



AUSTRALIAN MEDICAL ASSOCIATION  
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## **EXPLANATORY STATEMENT**

Dear Member,

This is an Explanatory Statement to accompany the Notice of Special General Meeting of Australian Medical Association (Victoria) Ltd ('**AMAV**') and Medical Society of Victoria Inc ('**MSV**') to be held on Tuesday 7 May 2019. The Statement outlines the key changes to the Constitutions of AMAV and MSV which are proposed for approval.

### **Background to changes**

You will recall that at a Special General Meeting on 15 May 2018, Members voted to amend the Constitution (the draft motion called for it to occur within six months, subsequently altered to commence within six months). The Board of AMAV pursued this matter, formed a Governance Committee and is pleased to present the revised Constitution. The revised Constitution has been approved both by the Board and Council.

The key, overarching changes for consideration relate to the size of the Board, function and expanded representation of Council, particularly to improve input for General Practitioners and now somewhat isolated vocational groups. The Board has already implemented Regulation changes about which you have been notified related to voting procedures to clarify voting entitlements and improve the voting system.

### **Changes to the Board**

It is recommended to reduce the Board to seven Directors, with its role focused on running the business. A problematic flaw has been that the Board, currently numbered at eleven, seeks to have balanced representation of all interest groups, which it cannot achieve. In addition, such a large Board might be tempted to consider that it can deal with all policy issues and might not necessarily confide in Council.

A nominated Doctor-in-Training will be mandated to be one of the seven Directors on the Board. This reflects AMA's calls to have a Doctor-in-Training on every other medical organisation's Board, including as occurs for the Federal AMA.

In a bid to have a greater gender balance, at least 40% of the Directors (3 out of the 7 Directors) must be from the same gender. This ratio was decided based on practicality, industry practice and because the ratio is representative of the membership of AMA.

### **Changes to Council**

The proposed changes to Council seek to have a culture change to have Council be the forum to have an influence in policy development from a strengthened and more representative subdivisional base: each Councillor is at the apex of a group of members, and will be able to commence policy formation. The Chairman of Council will not be a Director with the related fiduciary requirements

but rather, interacts with the Board ex-officio via a properly functioning Agenda Committee. There will be a reduced quota for creation of representative entities, to permit greater representation.

In order to improve the power of a Member's vote, it is also proposed that no Councillor will be able to control more than 250 votes, whether by membership of a large Subdivision or by garnering proxies. If a Subdivision has more than a multiple of 250, then that Subdivision will have as many Councillors as will permit them to use all the Member's votes, as near as equally divided by 250. This provides for more Councillors to be exposed to Council processes and provide policy input, as well as "learn the ropes".

### **Transitional Provisions**

In order to effectuate a smooth transition to the new constitution, the recommendation is that the current Board does not immediately resign but will be allowed to finish their respective 2 year term unless they voluntarily resign or are no longer qualified to be a Director. The transitional provisions contemplate that the changes to the Board will be implemented over a 2 year period.

### **Medical Society of Victoria**

As Members are aware, members of AMAV are also members of MSV. MSV has the same Board and Council as AMAV. MSV has essentially the same constitution as AMAV except the necessary changes which are required by law as the former is an incorporated association and the latter is a company limited by guarantee.

Accordingly, in keeping with the practice of having both Constitutions being a mirror of each other, except for the necessary changes as reasoned above, the constitution of MSV has been updated as well.

You're sincerely,



Steven Burrell  
**Chief Executive Officer**  
**Australian Medical Association (Victoria) Ltd**