



Australian Men's Shed Association

SHOULDER TO SHOULDER

May 16th 2013

To AMSA State Associations

At the AMSA board meeting on the 12th April 2013 I was asked to write to the committee members of each State Association to clarify the current financial situation of the National Association and the recent personnel changes.

AMSA was originally funded to provide services for all sheds by offering practical support to existing sheds and assistance to developing sheds. During the funding period, AMSA has experienced an exceptional and unprecedented growth. The number of sheds at the commencement of the project was under 350 and the original budget, and Government funding amount, was based on a maximum forecast growth to 450 sheds. AMSA now has over 930 sheds, twice the number funded for and the expenses associated with service delivery have consequently increased significantly.

The original submission for funding was to assist the work of AMSA. The Government then added in the Shed Development grants programme and AMSA was asked to administer this programme but no additional funding was made. In Round 4 the programme attracted 458 applications and this has put significant extra workload on the staff and increased our expenses.

AMSA has delivered all the Key Deliverable items outlined in the Government Funding Agreement well within the given time frames and with outstanding results. However, despite cutting back on all costs, AMSA informed the Department in January that we were at risk of being over budget by about 8% of the total three year budget. To ensure that AMSA would remain solvent and not breach any of ASIC guidelines, detailed action plans were prepared to ensure that we could complete the remainder of our current funding agreement for the remainder of the funding period (June 2013).

The Department recognised AMSA's exceptional outcomes and has committed to releasing a further \$150, 000 in supplementary funding for AMSA to maintain essential services for the remainder of this financial year.

In February 2013 the Board appointed a Finance Sub Committee to monitor this situation. This committee was composed entirely of newly appointed Independent Directors. The Committee was provided with all of AMSA's financial records but by April still had not produced their report and this indecision led to great unease among the rest of the Board and Executive staff. The concern was partly worry that the financial position may be unsound but also the way that the investigation was carried out.

By the April AMSA Board Meeting, the Finance Committee still had not completed the task of preparing a detailed report and all 3 members of the committee resigned. A thorough investigation was carried out by two of the State nominated Directors, in cooperation with our Accountant, and the results were discussed in detail by the Board and accepted unanimously. This report clearly showed that the AMSA was not, nor had been, at risk of being insolvent. AMSA is also subject to an independent annual audit and quarterly financial reports have to be submitted and accepted by the Federal Department of Health and Ageing, who, as our funding body, provide 95% of our income. AMSA has an impeccable record in meeting these requirements and the financial information has always been accepted as correct.

Our review showed that the current three year funding arrangement provided AMSA with about \$17 for each person who participates in Men's Shed programs nationally. As of December 2012, AMSA staff had conducted over 14,000 activities servicing the needs of our members and approximately 1.4 million pages of information have been viewed on our website. This is exceptional value for money.

The AMSA board and Administration have worked very hard to provide the tools for sheds to develop and grow and we are confident that the Government will renew our contract upon the current completion in June to carry on with this work in the future. During the funding period the way that AMSA has coped with the exceptional and unprecedented growth in numbers is testimony to the ability of the organisation to maintain delivery of the practical support that sheds require.

Regards

Ted Donnelly
Chairman – AMSA Board