 7th October 2019 or a hardcopy can be sent to you by request in writing by Friday 25th October 2019 (letter, fax or email).

2. **Election of Directors (Responsible Persons)**

Payments now available online

Supplies to be purchased or Special Instructions:

Payment Details: Please transfer to ONL Bank Account with the following details:

Account Name:	ONL
BSB:	112879
Account Number:	45 664 3389
Bank:	St George Bank
Ref:	Your name, membership number and the word "order"

OR: Pay with your Credit Card
Visa and Mastercard ONLY
Minimum payment \$39

Credit Card Number:

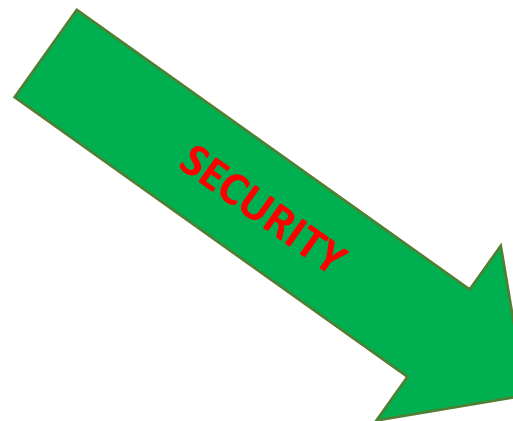
Expiry Date: month year

Credit Card Check: last 3 digits on rear

Name on Card:

Amount:

Date:



Hours of Operation

We are open to members 4 days a week only, Monday to Thursday.
Counter hours are 9:00 am to 2:00 pm.



Resolutions



Proxy votes received from 37 members

Resolution	For	Against	Abstain	No vote	PROXY
Financial Statements	37	0	0	0	32 Chair
Remuneration Report	36	0	0	1	1 Helen
Director – Tom Flood	36	0	1	0	1 Stephen
Director – Ian Denney	35	0	1	1	2 n/a
Director – Greg Doyle	35	0	1	1	
Director – Stephen Grange	35	0	1	1	
Director – Perry Johnstone	35	0	1	1	
Director – Helen Richards	35	0	1	1	
Director – Michael Rochford	35	0	1	1	
Clause 11.4	36	0	0	1	
Clause 11.5	36	0	0	1	



Resolutions

1. Annual Financial Statements and Reports

Receive and consider the Annual Financial Statements for the year ending 30th June 2020 and the Reports of the Directors and of the Auditor for the year ending 30th June 2020. These are available on our website from Monday 19th October 2020 or a hardcopy can be sent to you by request in writing by Friday 6th November 2020 (letter, fax or email).

2. Election of Directors (Responsible Persons)

In accordance with the Constitution, the Board may consist of up to eleven Directors, of which a maximum of nine may be elected at the AGM by the Members. Candidates must be nominated in accordance with the Constitution.

3. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Remuneration Report (which forms part of the Directors’ Report) in the Annual Financial Statements for the year ended 30th June 2020 be adopted”



Resolutions

4. Special Resolutions

To amend the Constitution of Ostomy NSW Limited ACN 92 003 107 220 and ratify amendments:

Amend to remove duplicate text and addition of words in italics:

11.4. The accidental omission to send a notice of a general meeting to a Member or the non-receipt of a notice [delete duplicate of a notice] by a Member does not invalidate the proceedings at or any resolution passed at that general meeting. *A Meeting may be held at two or more places at the same time using any technology which gives Members a reasonable opportunity to participate in the Meeting.*

Amend with the addition of words in italics:

11.5. The service of notices on Members will be issued to the *Member's registered address or facsimile number or email address or other electronic means as set out in the Members' Register, or by including the notice in a postal or pick-up delivery of ostomy appliances and associated products. Notices to Members will be sent to the last notified address, facsimile number, email address or other electronic means.*



Explanation of amendments to Constitution:

The annual cost of printing, mailing and collating of AGM Notices is in excess of \$14,000. The Directors support the service of notices using electronic means such as email to reduce this cost and use member's funds towards more beneficial member support. These amendments recognise the use of modern technology to communicate with members in a convenient, cost effective and more-immediate process. In addition, the use of technology platforms to live-stream meetings has become more common and secure, especially throughout the experience of the COVID-19 Pandemic during 2020.

The Directors unanimously support the passing of both amendments.



THANK
YOU