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President

Dr Michael Gannon
Immediate Past President

Dr Omar Khorshid
Vice President

Dr Mark Duncan-Smith
Vice President

Prof Bernard Pearn-Rowe
Hon. Treasurer
(Jan - Aug 2016)

A/Prof David Mountain
Hon. Treasurer
(Sep - Dec 2016)

Adj Prof Janice Bell
Hon. Secretary

Dr Marcus Tan
Asst. Hon. Secretary

Prof Mark Khangure
Specialty Practice

Dr Tony Ryan
Specialty Practice

Dr Gordon Harloe
Specialty Practice

A/Prof Rosanna Capolingua
General Practice

Prof Geoff Dobb
Salaried State Government

Dr Dror Maor
Salaried State Government

Dr Steve Wilson
Chair, COGP

Dr Simon Torvaldsen
General Practice
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AMA
WESTERN AUSTRALIA

TWENTY 16 ANNUAL REPORT

AUSTRALIAN MEDICAL ASSOCIATION (WA) INCORPORATED **2016** | ANNUAL REPORT

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Psychiatry Representative

A/Prof Peter Maguire
Rural Medicine Representative

Dr Ian Jenkins
Chair, IHLC

Prof Gary Geelhoed
Ordinary Member

Prof Leon Flicker
Ordinary Member

Dr David McCoubrie
Ordinary Member

Dr Daniel Heredia
Ordinary Member

Dr Stuart Salfinger
Ordinary Member

Dr Tim Koh
Chair, RACGP WA

Dr Chris Wilson
Co-Chair, Council of DiT

Dr Michael Page
Co-Chair, Council of DiT

Prof John Newnham
UWA Nominee

Prof Shirley Bowen
Dean, Notre Dame

Daniel Dorevitch
President, WAMSS

Sid Narula
President, MSAND

PRESIDENT'S REPORT

The AMA (WA) lobbied hard for and delivered positive changes on a range of issues this past year, including the signing of a new IR agreement for its members

Over the past year, the Australian Medical Association (WA) made a difference – in the lives and the working conditions of doctors, specialists, interns, medical students as well as patients, and as a result the health of our State was once again improved.

In a year marked by a serious downturn of the Western Australian State economy, the AMA (WA) also saw a rise in membership, a stabilisation in our bottom line and the signing of a significant new wage agreement.

I can also report that once again the AMA continued to improve its public standing, its involvement in public debate on major social and medical issues and advocated for positive change in the health sector.

While it falls to me to provide the 2016 Annual Report to members, I must point out that I was elected as President in June this year, and therefore acknowledge the great service given to our Association by immediate past President Dr Michael Gannon.

Dr Gannon, as everyone is aware, was elected to the exalted position of AMA Federal President in May 2016 after two years as AMA (WA) President.

I was extremely proud to accept the leadership baton from Dr Gannon and the success of the 2016 year must therefore, in a major way, also be his.

Possibly the single most significant event in the year for the AMA was the successful negotiation and signing of the *WA Health System – Medical Practitioners AMA Industrial Agreement 2016*, which saw salary and allowance increases of 1.5 per cent per annum over the next three years, backdated to 1 October 2016.

The agreement also had significant implications for annual leave provisions, Doctors in Training rosters and increased job security for members.

The AMA also encouraged the State Government to improve working conditions for doctors at Princess Margaret Hospital following complaints to us about widespread poor morale. Following many promises made and broken to staff about management issues at PMH, the AMA was forced to raise them in the media, with the Minister and hospital management. This remains a work in progress, but we are confident of a positive outcome.

Please see later in this Annual Report for a more detailed account of the many areas of industrial relations in which the AMA fought successfully for members.

In the key specialty of General Practice, the AMA represented GPs in areas such as the Primary Health Care Review, the ongoing Medicare Rebate Freeze, Pathology Collection Centre Rentals and the growing issue related to After-Hours Medical Care.

I am glad to be able to report that, once again, membership of your Association grew over the year, to more than 5,000 for the first time.

Our strong industrial representation as well as our lobbying and training activities combined to keep membership growth significantly above other states.

Your Association continued its significant and powerful lobbying of political parties in WA and as the year ended, issued its well-received lobbying paper for the State Election, due to be held in March 2017.

The public release of the election issues paper was followed with meetings with all health-related political figures, most prominently Health Minister the Hon. John Day and Opposition Health Spokesperson, Roger Cook.

As the year closed, the AMA (WA) was maintaining its role

in the public health debate, helping to ensure that medical professionals, along with the media, politicians and the general public understood the importance of health in the coming election.

The fight was taken to the State Government in a number of areas, both new and continuing.

For example, your Association was strongly involved in advocating for improvement at the new Perth Children's Hospital, as issues ranged from asbestos panelling, questionable standards in fire walls and high lead levels in the water.

The AMA (WA)'s position has never wavered. I have consistently argued that the hospital should only be officially opened when it is totally safe for staff, patients and visitors. I also repeatedly pointed out that major problems with the new hospital demonstrated the danger of public servants being responsible for negotiating large and complicated construction tenders.

In October 2016, Curtin University's Medical School was granted accreditation by the Australian Medical Council (AMC), the independent national standards body for medical education and training. Curtin's five-year, full-time undergraduate Bachelor of Medicine/Bachelor of Surgery program commenced in February 2017 with 60 students.

With the increasing number of graduates expected to flood the medical training pipeline in the coming years, the AMA continued to exhort the State Government to invest in additional training places and supervisors to maintain the highest standards and guard against an erosion in the quality of clinical training. The AMA looks forward to working with all medical schools to help achieve the best training possible for our future members.

Our monthly publication, *Medicus*, also continued to punch above its weight. Although slightly reduced in page numbers, *Medicus* continued to have its usual impact on members and medical debate. Significant covers of our award-winning magazine over the year included in-depth examinations of medical work-life balance, GP After-Hours Care, End of Life Care, Mental Health Reform, and the critical impact of concussion.

The 2016 year also provided us with the chance to recognise the enormous contribution made by many members.

"As the year closed, the AMA (WA) was maintaining its role in the public health debate, helping to ensure that medical professionals, along with the media, politicians and the general public understood the importance of health in the coming election.

At the AMA (WA) Gala Dinner, held in late June in the stylish setting of the Perth Convention and Entertainment Centre, the evening took an Indigenous theme as Professor Max Kamien was presented with a Hippocrates Award, while Associate Professor Ted Wilkes received the President's Award. The Camille Michener Legacy Junior Doctor Award was a split decision – going to Dr Melita Cirillo and Dr Paul Sander.

In conclusion, our ability to have an impact on the profession touched many areas of health this year.

But it was the desire of your Association to make a difference, to affect positive change for doctors and patients that makes us stand out from other organisations.

This desire resides as much within the AMA as it does within the members we serve.

Our appetite to drive this change is in our DNA. It is the heart and soul of the AMA – and we will go on doing it next year and into the future.

The Council, executive and staff of the AMA (WA) are all proud to represent a profession that is so driven by compassion and respect. Doctors are driven to make a difference in the lives of their patients. It is the responsibility of the AMA to make a difference in the way health is regarded in society. On that basis, it has been a very successful year indeed. ■

DR ANDREW MILLER
AMA (WA) President

INDUSTRIAL REPORT

The AMA (WA)'s industrial team had a challenging year dealing with salary negotiations in a tough economic climate

WA HEALTH SYSTEM – MEDICAL PRACTITIONERS – AMA INDUSTRIAL AGREEMENT 2016

Following a long and protracted period of negotiations throughout 2016, the WA Industrial Relations Commission will register the new agreement to apply to all public sector salaried doctors employed by WA Health and the Mental Health Commission in early 2017

The WA Health System – Medical Practitioners – AMA Industrial Agreement 2016 (the AMA Agreement 2016) creates a single industrial agreement amalgamating and replacing:

- *Department of Health Medical Practitioners (Metropolitan Health Services) AMA Industrial Agreement 2013;*
- *Department of Health Medical Practitioners (WA Country Health Service) AMA Industrial Agreement 2013;*
- *Department of Health Medical Practitioners (Drug and Alcohol Office) AMA Industrial Agreement 2013; and*
- *Department of Health Medical Practitioners (Director General) AMA Industrial Agreement 2013.*

A replacement agreement to the *Department of Health Medical Practitioners (Clinical Academics) AMA Industrial Agreement 2013* will be finalised during early 2017. Replacement subsidiary agreements will also be dealt with in early 2017. The same salary increases and date of effect will apply to all of the above agreements.

In the context of the current economic environment, the AMA (WA) considers the AMA Agreement 2016 provides an excellent outcome for medical practitioners, with significant improvements in conditions. Some of the key successes the AMA has secured in this round of negotiations include:

- Salary and allowance increases of 1.5 per cent per annum over the next three years; the first increase will be backdated to 1 October 2016.
- The rolling of Arrangement A Private Practice Income Allowance (PPIA) into base salary, a long-standing claim of the AMA and something that has not been achieved elsewhere in Australia. There will be two salary schedules reflecting previous arrangements for Arrangement B practitioners, without PPIA, and a new rolled rate for Arrangement A practitioners.
- While the Arrangement A PPIA has been rolled into the base salary for Arrangement A Practitioners, its value has increased by 1.5 per cent, in line with salary increases.
- Annual leave paid on termination of employment will be paid at the practitioner's salary rate at the date of termination. For Arrangement A practitioners, this now includes the PPIA that has been rolled into the base rate.
- Increased job security, including three-year contracts of employment for interns through to Resident Medical Officer Year 2.
- Doctors in training (DiTs) will have access to rosters at least 14 days prior to their commencement and other improvements in rosters.
- Senior doctors will be advised whether or not they will receive a further five-year contract 12 months prior to the termination of their current five-year contract.
- More transparent and guaranteed access to leave and recognition of service and leave accrual across WA Health's employing entities.
- Annual leave which has accrued for more than 12 months can be taken with two weeks' notice in keeping with State legislation.

ROYAL FLYING DOCTORS SERVICE

The Royal Flying Doctors Service, despite failing to secure agreement with the AMA (WA), put a proposed agreement to ballot in October 2016. This was rejected by doctors after it failed to provide for modest improvements, reflecting the current practice of time off in lieu for rostered shifts extending beyond four hours.

A formal agreement was reached, returning a positive ballot following resumed negotiations with the AMA (WA), which secured the current practice of TOIL for rostered shifts extending beyond four hours being outlined in a written policy. This was in addition to a 1.5 per cent salary increase per annum over the three-year term of the new enterprise agreement. There will be an increase of CPI falling in the second and third years of the agreement, should it be higher than 1.5 per cent.

The Royal Flying Doctor Service of Australia (Western Operations), Medical Practitioners Industrial Agreement

2016 was lodged for registration by the Fair Work Commission at the end of 2016.

ST JOHN OF GOD

SJG commenced operating its first public hospital in WA in November 2015. Practitioners transferring from Midland Public Hospital's predecessor, Swan District Hospital, were covered by the *Fair Work Act 2009* provisions that relate to transferring employees, preserving their employment conditions for the remainder of the term of the *Department of Health (WA) (Metropolitan Health Services) AMA Agreement 2013,* which became a "Copied State Instrument".

The AMA (WA) served SJG with a log of claims prior to the opening of SJG Midland Public Hospital in mid-2015, in order to commence negotiations for a new agreement to cover all practitioners employed at the new public hospital. SJG declined to meet with the AMA until three months prior to the notional expiry date of the Copied State Instrument, with the intention of creating an agreement that would cover all SJG employees. This included transferring practitioners, those covered only by a Common Law Contract and practitioners working at a SJG private hospital, including doctors covered by the *SJOG Murdoch Hospital AMA Industrial Agreement 2013*.

The process of combining three streams of employees, all with varying conditions and entitlements, under one agreement has been a difficult one. SJG's refusal to pay a Professional Development Allowance (PDA) of $27,732 as a cash component, instead offering access to the equivalent value on production of proof of professional development expenditure, represented an offer below parity with those conditions offered in all other WA public hospitals. Negotiations will continue into 2017.

AUSTRALIAN RED CROSS BLOOD SERVICE

The AMA (WA) finalised an enterprise agreement with the Australian Red Cross Blood Service on behalf of its members in August 2016. The Agreement was for three years, and provided a 2.5 per cent pay increase for each year. The existing terms and conditions were maintained.

PRINCESS MARGARET HOSPITAL

Following complaints by medical staff at Princess Margaret Hospital about widespread poor morale early in 2016, the AMA (WA) called for meetings with the PMH Executive and the Director General of Health seeking action. Complaints from members concerned transition issues preparing for the move to the new Perth Children's Hospital on top of a lack of engagement and a fundamental lack of trust between the Executive and clinicians over the management of PMH.

No meaningful action had been taken by the end of 2016 despite numerous meetings and promises made to staff and the AMA will continue to advocate on behalf of the PMH doctors in 2017.

MANAGEMENT OF KEMH

Along the lines of concerns discussed above in relation to PMH, members engaged at King Edward Memorial Hospital have also expressed concern and frustration at lack of engagement with management in restructure decisions. Meetings of the Clinical Staff Association with the Chief Executive attended by the AMA have succeeded in securing the reinstatement of the Medical Advisory Committee and some other structural improvements.

A decision by management to unilaterally change a long-standing rostering arrangement involving senior registrars in Obstetrics and Gynaecology created a dispute during which the AMA has assisted to seek resolutions.

The AMA continues to represent members' concerns in advocacy with KEMH.

OVERTIME/RECALL DISPUTE

During 2016 the AMA (WA) received many reports

Continued on page 6

INDUSTRIAL REPORT

Continued from page 5

from members across the public hospital sector about the emerging practice of rostering practitioners for "additional hours" paid at ordinary rates, a practice which is conceivably in breach of the *WA Health System – Medical Practitioners – AMA Industrial Agreement 2016* (the 2016 AMA Agreement). The emerging practice by hospitals has created disputes at Fiona Stanley and Princess Margaret hospitals.

The AMA has argued that additional hours worked be rewarded by payment as a call-back, given the absence of overtime provisions, as has been the long-established practice in keeping with the 2016 AMA Agreement.

The practice by practitioners to work whatever hours are needed, with no capacity to reduce hours in a subsequent week or fortnight, has resulted in opportunistic managers allowing the additional hours to be unpaid or paid at the ordinary rate of pay while the AMA argues the additional hours should in most cases be paid at call-back rates.

The AMA continues to argue the case with WA Health, which has developed the new practice contrary to the 2016 AMA Agreement, as a dollar-saving device to avoid what would in the past have been paid as a recall. The AMA is likely to lodge a formal dispute in the WA Industrial Relations Commission over the interpretation and application of the 2016 AMA Agreement.

BUDGET CUTS AFFECTING CLINICAL ACADEMICS

While all hospitals and health services are feeling the pressure of budgets cuts and the recruitment freeze, a serious threat to the number of positions for clinical academics being offered, in relation to University of WA positions, has had significant consequences for the future of teaching, training and research in the State.

The AMA (WA) has advocated for contractual and funding issues to be managed more effectively between the Department of Health and the UWA.

HEALTH SERVICES REFORM ACT

The WA Government introduced new governance arrangements for the management of hospitals and health services on 1 July 2016. The Director General (DG) met with the AMA (WA) on 17 February 2016 to provide a briefing about the proposed Health Services Bill 2016.

In amongst a number of reforms, the Act establishes the DG as the employing authority of all chief executives of health services with the power to appoint, performance review and remove CEOs.

The key areas of advocacy for the AMA have been the lack of dedicated representation on the Boards by practising medical practitioners and the role of the DG.

PROFESSIONAL RESPONSIBILITY

The AMA (WA) was successful in negotiating with the Director General of Health to modify an instruction issued to all staff, including medical practitioners, directing them to keep daily records of start and finish times or timesheets, based on general concerns expressed in a report by the Office of the Auditor General.

The AMA was concerned the instruction was in breach of the *Department of Health Medical Practitioners (Metropolitan Health Services) AMA Industrial Agreement 2013* and a further manifestation of the counterproductive clock-watching culture developing within public sector management likely to result in a reduction in real working hours spent, poor morale and a further loss of good will.

The AMA encouraged the DG to instead develop mechanisms to encourage clinical engagement and foster a culture of trust between practitioners and medical administration.

The DG agreed with the AMA it would be more productive for hospital departments to develop their own systems by co-operation between the Head of Department and medical staff.

ACCESS TO TRAVEL/CONFERENCE ENTITLEMENTS

The AMA (WA) has successfully advocated with the Department of Health over a very long period for a sensible process for travel claims on self-funded travel which do not require the practitioner to provide personal financial information and a hierarchy of approval.

The DoH finally conceded during 2016 that medical practitioners funding their own travel for professional

development do not need to complete a Travel Form.

The AMA has acknowledged that where travel is being sponsored by commercial entities, there must be no conflict of interest and a certain process along with a declaration of the funding source and other required information.

JOINT TASKFORCE CAMPAIGN AGAINST SEXUAL HARASSMENT

The AMA (WA) and WA Health have been working together on a joint campaign to educate medical practitioners about what constitutes sexual harassment and introduce a new culture where sexual harassment is understood to be unacceptable behaviour.

The campaign has come about in response to an AMA (WA) survey of doctors conducted mid-2015, which gave cause for concern about the prevalence of sexual harassment in the WA medical workforce. The survey was conducted by the AMA in response to the media glare at the national level on an apparent pervasive culture of sexual harassment in surgery. The AMA felt a responsibility to ascertain the level of prevalence in WA.

The AMA felt it had a duty to act on the survey results and called for action. This included calling on the Director General to form a Joint Taskforce to develop a strategy in response. A joint Taskforce was formed and commenced meeting in May 2016 comprising equal representatives from the DoH and the AMA (WA). The first action agreed to be taken by the Taskforce was a "Call-it-Out" Campaign highlighting what sexual harassment means, and demonstrating through a series of posters, placed throughout public hospitals and healthcare facilities, that it is unacceptable and will not be tolerated in WA Health workplaces. The campaign will be rolled out throughout 2017.

MANDATORY TRAINING

Given heavy workloads, the drive to "do more with less" and the budget pressure to reduce FTE, senior consultants find it increasingly difficult to access non-clinical time or to obtain approval to attend seminars and conferences to maintain their skills.

At the same time, there is a growing push by managers to perform an increasing number of non-clinical duties or duties which take consultants away from the care of patients. Added to the burden of non-clinical duties is the requirement to spend precious non-clinical time on mandatory training despite the lack of evidence demonstrating the benefits of the range of training modules required to be undertaken on a routine and regular basis.

The AMA has written to the Director General seeking a comprehensive review of all mandatory training currently required with a view to ensuring no repetition of modules across sites or as part of College requirements, training is managed with a view for time criticality, training is provided in paid time and common sense prevails in the management of all mandatory training. The DoH has conducted such a review during 2016 and is compiling its results into a report which the AMA hopes to access early in 2017.

DOCTORS EMPLOYED IN CORRECTIVE SERVICES FACILITIES

The AMA (WA) has advocated for many years for the management of prison health services to be transferred from the custodial-based Department of Corrective Services to the Department of Health.

It is understood that this policy position has now been agreed at senior levels of government and is expected to take effect sometime during 2017. ■

INDUSTRIAL REPORT

Doctors in Training (DiT) Issues

Access to Leave Entitlements

A consistent issue for DiTs continues to be access to leave entitlements. As the WA Government imposed a recruitment freeze in December 2015 for a six-month period to 30 June 2016, access to leave including Professional Development Leave continues to be extremely difficult to attain.

Despite the AMA (WA) DiT Committee publishing its Hospital Health Check Score Card that displayed the results of accessing leave in each of the hospitals, this issue has not improved. The AMA is concerned that DiTs are reaching breaking point where they often have no other choice but to resign and leave the WA Health System.

Buildit

The AMA (WA) Doctors in Training Committee finalised its online research portal Buildit this year. Buildit is an online database of entry-level medical research projects suitable for interns, residents and registrars. Research supervisors now have the opportunity to submit suitable research projects for inclusion on the website. Such projects could include case reports, literature reviews or more involved clinical research. Junior doctors are able to search for projects in their area of interest, and make contact with prospective supervisors.

Medical Deputising: After-Hours

Home visiting doctor services were designed to support brick and mortar practices in providing After-Hours care to their patients. These services largely take advantage of the 597 Medicare item number, which is for urgent After-Hours home visits. There is widespread concern that this billing code is being used improperly. Many DiTs are working for these services and may come under scrutiny of Medicare for improper billing practices. The AMA (WA) published a fact sheet in the September 2016 edition of *Medicus* to raise awareness of the After-Hours service and potential impacts on the doctors who are contracted to work there.

Sleep Shift Breach: Psychiatry Registrars

Settlement has been reached with the DoH over the non-payment of an allowance which is paid to DiTs who work consecutive rostered shifts without having an eight-hour break. The matter was initially raised with DoH in October 2014 on behalf of a Psychiatric Registrar and despite the fact they were already paying this allowance to some registrars, DoH maintained this was a 'sleep-shift' and they were not obligated to pay the allowance. After numerous proceedings before the WA Industrial Commission and then having to file a matter for a breach claim in the Industrial Magistrates Court, the DoH agreed to settle the matter.

AMA (WA) members have been able to receive assistance in settling their own claims with up to a dozen currently before the DoH and pending payment.

Parental Leave

Parental Leave continues to be an entitlement which causes confusion amongst the DiTs and the Health Services. Due to the majority of DiTs employed by the DoH on one-year contracts, the access to parental leave entitlements is uncertain or unavailable if they do not receive the following year's contract and still intend to remain on parental leave. The AMA (WA) is closely monitoring the issuing of contracts to provide doctors access to their parental leave entitlement.

Hospital Health Check

The annual AMA (WA) Hospital Health Check surveyed close to 500 doctors in training to ascertain how well the metropolitan hospitals are fulfilling their responsibilities under the Industrial Agreement and accreditation standards at both vocational and prevocational levels.

The results provide a useful advocacy tool, measuring DiTs access to teaching and leave, hospital culture and rostering practices, with all health services employing DiTs in WA being given access to results in order to encourage improvement and replicate positive initiatives.

The AMA (WA) DiT Committee contacted all the hospitals in question, informing them of the survey results and requesting a response. The responses of all the hospitals, with the exception of one (RPH), indicated that they were pleased with areas where they have continually sort improvement and pledged to focus on the deficient areas moving forward.

The DiT Committee has continued to engage with the hospitals' executive and administration teams throughout 2016 in order to obtain better outcomes for junior doctors in WA Health.

GP Training

During 2016, the AMA continued to work closely with WAGPET on matters that related to General Practice and GP Registrar training. This relationship continues into 2017. ■

MEMBERSHIP

2016 has been a strong year for the AMA (WA) with membership numbers exceeding 5,000

The AMA (WA)'s continued support of the intern prep and orientation days held by Royal Perth, Sir Charles Gairdner and Joondalup hospitals, along with distribution of the *AMA (WA) Internship 101 Guide*, has ensured junior doctors are aware of the support and representation AMA (WA) membership offers them throughout their career.

The Association continued to engage with doctors through different forums:

- *Medicus* and *Med e-Link* provided members with industry updates and thought-provoking editorials.
- Invitations to members to participate in surveys e.g. The AMA (WA) Diversity Survey generated a high number of responses demonstrating doctors' interest in the Association's policy work.
- Member access to industrial relations support and advice continues to be highly utilised with more doctors contacting the industrial team for assistance and representation.
- The number of members transferring in and out of state remained level demonstrating doctors recognise the importance of membership and choose to support the AMA across all states.
- Key member benefits such as the HBF Corporate Discount, CBA Home Loan offering, Qantas Club and Hertz discount continued to be popular. A number of new commercial benefits were also added in 2016 to widen the suite of offerings.

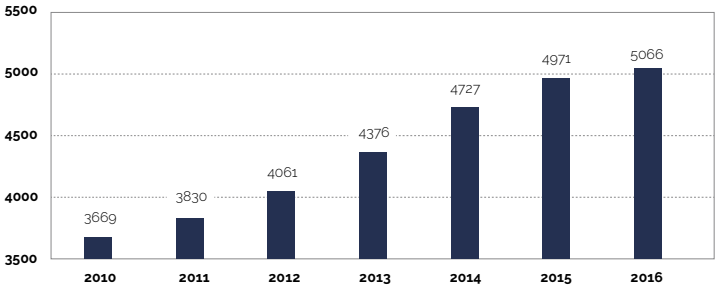
Along with this, the DiT Welfare Subcommittee formed by the AMA (WA) Doctors in Training Committee has recognised the need to promote and protect the welfare of junior doctors in Western Australia through the creation of strategies, support structures and advocacy.

The past year has seen us accomplish much, and in order to continue to advocate on behalf of the profession, we need to continue to grow and build on the membership offering for 2017. ■

VALE

With deep regret we record the deaths in 2016 of the following members of the AMA (WA): **Drs Gary Hastwell, Francis Quadros, David Haultain, Marie Mulcahy, Malcolm Exley, Jane Dymond, Bob Wittenoom, Val Lishman, Terry McAuliffe, Patrick McGonigle, Robert Forkin, Ian Matthews, Gordon Bougher, John Parry, Richard Lefroy, Marcus Dill-Macky, Nicholas Antonas, Alistair Davies, Michael Morley, Melvyn Wall.**

AMA (WA) MEMBERSHIP (2010 – 2016)



CONGRATULATIONS

The following members completed 50 years' membership of the British Medical Association and the Australian Medical Association:

- **Drs Donald McKenzie, Nazir Ahmed, Bruce Armstrong, Greg Deleuil, Agatha van der Schaaf, Bill Musk, John Greenham, Lachlan Dunjey and Franz Fischer.**
- In 2016, **Dr David Watson, Dr Peter Pratten** and **Dr Timothy Cooper** received a Member of the Order of Australia in the Australia Day Honours List.
- In the 2016 Queen's Birthday Honours List, **Dr Hannes Gebauer** and **Dr Jack Edelman** were awarded a Member of the Order of Australia and **Dr Diane Mohen** was awarded the Public Service Medal.
- In 2016, **Prof Bryant Stokes** received the Australian Council on Health Care Standards (ACHS) Medal.
- **Prof Barry Marshall** and **Dr Digby Cullen** were awarded the Order of Madagascar.
- **Dr Richard O'Halloran** received the WA Rhodes Scholarship.

GENERAL PRACTICE REPORT

The specialty continues to be a soft target as the government considers clamping down on Pathology rentals and continues the rebate freeze

Earlier in the year, then AMA Federal President, Professor Brian Owler warned that the government needed to support General Practice if it was genuine in seeking to improve care. He added that the Primary Health Review was being undertaken at a time when General Practice was under sustained attack from the government, and a "more positive" attitude was urgently needed.

"If the government is genuine about improving how we care for patients with chronic and complex disease in Primary Care, greater investment and genuine commitment to positive reform is needed," Prof Owler said.

It is abundantly clear that neither Federal nor State Governments are listening and both appear to be happy to undermine its viability. The evidence is there for all to see – the ongoing patient rebate freeze, After-Hours Deputising Services and the PIP Digital Health Incentive requirements are but a few examples.

THE PRIMARY HEALTH CARE REVIEW

The consultation process involving hearings and meetings in each of the states undertaken by the Primary Health Care Advisory Group (PHCAG) is now complete. While PHCAG recommendations could enhance General Practice, the likely challenges will be in their implementation. In particular, the following issues need emphasis:

- The need for clear parameters for services that may be provided for under a capitated payment as part of a blended funding model vs those constituting acute care under Fee For Service (FFS) arrangements;
- The administration and tools that would be required in identifying and enrolling targeted patients and for data collection;
- The role that Primary Health Networks (PHN) will have in commissioning services and facilitating greater integration;
- There will be some issues to resolve around patient eligibility and access to the new model of care given medical homes in the majority of cases will be required to be accredited practices;
- The medical home will need to have the capacity to have a care coordinator, and if not, the PHN would likely be involved in providing one;
- The concerns of GPs with the My Health Record given it will be a requirement for the medical home to upload to it;
- No clear guidance has been provided on what role Private Health Insurers (PHI) might play; and
- While the medical home concept is good for funding coordinated and longitudinal care, there are potential risks of losing FFS, of enabling managed care, and implementation of a full capitated payment.

There are a range of concerns that need to be addressed:

- The compliance concerns for GPs and of the Privacy Commissioner around use of the My Health Record;
- The risk that the value of the capitated payment will not be maintained;
- That a medical home may be problematic for mobile populations, such as FIFO workers and grey nomads, which would then affect their access to funded allied health services;
- The challenges of a new funding model will be an issue for the profession in the future in terms of who will receive payments, how they will be split/shared, how the work of the individual practitioner will be remunerated, and arrangements when transferring practices;
- Members should look at http://www.chenmed.com as an example of how this reform could change the care environment;
- Concern at the level of government control over General Practice and that the likely reforms will only increase this;
- Concern that reforms will have on the viability of practices and patient care if funding to General Practice and access to services for the most vulnerable is reduced;
- Concern around the collection and use of data, given it is often used to justify a cut in spending;
- There is a lack of clarity around how PHCAG recommendations would impact the services provided in isolated communities, particularly where they are primarily state funded and where there may be no resident GPs.

The AMA will have to wait and see whether the Review has been worthwhile and will prod the government to move in a robust way to initiate meaningful and substantial steps to inject much needed and timely resources into General Practice.

ONGOING MEDICARE REBATE FREEZE

The Rebate freeze can only be described as an ongoing disaster for GPs and their patients and threatens the viability of many practices. New research from the University of Sydney's Family Medicine Research Centre shows that, by the end of June 2020, an average full-time GP will have lost $109,000 in total income due to the Medicare rebate freeze since July 2015. To account for this loss, the researchers have found that by July 2019, a GP would need to charge their general patients

an $11.40 co-payment per consultation, assuming concessional patients are bulk-billed (relative to 2014-15).

The researchers indicate that this estimate is conservative as it doesn't account for other costs likely to be incurred, such as administrative costs, bad debts, and lost income when a GP chooses to bulk-bill general patients facing financial hardship. The AMA continues to lobby the government about the impact on vulnerable groups and the Indigenous community, particularly in terms of prevention. This is so important in the area of Indigenous health and the social determinants of health, the things that drive increased rates of perinatal mortality, increased rates of infant mortality and increased rates of maternal morbidity – all issues that can be managed with prevention.

PATHOLOGY COLLECTION CENTRE RENTALS

The Federal Government has yet again intensified its assault on medical practice incomes, promising to clamp down on rents charged for Pathology collection centres in exchange for an end to the Pathology sector's damaging campaign over cuts to bulk billing incentives.

Just two weeks after it announced a two-year extension of the Medicare rebate freeze to 2020, ripping $925 million out of GP and specialist care, the government has sliced further into practice earnings, that analysts predict will force collection centre rents down by 30 per cent to the benefit of the two major corporate Pathology providers.

The Prime Minister announced the agreement during his first televised debate with the Opposition leader. Under the deal, the government has committed that, if it is re-elected, it will delay bulk billing incentive cuts by around three months while it introduces provisions to the Health Insurance Act to clarify what is meant by 'market value' and link it with local commercial market rents. This will be backed by "appropriate compliance mechanisms", and those seeking to register collection centres will need to provide more information.

The announcement amounts to a backflip by Health Minister Sussan Ley. In a review of Approved Pathology Collection centre arrangements last year, Ms Ley rejected the Pathology sector's calls for a change in the definition of 'market value' and determined that existing regulations regarding prohibited practices and market rent were appropriate.

This is a disaster in the making and will potentially see a significant number of general practices become unviable. The AMA has warned that Federal Government proposals to cap Pathology collection centre rents will likely drive up patients' out-of-pocket costs and could force some medical practices out of business.

In a strongly worded letter, AMA President Dr Michael Gannon has appealed to the Small Business and Family Enterprise Ombudsman, to intervene and help try to convince the government to drop its plan.

The AMA President met with Minister Ley in Canberra on 24 November to discuss the government's proposal to change the definition of market value for Pathology collection centre leases. He told the Minister that the AMA was prepared to work with the government to try and come up with a more balanced policy approach that genuinely targeted inappropriate rental arrangements and did not interfere with legitimate commercial arrangements.

AFTER-HOURS MEDICAL CARE

Over the last couple of years there has been a dramatic rise in the promotion of After-Hours home visiting services (these are not traditional Deputising Services as they are operating in competition with General Practice, not in conjunction with it, and advertise direct to the public).

There has also been almost a doubling in the number of Item 597/599 (Emergency AH Home visit) items billed. These problems are occurring because:

- These services are now advertising direct to the public and competing directly with general practices, rather than being complementary to them. This is not only damaging to General Practice but also is extremely expensive to government
- The playing field is not level in a business sense. These practices can access limited registration doctors under "area of need" requirements even if servicing areas well populated by GPs and existing After-Hours services. They can also use non-vocationally registered doctors (i.e. non-GPs) and claim VR item numbers under the AHOMPs program. General Practice can do none of this.
- This acts as a strong disincentive for the more cost-effective option of general practices extending their operating hours, as the government is wanting them to do via the PIP After-Hours incentive.
- Encouraging restricted registration doctors to work in well-serviced areas means that those who genuinely need them, i.e. rural/remote areas, can't get them and remain underserviced.
- The AMA believes there is an urgent need to look at alternative options, based on principles of quality and safety, along with encouraging appropriate use of item numbers. There needs to be a recognition that at least in metropolitan areas, this service provision is not a genuine area of need, it keeps minimal numbers of people out of hospital and is a very expensive service that should be used only for those who really need it.
- It must be clear that this is not an attack on Deputising Services, or those who work in them, including IMGs. It is about providing an appropriate, quality After-Hours service within a framework that is safe for both patient and doctor and is consistent with the Jackson Report's recommendation that were never fully implemented.
- Doctors in Training are also potentially exposed, which is very concerning to the AMA and their welfare – medico legally and professionally – is of paramount importance.

Your AMA is working closely with the government to resolve our concerns and implement a high value GP After-Hours service. ■

TREASURER'S REPORT

The Association and its controlled entities AMA Services (WA) Pty Ltd, Amacis Pty Ltd and AMA Recruit International Pty Ltd achieved excellent results again in 2016, with an overall surplus of $508,483

The year 2016 was another tough one for the AMA (WA)'s commercial entities with the continued slowdown in the Western Australian economy. Without the capacity to maintain our revenue streams at levels experienced in previous years, it has been necessary for the commercial entities to constrain expenditure levels in order to maintain a surplus.

Nett assets increased by $3,193,654 to $21,112,954. This significant increase in nett assets is predominately the result of State Tax refunds relating to our successful application to be deemed a charity.

Membership subscription income increased by 3.1 per cent to a total of $4,748,110.

This included a total of $2,009,232 raised on behalf of the Federal AMA.

AMA Services (WA) Pty Ltd recorded a deficit of $2,551,630 due to interest and royalties paid to the AMA (WA) and general administration expenses.

AMA Services revenue decreased by 3.7 per cent to $14,001,630 with expenses increasing by 0.4 per cent.

FINANCIAL SERVICES

"Change" was the central theme for the Financial Services Division in 2016 and the Division did well by achieving a 6.5 per cent growth on the budgeted surplus.

AMA Insurance Brokers (AIB) continued its efforts to make itself more aligned to the digital economy by launching an Online Payment Gateway in July 2016, which enables its customers to pay their premiums directly on the AMA Insurance Brokers website via their credit cards and receive a receipt instantaneously. Additionally, AIB clients are now also offered a "Pay by the Month" premium payment option on all policies and invoices sent out in partnership with a premium funding company. AIB has been encouraged by the take-up of this facility with several clients opting to pay monthly rather than upfront as one lump sum.

AIB was also able to explore opportunities for market share within the medical indemnity market with the introduction of a new player that is seeking to differentiate itself from the traditional players in the market. AIB will continue to focus on growing its offering and adding value in this area as it is seeing an increased interest nationally on the back of increased competition.

The Financial Planning (FP) area continued to see an increase in Superannuation Funds under Management (FUM) as the market delivered a strong return of 11.8 per cent for the year, outperforming most of the world's major share markets. This was despite the dampening impact of weak resource prices early in 2016 and low energy prices at the beginning of the year, minimal earnings growth for companies and the underperformance of Australia's four largest banks

The Risk business continued to see an increased demand for advice for Life, Trauma, Total and Permanent Disability

PUBLIC HEALTH INITIATIVES

YOUTH PROGRAMS

During 2016, the Dr YES program delivered sessions to over 9,000 Year 8-12 high school students in metropolitan and rural areas of Western Australia. The presentations by trained volunteer medical student were highly valued by the schools and high school students. The focus of the sessions was on alcohol and other drugs, sexual health and mental health.

Over the course of the year, the Youth Friendly Doctor Training Program continued to be popular with over 150 enrolments. The online Youth Service Directory resource was regularly updated during the year.

HEALTH, AGED CARE & COMMUNITY CARE TRAINING

The past year was a busy one for aged care, mental health and

and Business Expenses Insurance from both WA and the other states. The growth in enquiries largely came out of the AMA Insurance website on account of the in-house marketing efforts in being organically ranked near the top of Google when one searches for the term "Income Protection for Doctors".

The Division put in place a strategy to deal with the steady and ever-increasing flow of enquiries and will continue to invest in technology to streamline and reap the benefits of increased awareness and demand for its services in this area.

In 2017, all business units will be in the process of formulating strategies to improve and better market services to potential clientele with a view to growing the client base.

RECRUITMENT & TRAINING

The year 2016 was one of balancing a focus on delivering core business operations whilst exploring potential new business income streams for future operations. Recruitment activity was in line with budget considerations, with various sectors being positive at different times of the year.

The AMA (WA)'s Australian Government contract to provide apprenticeship and traineeship services through the Australian Apprenticeship Support Network (AASN) service that commenced in July 2015, maintained its presence and share of the Western Australian market. The state of the economy of WA and the shrinking traineeship and apprenticeship market meant that there was limited opportunity for growth during 2016. A considerable focus on business development and marketing of services was maintained during the year.

Strategies were put in place in 2016 to expand AMA Training Services operations beyond WA. By the end of 2016, AMA Training Services was registered with the national regulator and had registrations in its online business qualification courses. This will be an area of expansion in 2017.

MEDICAL PRODUCTS

The medical products supply landscape in WA was at its most competitive in 2016. Over the past three years, we have seen additional players enter the local market. This has meant finding ways to be different and better to maintain revenue growth.

Whilst customer numbers increased and revenue for the year did grow, price erosion was necessary to maintain existing customers and attract new business.

In July 2015, the **amamedicalproducts.com.au** e-commerce platform was launched. Within 11 months, it had grown into a monthly six figure revenue business. By year end, it had become Australia's fastest growing medical products e-commerce store.

Looking forward, we will see e-commerce remain the fastest growing segment of the business. Protection of the local offline supply business will be achieved through forming partnerships and/or strategic alliances with other players in this space. ■

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first aid / CPR training. With new health and community training package qualifications being introduced during 2016 and with employment opportunities for those with qualifications and work experience, traineeships in aged care, disability and home care remained popular. With the introduction of the NDIS, some increased business opportunities are likely to become available from 2017 onwards.

TRAINING SEMINAR SCHEDULE

During 2016, the training program for evening and weekend sessions continued to grow and develop. Presentations covered a range of professional, business and personal matters for both doctors and practice staff, and were well attended. Where appropriate, sessions were accredited by the various Colleges and attracted CPD points. ■

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015 RE-STATED
INCOME			
	Membership Subscriptions	4,748,110	4,604,117
	Commission	324,320	397,235
	Royalty Fees	773,884	809,180
	Conference & other income	1,242,103	862,691
	Interest & Dividends	1,584,053	1,743,054
TOTAL INCOME		8,672,470	8,416,277
EXPENDITURE			
	AMA Federal Subscriptions	2,009,232	1,974,447
	Advertising	38,924	40,246
	AMA Award Trophies	3,214	5,567
	Audit Fees	12,000	8,500
	Bank Charges	(3,836)	15,562
	Computer Support Expenses	26,385	33,127
	Conference Expenses	866,349	227,715
	Consultancy Fees	13,677	48,506
	Depreciation	13,781	13,780
	Donations	6,000	5,164
	Functions & Events	61,101	51,607
	Fringe Benefits Tax	75,720	66,453
	Insurance	65,341	64,582
	Legal Expenses	8,839	15,055
	Member Services	24,794	58,625
	Motor Vehicle Expenses	51,360	51,091
	Office Expenses	59,557	66,042
	Office of the President	85,042	84,972
	Payroll Tax	(44,721)	107,577
	Photocopy Expenses	35,369	30,994
	Postage	27,987	15,034
	Public Relations	4,014	26,166
	Rates & Taxes	1,967	1,967
	Repairs & Maintenance	830	520
	Salaries & Wages	1,888,740	1,801,369
	Seminars	9,969	15,495
	Stationery & Printing	19,984	24,674
	Subscriptions	4,750	6,873
	Superannuation Management Fee	293,966	324,967
	Telephones	25,763	31,152
	Training Costs	9,254	176,084
	Travel & Accommodation	40,779	42,658
	Wine Society	1,173	5,437
TOTAL EXPENDITURE		**5,737,304**	**5,442,008**
NET (LOSS)/PROFIT		2,935,166	2,974,269
	Impairment of Loan	(1,046,705)	2,845,308
NET (LOSS)/PROFIT		3,981,871	128,961

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015 RE-STATED
Current assets		
Cash & cash equivalents	12,177,113	6,494,077
Trade & other receivables	1,313,042	3,773,617
Inventories	892,932	965,827
Other current assets	113,261	119,974
Total current assets	**14,496,348**	**11,353,495**
Non-current assets		
Trade & other receivables	25,176	3,766,592
Financial assets	858,313	858,957
Property, plant & equipment	14,057,574	14,340,270
Deferred tax assets	121,741	55,129
Total non-current assets	**15,062,804**	**19,020,948**
Total assets	**29,559,152**	**30,374,443**
Current liabilities		
Trade & other payables	4,022,862	4,349,242
Income in advance	664,283	685,078
Provisions	3,100,580	2,913,592
Total current liabilities	**7,787,725**	**7,947,912**
Non-current liabilities		
Provisions	104,772	91,876
Income in advance	321,162	321,162
Deferred tax liabilities	232,539	231,263
Long-term debt	-	1,177,759
Total non-current liabilities	**658,473**	**1,822,060**
Total liabilities	**8,446,198**	**9,769,972**
Net assets	**21,112,954**	**20,604,471**
Equity		
Reserves	1,304,644	1,306,564
Accumulated surplus	19,808,310	19,297,907
Total equity	**21,112,954**	**20,604,471**

WESTERN AUSTRALIA

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