

At 30 June 2018, the Association finished with a surplus of \$23,984. Whilst our financial position remains vulnerable, this result is encouraging and reflects the success of the strategies the OSA Board has implemented in 2015-2018 to better protect the Association from the risks presented in the current climate.

The key reasons for this result:

POSITIVE

- *Increase in membership income*

Our membership income was \$32,407 higher than the previous year. Whilst our policy is to always increase membership fees by CPI, in 2017-18 we also experienced a greater number of membership applications than expected. However, what is of concern is that the percentage of optometrists practising in South Australia who are members of Optometry SA is falling. In 2005 we represented 95% and this has fallen to 82%. Strategically we should be investing efforts in growing this figure, but the OSA is currently too financially vulnerable to do this.

- *Positive turn-around of SA Blue Sky Congress*

SA Blue Sky Congress continues to create a small surplus which is reinvested back into the provision of member services. In 2017, we secured just over \$40,000 profit in the main due to a strong exhibitor interest and attracting 60% of our delegates from interstate.

- *Removal of unnecessary liabilities on the balance sheet*

On further advice and recommendations from the auditor, the OSA Board has continued to secure further reductions in the liability for long service and annual leave on the Balance Sheet by facilitating the taking of leave by CEO Libby Bosc hen and Member Liaison Officer Nic Ostrognay.

- *Significant tightening of expenditure belt*

We have continued to be proactive in securing cost efficiencies in the running of our office and Libby & Nic are now running a very lean machine. To reduce our office rental costs, we have relocated to a small serviced office where we have the use of shared meeting facilities.

NEGATIVE

- A further reduction in interest earned due to falling interest rates. We regularly assess options and alternatives within the limitations that we have. Our Term Deposit is required as a guarantee against our on-line member payment gateway. If we do amalgamate with optometry Victoria, our reserves will have the potential to earn a greater benefit for our combined organisation due the increased flexibility of being combined with a significantly greater amount of assets.
- The OSA Board's greatest concern is our financial vulnerability due to net assets of just \$117,187. Whilst I'm pleased this figure is up by 26% on last year, the figure is still alarmingly low and fails to allow us to be nimble in our strategies. There is a significant opportunity cost associated with this lack of flexibility and inability to invest in activities that will grow membership. There is the potential to weaken our lobbying strength and to miss great opportunities for members and optometry by having insufficient feet on the ground to monitor the environment in which we are operating.

What are our medium-term strategies to improve our financial performance?

- Continue to reduce our liabilities for annual leave and long-service leave.
- Continue to minimise the financial risks associated with delivering SA Blue Sky Congress by remaining at the less expensive venue.
- Seek further cost efficiencies by working more collaboratively with Optometry Australia and other state divisions and utilising its team's skills in preference to external agencies.
- Retain our smaller, serviced office space.

What is our long-term strategy to ensure our sustainability for another 100 years?

I recommend to the OSA Board and OSA members that OSA amalgamates with Optometry Victoria. I will be voting YES at the AGM and I encourage all members to do the same.

Further details

The full audited accounts are of course available to all members on request. Just email Libby on l.boschen@optometry.org.au or call (08) 8372 7814

Any questions?

Please don't hesitate to contact the CEO or any Board members at the AGM or beforehand, should you have any questions or suggestions.

Mark O'Connor - OSA Treasurer