



Australian
Medical Council Limited

Annual Financial Report

2019

The annual financial report of the Australian Medical Council Limited for the year ended 30 June 2019 consists of the Directors' report, including the auditor's independence declaration; the financial report being the statement of financial position; the statement of profit and loss and other comprehensive income and statement of cash flows; the statement of changes in equity; notes to the financial statements; the Directors' declaration; and the auditor's report.

Australian Medical Council Limited

ABN 97 131 796 980

Directors' Report

Your Directors present this report on the Australian Medical Council Limited (the AMC) for the financial year ended 30 June 2019.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

- Dr Jules Catt, Term ended 30 November 2018
- Professor David Ellwood, President. Appointed as President 30 November 2018
- Professor Lisa Jackson Pulver AM, Director elected by Council. Appointed on 30 November 2018
- Professor Kate Leslie AO FAHMS, Deputy President. Appointed as Deputy President on 30 November 2018
- Professor Geoffrey McColl, Director elected by Council. Appointed on 20 October 2016
- Professor Eleanor Milligan, Director elected by Council. Reappointed on 30 November 2018
- Dr Bruce Mugford, Director elected by Council. Reappointed on 30 November 2018
- Emeritus Professor David Prideaux, Director elected by Council. Appointed on 19 November 2015
- Associate Professor Kim Rooney, Term ended 30 November 2018
- Associate Professor Jill Sewell AM, Term ended 30 November 2018
- Dr Andrew Singer AM, Director elected by Council. Appointed on 14 June 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of the AMC during the financial year was to be the external accreditation authority for medicine under the Health Practitioner Regulation National Law (the National Law), functioning as an independent national standards and assessment body for medical education and training.

The AMC assesses medical courses and training programs (both Australian and New Zealand medical school courses and the programs for training medical specialists), accredits programs which meet AMC accreditation standards, and assesses doctors trained overseas who wish to be registered to practise medicine in Australia under the provisions of the National Law.

Objectives

The objectives of the AMC are:

- (a) to improve health through advancing the quality and delivery of medical education and training associated with the provision of health services in Australia and New Zealand;
- (b) to develop accreditation standards, policies and procedures for medical programs of study based predominantly in Australia and New Zealand and for assessment of international medical graduates for registration in Australia;
- (c) to assess programs of study based predominantly in Australia and New Zealand leading to general or specialist registration of the graduates of those programs to practise medicine in Australia to determine whether the programs meet approved accreditation standards, and to make recommendations for improvement of those programs;
- (d) to assess education providers based predominantly in Australia and New Zealand that provide programs of study leading to registration of the graduates of those programs to practice medicine in Australia, to determine whether the providers meet approved accreditation standards;
- (e) to assess authorities in other countries that conduct examinations for registration in medicine, or that accredit programs of study relevant to registration in medicine, to decide whether persons who successfully complete the examinations or programs of study conducted or accredited by those authorities should have the knowledge, clinical skills and professional attributes necessary to practise medicine in Australia;
- (f) to assess, or oversee the assessment of, the knowledge, clinical skills and professional attributes of overseas qualified medical practitioners who are seeking registration in medicine under the Health Practitioner Regulation National Law and whose qualifications are not approved qualifications under the Health Practitioner Regulation National Law for medicine;
- (g) to assess the case for the recognition of new medical specialties;
- (h) to act as an external accreditation entity for the purposes of the Health Practitioner Regulation National Law;
- (i) to advise and make recommendations to Federal, State and Territory governments, the Australian Health Workforce Advisory Council, the Australian Health Practitioner Regulation Agency, the Medical Board of Australia and State and Territory boards of the Medical Board of Australia, and any other state and territory medical regulatory authorities in relation to:
 - (i) matters concerning accreditation or accreditation standards for the medical profession;
 - (ii) matters concerning the registration of medical practitioners;
 - (iii) matters concerning the assessment of overseas qualifications of medical practitioners;
 - (iv) matters concerning the recognition of overseas qualifications of medical practitioners; and
 - (v) the recognition of medical specialties.
- (j) to work with international health, accreditation and testing authorities and agencies to bring about improvement in the furtherance of these objects; and
- (k) to do all such matters as are ancillary to, convenient for or which foster or promote the advancement of matters that are the subject of these objects.

Short-term objectives

The AMC's short-term objectives are to:

- continue to explore business opportunities for utilising the technology and systems of the National Test Centre;
- continue to develop and advance policy and research in relation to accreditation and assessment in medical education;
- collaborate and work with other accreditation authorities to support streamlining of accreditation processes including:
 - (a) cost effectiveness of the accreditation regime for delivering the accreditation functions;
 - (b) governance structures including reporting arrangements;
 - (c) opportunities for the streamlining of accreditation including consideration of the other educational accreditation processes – e.g., TEQSA and ASQA;
 - (d) the extent to which accreditation arrangements support educational innovation in programs including clinical training arrangements, use of simulation and inter-professional learning; and
 - (e) opportunities for increasing consistency and collaboration across professions.

Long-term objectives

The AMC's long-term objectives are to:

- continue to negotiate secure funding for the accreditation and assessment activities of the AMC;
- consolidate its position as a leader in accreditation and assessment standards;
- advocate for medical education standards that promote quality and safety in health service provision;
- become a leader in research and innovation in assessment in medical education;
- support and encourage the exchange of expertise and information relating to accreditation and assessment both nationally and internationally;
- advance the health care of Aboriginal and Torres Strait Islander and Māori people through effective partnerships with Aboriginal and Torres Strait Islander organisations and individuals, and Māori organisations and individuals through engagement with government, education providers and health services;
- continue to engage nationally and internationally with health services, practitioners, educators, community and government leaders in a process that aims to strengthen stakeholder understanding of not only the work of the AMC but also how that work supports good quality medical education and training to meet the needs of healthcare services; and
- maintain alignment of its accreditation and assessment functions with requirements of the Medical Board of Australia and the Australian Health Practitioner Regulation Agency (AHPRA).

Strategy for achieving the short- and long-term objectives

AMC Strategic Plan 2018 – 2028

Vision: Excellence in healthcare through a highly trained medical workforce.

Purpose: To ensure that standards of education, training and assessment of the medical profession protect and promote the health of the Australian community.

Values: Openness and accountability • Collaboration • Innovation •
Striving for excellence • Integrity • Cultural Safety and Cultural Competence

The AMC's strategic plan focuses on strengthening the relationship between our core business functions in accreditation and assessment and meeting community health needs. We are doing this by continuing to develop our relationship with strategic partners, including the Medical Board of Australia, medical schools, and specialist colleges. We are progressing strategic initiatives around promoting Aboriginal, Torres Strait Islander and Māori health; training of doctors during the internship; assessment of international medical graduates entering Australia; and community changes such as the effect of technology on medical education and training.

Strategic Pillars

Promoting and protecting the health of the Australian community through working with our partners and stakeholders

- 1.1 We will identify areas of common strategic intent with the MBA, AHPRA and other accreditation authorities and build partnerships to undertake joint initiatives in areas of shared interest.
- 1.2 We will demonstrate our openness and accountability through seeking feedback and commissioning evaluation to improve what we do.

Promoting medical education and training that is responsive to the workforce needs of the Australian community

- 2.1 We will ensure that the changing health care needs of Australian communities and changes in health delivery are reflected in the requirements for medical professional practice and education.
- 2.2 Using the accreditation standards and procedures, we will work with medical training providers to demonstrate how medical programs respond to the community needs for medical workforce.
- 2.3 We will work with partners and stakeholders, to identify and implement strategies that improve the quality of training, with particular attention to transition points in career pathways.
- 2.4 We will work with the Medical Board of Australia and other partners to develop surveys and research, to implement improvements in the quality of training programs and doctors' transitions between different stages of training.
- 2.5 We will continue to promote team-based practice and patient-centred care.
- 2.6 We will work with partners to foster a shared understanding of the changes in medical education and training required to build a medical workforce capable of providing general care in broad specialties across urban and rural settings.
- 2.7 We will support the development of WBA (work-based assessment) as a method for assessing the performance of IMGs against the standards required for practice in Australia.

Ensuring culturally safe practice to improve health outcomes

- 3.1 We will develop a Reconciliation Action Plan.
- 3.2 We will work with key Aboriginal and Torres Strait Islander and Māori stakeholders and other partners to define cultural safety.
- 3.3 We will advocate for change to the National Law to incorporate cultural safety as a professional requirement.
- 3.4 We will review how culturally safe practice will be included in all AMC International Medical Graduate assessment models.
- 3.5 We will develop a reflective piece outlining the AMC's work with its Aboriginal, Torres Strait Islander and Māori partners in improving health outcomes.
- 3.6 We will review how accreditation standards affect health outcomes for Aboriginal, Torres Strait Islander and Māori people.
- 3.7 We will work with partners to develop a best practice resource for doctors in caring for Aboriginal, Torres Strait Islander and Māori patients and their families.

Promoting professional and humanistic practice in a world of increasing technological change and artificial intelligence

- 4.1 We will use accreditation standards and procedures to encourage medical education and training that is consistent with how technology and artificial intelligence could affect the future delivery of medical care.
- 4.2 We will collaborate with stakeholder groups to develop ethical standards for the use of technology and artificial intelligence in medical care.
- 4.3 We will promote the attributes of humanism, compassion and cultural safety, which are central to the delivery of good medical care, in medical education, training and professional performance curricula.
- 4.4 We will collaborate with stakeholders to encourage the use of technologies that drive higher standards of healthcare and reduce health inequity.

Managing our business in an ethical, efficient and sustainable way

- 5.1 We will strive to achieve international best practice by benchmarking ourselves with comparable organisations.
- 5.2 We will host partner and stakeholder workshops to share knowledge, information and approaches as we work towards our strategic aims.
- 5.3 We will increase our collaboration with other organisations to optimise use and potential of the National Test Centre.
- 5.4 We will improve the quality of assessment and accreditation methods with the aim of protecting the health of the Australian community.
- 5.5 We will update the delivery media for the AMC's publications and handbooks.
- 5.6 We will review the feasibility of increasing the capacity of the NTC – either in collaboration with other accreditation authorities or by ourselves.
- 5.7 We will engage and seek contribution from all AMC teams, staff, and business partners to enable an approach of continual improvement and effectiveness achieving the AMC's purpose, vision, and values.

Meetings of Directors

During the 2018-19 financial year, eight Meetings of Directors were held. Attendances by each Director were as follows:

	Directors' meetings (18/19)	
	No. eligible to attend	No. attended
Associate Professor Jill Sewell AM	3	2
Professor David Ellwood	8	7
Professor Kate Leslie AO FAHMS	8	8
Professor Geoffrey McColl	8	7
Professor Eleanor Milligan	8	8
Emeritus Professor David Prideaux	8	8
Associate Professor Kim Rooney	3	2
Dr Jules Catt	3	2
Dr Andrew Singer AM	8	7
Dr Bruce Mugford	5	4
Professor Lisa Jackson Pulver AM	5	4

Indemnifying the Directors

During the financial year, the AMC paid a premium of \$8,270 (2018: \$7,399) to insure the Directors of the AMC. The policy covers all of the Directors and the CEO. The liabilities insured include all costs and expenses that may be incurred in defending any claim that may be brought against the Directors for any actual or alleged breach of their professional duty in carrying out their duties for the AMC.

Information on Directors

Professor David Ellwood

Qualifications

MA DPhil (Oxon), MB BChir (Cantab), FRANZCOG, CMFM, DDU

Experience

- Dean of Medicine and Head of School, Griffith University School of Medicine
- Professor of Obstetrics and Gynaecology, Griffith University School of Medicine
- Director of Maternal–Fetal Medicine at Gold Coast University Hospital
- Deputy Dean, Australian National University Medical School
- Senior Staff Specialist in Obstetrics and Gynaecology, Canberra Hospital
- Former Associate Dean, Canberra Clinical School, University of Sydney
- Former Medical Advisor (Acute Services) to ACT Health
- Former Acting Chief Executive Officer (Clinical Services), Canberra Hospital
- Former Executive Director, Women’s and Children’s Health Services, Canberra Hospital

Special responsibilities

- President, Australian Medical Council
- Deputy President, Australian Medical Council
- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Finance, Audit and Risk Management Committee
- Senior Examiner, Obstetrics and Gynaecology
- Chair, Royal Australasian College of Dental Surgeons’ assessment team

Professor Kate Leslie AO FAHMS

Qualifications

MBBS, MD, MEpid, MHIthSrvMt, Hon DMedSc, FANZCA, FAICD

Experience

- Staff Anaesthetist and Head of Research, Department of Anaesthesia and Pain Management, Royal Melbourne Hospital
- Chair, Continuing Professional Development Advisory Group, Medical Board of Australia
- Honorary Professorial Fellow, Centre for Integrated Critical Care, Melbourne Medical School, University of Melbourne
- Honorary Professorial Fellow, Department of Pharmacology and Therapeutics, University of Melbourne
- Honorary Adjunct Professor, Department of Epidemiology and Preventive Medicine, Monash University
- Former President, Australian and New Zealand College of Anaesthetists

Special responsibilities

- Deputy President, Australian Medical Council
- Director, Australian Medical Council
- Member, Australian Medical Council
- Chair, Specialist Education Accreditation Committee

Professor Geoffrey McColl

Qualifications

BMedSci, MBBS, FRACP, PhD MEd

Experience

- Executive Dean, Faculty of Health, University of Queensland
- Former Head, Melbourne Medical School, University of Melbourne
- Former Rheumatologist, the Royal Melbourne Hospital and NorthWestern Mental Health

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Chair, Medical School Accreditation Committee

Professor Eleanor Milligan

Qualifications

PhD, GradDipEd, BSc, BA (Hons -1st), GAICD

Experience

- Professor of Ethics and Professional Practice, Griffith University
- Member, Medical Board of Australia (Queensland)
- Chair, Notifications Committee - (MBA Queensland)
- Chair, Griffith University Human Research Ethics Committee
- Chair, Griffith University Clinical Privileging Committee
- Chair, University of Queensland Human Research Ethics Committee
- Member, Metro South Hospital and Health Board
- Former Member, NHMRC Australian Health Ethics Committee (Australian Health Ethics Committee)
- Former Chair, NHMRC AHEC – National project - Clinical Ethics Capacity Building Special responsibilities

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Investment Policy Advisory Group
- Member, Aboriginal, Torres Strait Islander and Māori Health Strategy Group

Dr Bruce Mugford

Qualifications

BM, BS (Flinders University), FRACGP, MPH&TM, Grad Dip Family Medicine

Experience

- Private General Practice
- Group Director, Clinical Services – Primary Health Care Pty Ltd.
- Director, Primary Health Care Institute. Primary Health Care Pty Ltd
- CEO, Sturt Fleurieu General Practice Education and Training
- Foundation Director, Greater Green Triangle University Department of Rural Health, Flinders University
- Senior Lecturer, Flinders University
- Counsellor (Medical) Department of Foreign Affairs and Trade Australian Embassy, Jakarta

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- RACGP Expert Committee – Post-graduate training
- Specialist Advisor, Therapeutic Goods Administration
- South Australia Medical Education and Training Hospital Accreditation surveyor and Team Leader
- Deputy member, SA Medical Education and Training Health Advisory Council
- Director, RACGP State Faculty
- Director, Adelaide Hills Division General Practice
- Member, Finance Committee Adelaide Hills Division General Practice
- National Chair, Association of Chief Executives General Practice Training
- Member, National Advisory Committee, PGPPP

Emeritus Professor David Prideaux

Qualifications

Dip of Teaching, BA (Hons), Master of Education, PhD, FANZAHPE

Experience

- Emeritus Professor of Medical Education, Prideaux Centre for Research in Health Professions Education, Flinders University
- Former Deputy Dean, Professor and Head, Health Professional Education, Flinders University
- Membership of Flinders University committees including School of Medicine Committees, Faculty of Health Sciences committees
- Convenor curriculum conferences and workshops for the School of Medicine, Flinders University
- Former Deputy Editor, Medical Education and Advances in Health Sciences Education
- Former Editor Focus on Health Professional Education
- Former President Australasian and New Zealand Association for Medical Education (ANZAME)

Special Responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Chair, Assessment Committee
- Chair, Investment Policy Advisory Group
- Member, NTC Innovations Group
- Member, Aboriginal, Torres Strait Islander and Māori Strategy Group
- Member, MCQ Results Panel
- Member, NTC Research Group
- Member, WBA Development Group
- Member, MCQ Development Group
- Member, Clinical Results Panel
- Member, Clinical Examination Research Group

Professor Lisa Jackson Pulver AM

Qualifications

Ph.D., MPH (Sydney), Master Art (Strategic Studies Deakin/Australian Defence College), Grad Cert App Epi., Fellow, Centre for Defence and Strategic Studies, Australian Defence Force, Canberra, Australia. Member AICD.

Experience

- Deputy Vice Chancellor, Sydney University
- Specialist Advisor (Epidemiologist), Royal Australian Air Force
- Member, Australian Statistical Advisory Committee
- Member, Health Performance Council of South Australia
- Member, Indigenous HealthInfoNet Advisory Committee
- Former Pro Vice Chancellor Engagement. Pro Vice Chacellor Indigenous. Provost Western Sydney University
- Former Professor of Public Health, School Public Health and Commuity Medicine, Faculty Medicine, University New South Wales
- Former Chair, Indigenous Health, Muru Marri Indigenous Health Unit, SPHCM, Faculty Medicine, University of New South Wales
- Former Public Health Epidemiologist, South Eastern Area Health Service, Sydney New South Wales

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Aboriginal, Torres Strait Islander and Maori Advisory Committee
- Member, Anthology Group

Dr Andrew Singer AM

Qualifications

MBBS, FACEM

Experience

- Senior Specialist, Emergency Medicine, Canberra
- Adjunct Associate Professor, ANU Medical School
- Principal Medical Adviser (MO6), Australian Government Department of Health

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Chair, Prevocational Standards Accreditation Committee
- Member, Specialist Education Accreditation Committee

Former Directors *Terms ended 30 November 2018*

Dr Jules Catt

Qualifications

MBBS (Hons), BSc (Med), MPH FRANZCR EBIR

Experience

- Interventional Radiologist, Liverpool Hospital & Prince of Wales Hospital
- Conjoint Lecturer, University of New South Wales
- Director, Radrefer Pty Ltd.
- NSW Branch Committee, Royal Australian and New Zealand College of Radiologists

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Finance, Audit and Risk Management Committee

Associate Professor Kim Rooney

Qualifications

- MBBS (Hons) (Monash), FRACP, FChPM

Experience

- Associate Head, Launceston Clinical School, University of Tasmania School of Medicine
- Co-director, Physician Training, Launceston General Hospital
- Board member, Post Graduate Medical Council of Tasmania
- Member, National Examining Panel, Royal Australasian College of Physicians (Senior Examiners Panel)
- Member, Tasmanian Board of the Medical Board of Australia

Special responsibilities

- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Finance, Audit and Risk Management Committee

Associate Professor Jillian Sewell AM

Qualifications

MBBS (Hons), FRACP, FRCP, FAICD FRCPCH (Hon), FCCP (Hon), FRCPI (Hon), FAMS (Hon), FCPCHS (Hon), D Med Sci (Hon)

Experience

- Senior Paediatrician, Centre for Community Child Health, Royal Children's Hospital
- Paediatrician, Principal Specialist, Royal Children's Hospital
- Chair, Victorian Clinical Council, Department of Health and Human Services
- Clinical Director, Children's Bioethics Centre, Royal Children's Hospital
- Associate Professor, Department of Paediatrics, University of Melbourne
- Honorary Research Fellow, Murdoch Children's Research Institute
- Fellow of the Australian Institute of Company Directors
- Former President, Royal Australasian College of Physicians
- Former Chair, National Institute of Clinical Studies
- Former Member, National Health and Medical Research Council
- Former member, Health Innovation and Reform Council, Victorian government

Special responsibilities

- President, Australian Medical Council
- Director, Australian Medical Council
- Member, Australian Medical Council
- Member, Finance, Audit and Risk Management Committee
- AMC Representative, Health Professions Accreditation Councils' Forum
- AMC Representative, NMTAN Trainees in the Medical Workforce project steering committee

Auditor

PricewaterhouseCoopers (PwC) continues in office in accordance with section 327 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012* is set out on page 13 and forms part of the Director's report.

Members' guarantee

The AMC is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the AMC is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$270 (2018: \$260).



Signed in accordance with a resolution of the Directors.

Professor David Ellwood (President)

Dated 31 October 2019



Auditor's Independence Declaration

As lead auditor for the audit of Australian Medical Council Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'D. Murphy', is written over a light grey horizontal line.

David Murphy
Partner
PricewaterhouseCoopers

Canberra
31 October 2019

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Liability limited by a scheme approved under Professional Standards Legislation.

Financial Report

For the year ending 30 June 2019

These financial statements are the financial statements of Australian Medical Council Limited as an individual entity.

The financial statements are presented in Australian dollar (\$).

The Australian Medical Council Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

11 Lancaster Place, Level 3, Majura, ACT 2609

The financial statements were authorised for issue by the directors on 31 October 2019. The directors have the power to amend and reissue the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
Revenue	2	22,982,121	23,741,383
Other income	2	1,292,574	558,700
			-
Total revenue and other income		24,274,695	24,300,083
Accreditation expenses		713,716	1,014,032
Examination running expenses		5,772,974	5,814,310
Publishing expenses		44,905	51,680
Council committees and executive expenses		801,438	812,540
Employee benefits expenses	17	8,537,381	7,890,713
Depreciation and amortisation expenses		915,627	991,846
Bank fees and charges		274,604	253,840
Rental expense		1,441,645	1,373,646
Loss on sale of investments		47,469	87,475
Audit, legal and consultancy expenses	13	237,033	273,833
Computer expenses		669,835	769,940
Impairment expenses		323,167	-
Administration expenses		1,851,234	2,090,537
Total expenses		21,631,028	21,424,392
Surplus for the year attributable to the Council		2,643,667	2,875,691
Changes in fair value of available for sale financial assets	14	-	293,425
Total comprehensive income for the year		2,643,667	3,169,116

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	4,933,560	3,228,499
Trade and other receivables	4	132,315	255,609
Inventories	5	94,137	83,320
Investments – Financial assets at fair value through profit and loss	6	8,988,883	-
Investments – Available-for-sale financial assets	6	-	5,432,073
Term Deposits	7	13,871,445	14,633,500
Other assets	8	595,455	695,329
TOTAL CURRENT ASSETS		28,615,795	24,328,330
NON-CURRENT ASSETS			
Work in progress	9	769,855	704,988
Property, Plant and equipment	10	2,215,605	3,474,395
Intangible assets	11	225,219	199,948
TOTAL NON-CURRENT ASSETS		3,210,679	4,379,331
TOTAL ASSETS		31,826,474	28,707,661
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	993,012	1,080,234
Finance Lease liabilities	15	-	37
Lease incentive		163,592	163,592
Employee benefits	16	1,689,533	1,539,788
Income in advance	18	4,795,425	4,210,112
TOTAL CURRENT LIABILITIES		7,641,562	6,993,763

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	Note	2019	2018
		\$	\$
NON-CURRENT LIABILITIES			
Lease incentive		443,063	606,654
Employee benefits	16	132,315	100,691
Other payables		494,852	548,406
Provision for make good		656,250	643,382
TOTAL NON-CURRENT LIABILITIES		1,726,480	1,899,133
TOTAL LIABILITIES		9,368,042	8,892,896
NET ASSETS		22,458,432	19,814,765
EQUITY			
Available for sale investment reserve	14	-	263,735
Retained earnings		22,458,432	19,551,030
TOTAL EQUITY		22,458,432	19,814,765

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Available for sale Investment Reserve	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2017	(29,690)	16,675,339	16,645,649
Total comprehensive income for the year			
Surplus for the period attributable to the Council	-	2,875,691	2,875,691
Changes in fair value of available for sale financial assets	293,425	-	293,425
Total comprehensive income for the year	263,735	2,875,691	3,169,116
Balance at 30 June 2018	263,735	19,551,030	19,814,765
Surplus for the period attributable to the Council	-	2,643,667	2,643,667
Change in accounting policy (note 1o)	(263,735)	263,735	-
Total comprehensive income for the year	-	2,907,402	2,643,667
Balance at 30 June 2019	-	22,458,432	22,458,432

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of grants		3,757,502	3,790,250
Receipts from customers and other sources (inclusive of GST)		20,900,932	18,285,225
Payments to suppliers and employees (inclusive of GST)		(20,765,025)	(21,514,740)
Net cash generated from operating activities		3,893,409	560,735
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(335,360)	(732,508)
Net movements in investments and term deposits		(2,135,400)	(965,205)
Purchases of Intangible assets		(303,299)	(172,930)
Interest received from Investments		633,217	558,701
Net Loss on sale of Investments		(47,469)	-
Net cash used in investing activities		(2,188,311)	(1,311,942)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease		(37)	(814)
Net cash used in financing activities		(37)	(814)
Net increase (decrease) in cash held		1,705,061	(752,021)
Cash and cash equivalents at beginning of financial year		3,228,499	3,980,520
Cash and cash equivalents at end of financial year	3	4,933,560	3,228,499

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial statements are for the Australian Medical Council Limited (AMC), as an individual entity, incorporated and domiciled in Australia. The AMC is a company limited by guarantee.

Note 1: Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-Profits Commission (ACNC) Act 2012*. The AMC is a not-for-profit entity for the purpose of preparing financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements have been prepared on a historical cost basis and are presented in Australian currency.

The financial statements for the year ended 30 June 2019 were authorised for issue on 01 November 2019 by the Directors of the AMC.

Accounting policies

a. Revenue

Revenue is measured at the fair value of the consideration received or receivable. The AMC recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the AMC and specific criteria have been met for the specific activities as described below.

Grant revenue is recognised when AMC obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories

Inventories are measured at the lower of cost and net realisable value.

c. Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of its recoverable amount. Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the useful lives of the improvements.

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

Class of fixed asset	Depreciation period
Computer equipment	2–5 years
Office equipment	3–10 years
Leasehold Improvements	Term of the lease
Furniture and fittings	3–10 years
Leased assets	Term of the lease

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

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to AMC, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

AMC leased assets are depreciated on a straight-line basis over their useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the AMC are classified as operating leases. Payments for operating leases are charged to profit and loss on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. Financial instruments

i) Classification

From 1 July 2018 AMC classifies its financial assets into the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Council's investment in managed funds, listed shares and securities are classified as financial assets at fair value through the profit or loss. After initial recognition, these assets are measured at fair value and changes there in, are recognised as a gain or loss in the profit or loss.

ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the AMC commits to purchase or sell the asset. Financial assets are derecognised

when the rights to receive cash flows from the financial assets have expired or have been transferred and the AMC has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the AMC measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

iv) Impairment

From 1 July 2018, the AMC assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the AMC applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. These loans and receivables are classified as non-current assets.

f. Employee benefits

Provision is made for AMC's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

The obligations are presented as current liabilities in the balance sheet if the AMC does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

g. Cash and cash equivalents

Cash and cash equivalents for 2018/19 include cash on hand and deposits held at call. In 2018/19 cash and cash equivalents include cash on hand, deposits held at call with banks, and short term deposits of 90 days or less.

h. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which is recoverable from,

or payable to, the ATO. The GST component of financing and investing activities which is recoverable from, or payable to, the ATO is classified as a part of operating cash flows.

i. Income tax

No provision for income tax has been raised as the AMC is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

j. Intangibles

Software assets acquired or developed by the AMC are recorded at cost and have finite useful lives.

The AMC amortises intangible assets using the straight line method over the following period:

- Software assets 3 - 6 years

Costs incurred in developing systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits are capitalised as software. Costs capitalised include external direct costs of materials and service, employee costs and relevant overheads. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the AMC has an intention and ability to use the asset. All research expenditure is recognised as an expense as it is incurred.

k. Provisions

Provisions are recognised when AMC has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

m. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by AMC during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Critical accounting estimates and judgements

Impairment

Assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

o. Changes in accounting standards

This note explains the impact of the adoption of AASB 9 Financial Instruments on the AMC's financial statements. AASB 9 was adopted without restating comparative information. The reclassifications are therefore not reflected in the balance sheet as at 30 June 2018, but are recognised in the opening balance sheet on 1 July 2018.

Reclassification from available-for-sale to fair value through profit or loss (FVPL)

Investments in fixed interest securities, managed funds and listed equity securities were reclassified from available-for-sale to financial assets at FVPL (\$5,432,073 as at 1 July 2018). They do not meet the AASB 9 criteria for classification at amortised cost, because their cash flows do not represent

solely payments of principal and interest. Related fair value gains of \$263,735 were transferred from the available-for-sale financial assets reserve to retained earnings on 1 July 2018.

Reclassification from held-to-maturity to amortised cost

Term deposits that would have previously been classified as held-to maturity are now classified at amortised cost. The AMC intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of the term deposits at 1 July 2018 to be recognised in opening retained earnings.

Impairment of trade receivables

The AMC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This did not result in an increase of the loss allowance on 1 July 2018.

p. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been adopted by the AMC. The AMC's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	Nature of change	Impact	Mandatory application date
<p>AASB 15 <i>Revenue from Contracts with Customers</i></p>	<p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.</p> <p>The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.</p>	<p>Minimum impact on contracts and revenue recognition.</p>	<p>Mandatory for financial years commencing on or after 1 January 2019.</p>

Title of Standard	Nature of change	Impact	Mandatory application date
<i>AASB 16 Leases</i>	The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract.	Most operating leases will be capitalised on the statement of financial position. Lease interest expense and depreciation expense of the right to use assets will be recognised in the profit or loss account	Mandatory for financial years commencing on or after 1 January 2019.
<i>AASB 1058 Income of not for profit entities</i>	This Standard establishes principles for not for profit entities that apply to (a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not for profit entity to further its objectives; and (b) the receipt of volunteer services.	Minimum impact on contracts and revenue recognition	The standard is applicable for annual reporting periods on or after 1 January 2019

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 2: Revenue and other income

	2019	2018
	\$	\$
REVENUE FROM GOVERNMENT GRANTS AND OTHER GRANTS		
Medical Board of Australia grants	3,642,502	3,675,250
Health Profession Accreditation Councils Forum contributions	115,000	115,000
TOTAL REVENUE FROM GOVERNMENT AND OTHER GRANTS	3,757,502	3,790,250
REVENUE FROM OPERATIONS		
Accreditation fees	331,192	574,143
Examination fees	17,926,344	18,265,384
NTC Rent and Hire	758,676	757,988
Sale of publications	206,946	270,746
Other revenue	1,462	82,872
TOTAL REVENUE FROM OPERATIONS	19,224,619	19,951,133
TOTAL REVENUE	22,982,121	23,741,383
OTHER INCOME		
Interest	633,219	558,700
Net fair value gains/(losses) on financial assets at fair value through profit or loss	659,355	293,425
TOTAL OTHER INCOME	1,292,574	852,125
TOTAL REVENUE AND OTHER INCOME	24,274,695	24,300,083

Note 3: Cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	1,500	1,500
Cash at bank	4,697,565	2,219,756
Macquarie Vision Cash account	234,495	1,007,243
	4,933,560	3,228,499

Note 4: Trade and other receivables

	2019	2018
	\$	\$
Trade receivables	32,932	178,534
GST receivable	99,383	77,075
	132,315	255,609

Note 5: Inventories

	2019	2018
	\$	\$
Current		
At cost: Inventory	94,137	83,320
	94,137	83,320

Note 6: Investments

	2019	2018
	\$	\$
Financial assets at fair value through profit and loss		
Listed Securities	5,635,925	-
Managed Investments	3,352,958	-
Available-for-sale financial assets		
Listed Securities	-	4,192,699
Managed Investments	-	1,239,374
	8,988,883	5,432,073

Refer note 1o for details of the change in accounting policy.

Note 7: Term deposits

	2019	2018
CURRENT	\$	\$
Term deposits	13,871,445	14,633,500
	13,871,445	14,633,500

Term deposits comprise deposits with banks with original maturities of 90 days or more, but less than 12 months.

Note 8: Other assets

	2019	2018
CURRENT	\$	\$
Accrued income	244,293	381,166
Prepayments	351,162	314,163
	595,455	695,329

Note 9: Work in Progress

The Accreditation Management System is a software system being developed for the Accreditation section to meet its business needs. The program is expected to be completed at the end of next financial year. The amount of expenditure incurred to date is \$633,544. This project was initially designed as a bespoke system. However during the financial period an assessment has concluded that the requirements can be met with a customisable off the shelf product which is more suitable to the AMC. As a result an impairment expense of \$323,167 has been recognised in the statement of profit or loss and other comprehensive income reflecting development costs incurred that will not be utilised.

The AMC Editorial Group (Anthology) is responsible for producing the *Anthology of Medical Conditions 2nd edition*. The Group meets formally each quarter to progress the project and assign tasks to appropriate subject matter experts (SMEs). Between meetings, members work independently and in small groups (writing workshops) to produce content – and prepare it for the Group to conduct a multidisciplinary review.

The Secretariat will prepare and distribute the new Anthology as a hardcopy and an eBook. It will also distribute the content via an interactive mobile application. The amount of expenditure incurred as at 30 June 2019 was \$328,123.

Note 10: Property, Plant and equipment

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer equipment	Office equipment	Furniture and fittings	Leasehold improvement	Leased assets	Total
	\$	\$	\$	\$	\$	\$
Cost at 1 July 2018	1,790,092	721,673	761,783	6,662,362	250,868	10,186,778
Accumulated depreciation	(701,555)	(545,469)	(606,460)	(4,608,031)	(250,868)	(6,712,383)
Net book amount at 1 July 2018	1,088,537	176,204	155,323	2,054,331	-	3,474,395
Additions at cost	286,635	48,774	-	-	-	335,409
Other transfers				(817,960)		(817,960)
Amortisation/ Depreciation charge for the period	(360,003)	(49,411)	(33,248)	(333,577)	-	(776,239)
Carrying amount at 30 June 2019	1,015,169	175,567	122,075	902,794	-	2,215,605

Note 11: Intangible assets

	\$
Computer software - at cost 1 July 2017	1,643,493
Accumulated depreciation	(1,443,547)
<hr/>	
Net Book amount at 1 July 2018	199,946
Additions at cost	164,661
Depreciation charge for the period	(139,388)
<hr/>	
Carrying amount at 30 June 2019	225,219
<hr/>	

Note 12: Trade and other payables

	2019	2018
	\$	\$
Trade payables	118,099	107,149
Accrued expenses	860,538	927,759
Other current payables	14,375	45,326
	<hr/>	<hr/>
	993,012	1,080,234
	<hr/>	<hr/>

Note 13: Audit, Legal and Consultancy expenses

	2019	2018
	\$	\$
Audit fee	26,000	26,000
Legal fee	118,812	157,430
Consultancy fee	92,221	90,403
	<hr/>	<hr/>
	237,033	273,833
	<hr/>	<hr/>

Note 14: Changes in fair value of available for sale financial assets

	2019	2018
	\$	\$
Unrealised gain on investments	-	263,735
Reclassification to profit or loss	-	29,690
	<u>-</u>	<u>293,425</u>

The unrealised gain in 2018 was the net movement in the fair value of investments during the financial year. Please refer to note 1o for details of a change in accounting policy for 2019.

Note 15: Lease liabilities

	2019	2018
	\$	\$
CURRENT		
Lease liabilities	-	37
NON-CURRENT		
Lease liabilities	-	-
TOTAL LEASE LIABILITIES	<u>-</u>	<u>37</u>

Lease liabilities are secured by the underlying leased assets.

Note 16: Employee benefits

	2019	2018
	\$	\$
Current - Annual leave and Long service leave	1,689,533	1,539,788
Non-current - Long service leave	132,315	100,691
	<u>1,821,848</u>	<u>1,640,479</u>

Provision for employee benefits

The provision for employee benefits relates to the AMC'S liability for long service leave and annual leave.

Note 17: Employee benefit expenses

	2019	2018
	\$	\$
Wages	7,759,396	7,227,980
Superannuation	777,985	662,733
	8,537,381	7,890,713

Note 18: Income in advance

	2019	2018
CURRENT	\$	\$
Income in advance	4,795,425	4,210,112
	4,795,425	4,210,112

Income in advance comprised of examination and accreditation fees received in advance of services being provided and rent in advance on the sub-lease of the AMC premises at Level 14 300 La Trobe Street, Melbourne.

Note 19: Leasing commitments

a. Operating lease commitments	2019	2018
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable—minimum lease payments:		
– not later than 12 months	1,720,016	1,654,664
– later than 12 months but not later than five years	3,752,167	5,472,185
Minimum lease payments	5,472,183	7,126,849

	2019	2018
b. Sub-lease payments	\$	\$
Future minimum lease payments expected to be received in relation to non-cancellable sub-lease or operating leases		
Receivable—minimum lease payments:		
– not later than 12 months	133,675	128,844
– later than 12 months but not later than five years	380,873	514,548
Minimum lease payment	514,548	643,392

The AMC has operating leases in place for the rental of two separate premises, at 11 Lancaster Place, Majura, ACT and Level 14, 300 La Trobe Street, Melbourne. The two operating leases both contain escalation clauses, make good provisions and renewal options. The leased premises in Melbourne is secured by a bank guarantee. The bank guarantee is for the amount of \$467,958 (inclusive of GST) and is equal to the sum of 6 months' rent and 6 months' outgoings. The Majura Park premises is secured by a bank guarantee of \$224,854 (inclusive of GST) and is equal to the sum of three month's rent.

Note 20: Contingent liabilities and contingent assets

There are no material contingent assets or liabilities as at 30 June 2019 which require disclosure in the financial statements (2018: nil).

Note 21: Events after the reporting Period

There were no reportable events after the end of the reporting period.

Note 22: Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly, including any director (whether executive or otherwise) of the Council.

The totals of remuneration paid to key management personnel (KMP) of AMC during the year was as follows and this was for two members

	2019	2018
	\$	\$
Short term benefits	802,728	555,379
Long term benefits	13,978	10,088
	816,707	565,467

Note 23: Related party transactions

During the financial year, the Council paid fees to directors amounting to \$81,530. These fees relate to sitting fees for attending Board and other related Meetings.

Directors' declaration

The Directors of the company declare that:

- 1) The financial statements and notes, as set out on pages 16 to 34 are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012* and
 - (a) comply with Australian Accounting Standards Reduced Disclosure Requirements and other mandatory professional reporting requirements
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the AMC.
- 2) In the Directors' opinion there are reasonable grounds to believe that the AMC will be able to pay its debts as and when they become due and payable.

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



Director

Professor David Ellwood (President)

Dated 31 October 2019



Independent auditor's report

To the members of Australian Medical Council Limited

Our opinion

In our opinion:

The accompanying financial report of Australian Medical Council Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 2019 Annual Financial Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

David Murphy
Partner

Canberra
31 October 2019