



AMA VICTORIA

Finance Report 2019



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.

Contents

2	Report from the CEO
3	Financial Report
5	Report from the Directors
7	AMA Victoria Directors

CEO Report to Members

Steven Burrell FGIA GAICD
Chief Executive Officer



The past year has been successful for AMA Victoria in serving our members and representing 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, restructuring and improving the efficiency of our operations and significantly strengthening AMA Victoria's financial position.

Real progress was made on our wider strategic goals, including the aim of first stabilising and then 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.

The financial goals underpinning this aim were to:

- » Break even financially in 2019;
- » Generate a sustainable surplus of 2 per cent of revenue within three years;
- » Achieve 5 per cent membership growth, and a 37 per cent recruitment rate target for interns in 2019

After a year of achievement and success in 2019, we remain strongly committed to further strengthening our organisation and to serving you, the members, even more effectively in the years ahead.

As our audited Annual Financial Report for the year to 31 December 2019 shows, AMA Victoria recorded a surplus of \$1,916,665 for the year.

After adjusting for the impact of a gain from the revaluation of our land and building, we still achieved a surplus of \$16,665, which was over \$225,000 better than our original budget projections and compares to a deficit of \$398,610 in 2018.

We also projected the operational budget in 2020 to record a small surplus, as the benefits of strategic decisions implemented in 2019 including better utilisation of our property and financial assets, costs savings due to the digitisation of Vicdoc magazine and the benefits of rigorous cost cutting, staff rationalisation and efficiency improvements.

This progress in getting AMA Victoria's finances back in the black lays the foundation for achieving the second goal of a sustainable surplus of 2 per cent by the end of the three year strategic time frame. This will allow us to both rebuild member funds and give us the scope to invest in improved IT, CRM and human resources to improve services, expand our operations and build an even stronger future for the organisation.

The third goal of 5 per cent overall membership growth in 2019 was close to being achieved, rising 4.6 per cent (including student associate

members), while the target for intern recruitment included in the strategy was exceeded, reaching 41 per cent. There was particularly strong growth in membership among doctors-in-training and salaried medical officers.

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 services, publications, media relations and policy and advocacy.

Other highlights for the year included the approval by members of a new Constitution; the creation of new vocational subdivisions which will help revitalise our engagement with members; the highly successful Medical Careers Expo which attracted more than 1,000 participants; and the inaugural annual AMA Victoria Awards night, which was a very successful event.

After a year of achievement and success in 2019, 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 2019 amounted to \$13,974 (2018: deficit of \$398,610). In addition, the Consolidated entity has net assets of \$10,962,746 as at 31 December 2019 (2018: \$9,096,083).

The consolidated result for the AMA Victoria group of companies 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.

Financial highlights of the year included the great success of the Medical Careers Expo. This event continues to generate substantial registrations and sponsorship income as well as excellent feedback from members and public at large.

Revenue income of \$9,198,552 increased by \$408,580 from 2018. Subscriptions transferred to National AMA amounted to \$3,098,237 compared to \$3,286,879 from prior year. Membership subscriptions represented 72% of total revenue. Employee benefits expense increased from \$3,398,552 in 2018 to \$3,838,775 in 2019.

Financial highlights of the year included the great success of the Medical Careers Expo. This event continues to generate substantial registrations and sponsorship income as well as excellent feedback from members and public at large. In 2019, the AMA5 Impairment Assessment training program in NSW was relaunched and proven to be a considerable success.

Financial Results and Position

For the year ended 31 December 2019

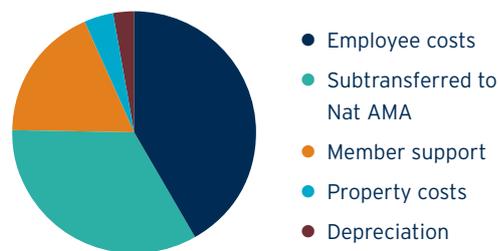
	2019	2018
	\$	\$
Revenue		
Member subscriptions	6,573,313	6,577,091
Member activities	2,256,907	2,043,264
Investment income	60,701	120,796
Other income	91,035	48,821
Gain/Loss on assets	216,596	
	9,198,552	8,789,972

Revenue 2018



Expenses		
Employee costs	3,838,775	3,398,552
Subs transferred to Nat AMA	3,098,237	3,286,879
Member support	1,658,812	1,868,234
Property costs	354,429	388,129
Depreciation	234,325	246,788
	9,184,578	9,188,582

Expenses 2018



Operating Result	13,974	(398,610)
Asset revaluation	1,900,000	0
Comprehensive Income Result	1,913,974	(398,610)

Assets		
Cash and equivalents	2,209,462	2,725,696
Financial Assets	1,620,979	2,273,826
Property and equipment	9,770,756	7,960,002
Other	380,896	290,712
	13,982,093	13,250,236

Liabilities		
Trade and other payables	793,343	628,449
Member subscriptions in advance	1,076,511	1,719,336
Federal moiety payable	857,119	1,594,704
Employee entitlements	292,374	211,664
	3,019,347	4,154,153

Members' Funds	10,962,746	9,096,083
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Report from the Directors

As at 31 December 2019

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 2019. 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 2019 amounted to \$13,974 (2018: deficit of \$398,610). In addition, the Consolidated entity has net assets of \$10,962,746 as at 31 December 2019 (2018: \$9,096,083). 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:
 - o necessitous members of the medical profession and their wives or husbands and all or any of their children; and
 - o 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 2019 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 2019.

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 Michael Levick Treasurer

MBBS

Audit, Risk & Compliance Committee
Chair from May 2017

Audit, Risk & Compliance Committee
member since August 2016

Non-executive Director
May 2013–June 2015

Non-executive Director
since August 2016

Retired May 2019

Dr William Blake

MBBS (Hons), PGradDipSurgAnat
FRACS

Non-executive Director
since May 2017

Dr Enis Kocak

MBBS

Non-executive Director
since May 2018

Dr James Lisik

BBiomed, MD

Non-executive Director
since August 2018

Retired May 2019

Dr Catherine Mandel

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

Non-executive Director
since August 2016

Dr David Monash

MBBS

Non-executive Director
since July 2018

Retired May 2019

Dr William Pring

MBBSW

Non-executive Director
since July 2017

Retired May 2019

Dr Rosalind Terry

Non-executive Director
since July 2018

Retired May 2019

Dr Jill Tomlinson

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

Role within the Company

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 Steven Burrell was appointed as company secretary from 18 September 2018. Mr Peter Goffin was appointed as company secretary (with Mr Burrell) from 25 June 2019. He remained in the position until 21 October 2019. From 22 October until 31 December 2019 Mr Steven Burrell was acting in the position of Company Secretary.

Report from the Directors continued

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 2019, 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	10	9	8	8	4	4
Dr Roderick McRae	10	10	8	7	4	4
Dr Michael Levick	4	2	2	1	-	-
Dr Sarah Whitelaw	10	9	-	-	1	0
Dr Catherine Mandel	10	8	-	-	-	-
Dr William Blake	10	9	-	-	-	-
Dr Enis Kocak	10	9	8	6	4	4
Dr Rosalind Terry	4	3	2	1	-	-
Dr David Monash	4	2	-	-	-	-
Dr James Lisik	4	3	-	-	-	-
Dr Jillian Tomlinson	6	5	6	6	-	-
Dr William Pring	4	3	-	-	-	-



**Australian Medical
Association Victoria**

293 Royal Parade
Parkville Victoria 3052
www.amavic.com.au

Telephone: 03 9280 8722
Country Freecall: 1800 810 451
Facsimile: 03 9280 8786
Email: amavic@amavic.com.au