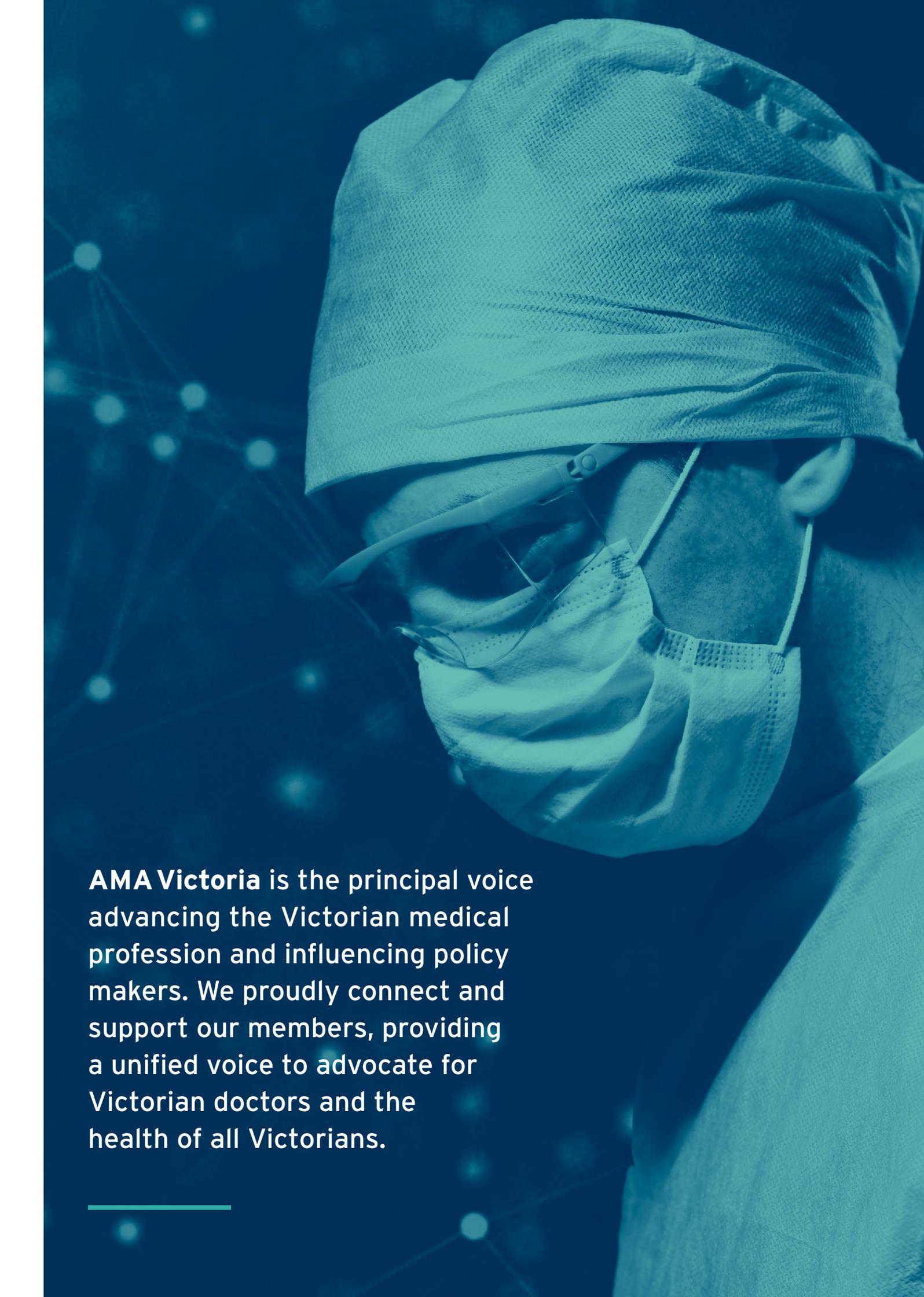




AMA VICTORIA

Finance Report 2020



AMA Victoria is the principal voice advancing the Victorian medical profession and influencing policy makers. We proudly connect and support our members, providing a unified voice to advocate for Victorian doctors and the health of all Victorians.

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CEO Report to Members

Steven Burrell FGIA GAICD
Chief Executive Officer

It was an extraordinary performance in an extraordinary year, in which we faced unprecedented disruption to the way we deliver our services while our members were at the front line of a once-in-a-century crisis.



Despite the enormous challenges presented by the COVID-19 pandemic, 2020 was a successful year for AMA Victoria.

Indeed, it was an extraordinary performance in an extraordinary year, in which we faced unprecedented disruption to the way we deliver our services while our members were at the front line of a once-in-a-century crisis.

Meeting and overcoming these challenges, we continued to serve our members and represent their interests, through championing their rights in the workplace, securing important wins in health policy, effectively advocating for members and the medical profession, improving our member services, and improving the efficiency of our operations.

Further significant progress was made on our wider strategic goals, including the aim of strengthening our finances to enable AMA Victoria to continue to achieve its important mission of advancing the medical profession and the health of all Victorians.

After meeting the strategic aim of achieving a substantial surplus in 2019, we again kept AMA Victoria 'in the black' in 2020, further rebuilding members funds, while continuing to grow our membership.

As our audited Annual Financial Report for the year to 31 December 2020 shows, AMA Victoria recorded a surplus of \$627,807 for the year. This was almost \$640,000 better than our original budget projections and compares to a surplus of \$13,974 (after adjustment for the impact of a gain from the revaluation of our land and building) in 2019 and a deficit of \$398,610 in 2018.

We are projecting the operational budget in 2021 to record a another surplus, as the benefits of strategic decisions implemented in 2019 and 2020, including better utilisation of our property and financial assets, cost savings due to the digitisation of our Vicdoc magazine, rigorous cost containment, staff rationalisation and efficiency improvements, continue to flow through.

This progress in strengthening AMA Victoria's finances lays the foundation for achieving our longer term goal of a sustainable surplus of 2 per cent of revenue over time.

Not only will this allow us to rebuild member funds but also give us the scope to invest in improved information technology, member database management (CRM) and additional human resources, to improve our services to members, expand our operations and build an even stronger future for the organisation.

This investment in IT and the CRM is already taking place in 2021, which will allow us to better serve our members.

Our goal of overall membership growth in 2020 was also achieved, with total doctor membership rising 2 per cent. There was particularly strong growth among doctors-in-training and salaried medical officers. Annual membership growth is currently running at close to 3 per cent.

This improved membership performance reflects more targeted marketing, more sophisticated member communications and enhanced engagement, as well as the strong contribution to member value from all areas of the business, including our workplace relations services, careers and mentoring services, member benefits, publications, media relations and policy and advocacy.

Other highlights for the year included further reforms of our Constitution and the creation and roll out of our new vocational subdivisions which will help revitalise our engagement with members. We held another highly successful Medical Careers Expo which attracted more than 1,000 participants.

All these achievements reflect the resourcefulness, hard work and dedication of our staff in the unprecedented circumstances of the pandemic, and the great leadership of our President, Board and Council.

After a year of achievement and success in 2020, the Board, Executive and staff of AMA Victoria remain strongly committed to further strengthening our organisation and to serving you, the members, even more effectively in the years ahead.

Financial Report

Dr Jill Tomlinson
AMA Victoria and Controlled Entities



The profit after tax from operating activities of the consolidated entity for the year ended 31 December 2020 amounted to \$627,807 (2019: profit of \$13,974). In addition, the consolidated entity has net assets of \$11,590,553 as at 31 December 2020 (2019: \$10,962).

The consolidated result for the AMA Victoria group of companies (the "AMA Victoria Group") includes the operations of Australian Medical Association (Victoria) Ltd, Medical Society of Victoria Inc, AMA Victoria Services Pty Ltd, Solutions Plus Training Ltd, Victorian Doctors' Health Program Ltd and the AMA Victoria Charitable Foundation.

During the 2020 financial year external factors have impacted the operations of the AMA Victoria Group. The Group has successfully pivoted to online delivery of COVID-safe services. The unprecedented pandemic circumstances did not have a negative impact on the financial position of the AMA Victoria Group.

Revenue income of \$9,322,326 increased by \$123,774 from 2019. Subscriptions transferred to National AMA amounted to \$3,255,352 compared to \$3,098,237 the prior year. Membership subscriptions represented 71% of total revenue. Employee benefits expenses decreased from \$3,838,775 in 2019 to \$3,604,582 in 2020.

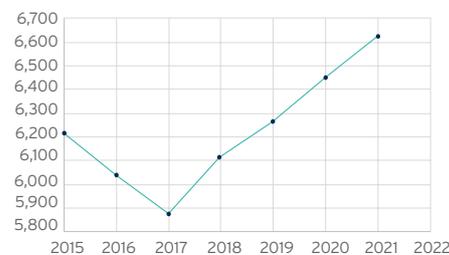
Members funds



Comprehensive income



Financial (fee-paying) members



Financial Results and Position

For the year ended 31 December 2020

	2020	2019
	\$	\$
Revenue		
Member subscriptions	6,626,153	6,573,313
Member activities	2,195,882	2,256,907
Investment income	156,298	60,701
Other income	343,993	91,035
Gain/Loss on assets	0	216,596
	9,322,326	9,198,552

Expenses

Employee costs	3,604,582	3,838,775
Subs transferred to Nat AMA	3,255,352	3,098,237
Member support	1,250,874	1,658,812
Property costs	329,180	354,429
Depreciation	254,531	234,325
	8,694,519	9,184,578

Operating Result	627,807	13,974
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Asset revaluation	0	1,900,000
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Comprehensive Income Result	627,807	1,913,974
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Assets

Cash and equivalents	3,620,059	2,209,462
Financial Assets	1,612,995	1,620,979
Property and equipment	9,560,072	9,770,756
Other	331,492	380,896
	15,124,618	13,982,093

Liabilities

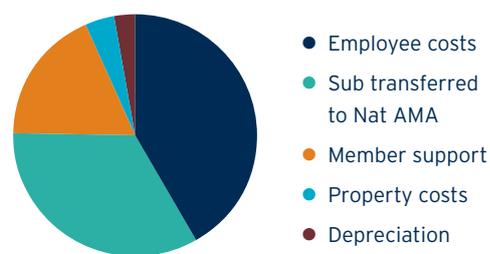
Trade and other payables	395,621	793,343
Member subscriptions in advance	1,321,471	1,076,511
Federal moiety payable	686,522	857,119
Employee entitlements	292,374	211,664
Provisions	674,525	
	3,534,065	3,019,347

Members' Funds	11,590,553	10,962,746
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Revenue 2020



Expenses 2020



Report from the Directors

As at 31 December 2020

The directors present their report on the Australian Medical Association (Victoria) Ltd ("the Company") consisting of the Company and the entities it controlled as at the end of, or during, the year ended 31 December 2020. Throughout the report, the Company and its controlled entities are referred to as the "Consolidated entity".

Principal activities

The principal activities of the Consolidated entity and Company consisted of the provision of services to the medical profession and advocacy in public health and for such purposes, the provision of services to the medical profession.

Review of operations and results

The profit after tax from operating activities of the Consolidated entity for the year ended 31 December 2020 amounted to \$627,807 (2019: profit of \$13,974). In addition, the consolidated entity has net assets of \$11,590,553 as at 31 December 2020 (2019: \$10,962). The Directors continue to develop operations to provide for the stability and security of the Consolidated entity.

Objectives and strategies

The principal objectives of the Consolidated entity / Company are:

- » To promote, maintain, protect, advance and extend the honour, interests and standing of the medical profession and of the Consolidated entity and to promote the science of medicine;
- » To protect and preserve the standing of the profession and the professional and academic independence of members of the Consolidated entity, and to preserve, maintain, promote and advance their intellectual, philosophical, social, political and legal interests;
- » To act as the principal coordinating body for the medical profession in the State of Victoria and a forum for the medical profession at which consultation and communication takes place;
- » To become a member of or subscribe to or affiliate with any other organisation, whether incorporated or not, having objects altogether or in part similar to those of the Consolidated entity;
- » To circulate such information as may be thought desirable through or by means of a periodical journal which shall be the official journal of the Consolidated entity and by the occasional publication of transactions or other papers;
- » To advance exemplary professional conduct and efficiency, to promote fair and honourable practice, to discourage or prevent malpractice or professional misconduct and to ensure the highest clinical, ethical and scientific standards in the delivery of health care to the community;
- » To collect and circulate statistics and other information relating to the medical profession;
- » To take an active part in the promotion of health care programs for the benefit of the people and to participate in the resolution of major social and community health issues;
- » To consider, originate and promote improvements or alterations in the law relating to the medical profession, to petition the Parliament of the State of Victoria and take such other steps and proceedings as may be deemed expedient for carrying out this object;
- » To consider, advise, and, if necessary, make recommendations on any subject connected with the appointments of legally qualified medical practitioners to public institutions positions and services;
- » To consider and advise on any issue of medical policy;
- » To consider and advise on any issue of health policy;
- » To promote the unity of the medical profession between the various States and Territories of the Commonwealth of Australia and to enter into all such agreements and generally take, adopt and carry into effect all such steps as are by law authorised or required for such purposes;
- » To assist either by donations or otherwise:
 - a) necessitous members of the medical profession and their wives or husbands and all or any of their children; and
 - b) organisations providing such assistance to any such persons mentioned in the sub-point above;

- » To carry out such commercial or trading activities as are considered conducive to the advantage of members of the Consolidated entity by entering into arrangements or ventures where goods or services are provided to members of the medical profession including arrangements which exploit the intellectual property of the Consolidated entity, including the AMA Victoria name;
- » To provide industrial advice and act on behalf of members in industrial matters; and
- » To provide courses of training, advice, welfare and support services and other benefits to members of the Consolidated entity to support them in their professional life.

To achieve these objectives, the Consolidated entity / Company:

- » Develops further the membership base;
- » Provides value through actions and communications in media, advocacy and industrial relations;
- » Promotes health initiatives and improvements in health science;
- » Promotes healthy lifestyles;
- » Promotes improved patient choice;
- » Influences governments to improve health services; and
- » Provides training opportunities for medical personnel to improve the medical sector.

Dividends

- » The Company is a company limited by guarantee and its Constitution precludes the payment of dividends.

Matters subsequent to the end of the financial year

There has not been any matter or circumstance occurring since 31 December 2020 that has significantly affected, or may significantly affect:

- a) the operations of the Consolidated entity / Company in future financial years;
- b) the results of those operations in future financial years; or
- c) the state of affairs of the Consolidated entity / Company in future financial years.

Likely developments and expected results of operations

The Directors are not aware of any specific developments likely to have a significant effect on the operations of the Consolidated entity / Company in financial years subsequent to 31 December 2020.

Environmental regulation

The operations of the Consolidated entity / Company are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory.

Insurance of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer. The contract of insurance prohibits disclosure of the nature and the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer.

Proceedings on behalf of the company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and / or the Consolidated entity are important.

The Board of Directors is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- » all non-audit services have been reviewed by the Finance & Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- » none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

AMA Victoria Directors

A/Prof Julian Rait OAM President

MBBS, FRANZCO, FRACS, FAICD

Non-executive Director
since August 2016

Chair of Council
May 2017–May 2018

President since May 2018

Dr Roderick McRae Vice President

MBBS, BMedSc, FANZCA

Non-executive Director
May 2009–May 2017

Vice President since June 2018

Dr William Blake

MBBS (Hons), PGradDipSurgAnat
FRACS

Non-executive Director
Retired August 2020

Dr Enis Kocak

MBBS

Non-executive Director
since May 2018

Dr Catherine Mandel

MBBS, FRANZCR, GAICD
GradCertL&T (Higher Education)

Non-executive Director
since August 2016

Dr Jill Tomlinson

MBBS (Hons), PGradDipSurgAnat,
FRACS (Plast), GAICD

Chair of Audit, Risk and Compliance
Committee since May 2019

Non-executive Director
since May 2017

Dr Sarah Whitelaw

MBBS, FACEM, FCEM Ad Eundem
Dip IMC, RCSEd

Non-executive Director
since August 2015

Company Secretary

Mr Peter Goffin and Mr Steven
Burrell both held the position
of Company Secretary in this
financial year.

Meeting of Directors

The number of meetings of the Company's board of directors and of each committee held during the year ended 31 December 2020, and the number of meetings attended by each director were:

AMA Victoria	Board meetings		Audit, Risk and Compliance Committee		Governance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
A/Prof Julian Rait	7	6	3	3	2	2
Dr Roderick McRae	7	7	3	3	2	2
Dr Sarah Whitelaw	7	6	-	-	2	1
Dr Catherine Mandel	7	7	-	-	-	-
Dr William Blake	4	3	-	-	-	-
Dr Enis Kocak	7	7	3	3	2	2
Dr Jillian Tomlinson	7	6	3	3	-	-



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