



AMA VICTORIA

Finance Report 2021





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

All these achievements are a testament to the resourcefulness, hard work and dedication of our staff in the unprecedented circumstances of the COVID-19 pandemic, and to the great leadership of our President, Board and Council.



Despite continuing challenges presented by the COVID-19 pandemic, 2021 was another successful year for AMA Victoria.

We continued to face unprecedented disruption to the way we deliver our services, while our members were, for a second year, at the front line of a once-in-a-century crisis.

Meeting 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 increasing the efficiency of our operations.

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

After meeting the strategic aim of achieving a surplus in 2019 and 2020, reversing a number of years of operating losses, we again kept AMA Victoria 'in the black' in 2021, further rebuilding members funds while continuing to grow our membership.

Our audited Annual Financial Report for the year to 31 December 2021 shows AMA Victoria on a group basis recorded a surplus of \$1,065,144, after a \$627,807 surplus for the previous year.

We are projecting the operational budget in 2022 to record another surplus, which will be the fourth year in a row if achieved.

This financial turnaround over the past three years has allowed member funds to be substantially rebuilt, with net assets rising by more than \$3.5 million or 39% since 2018 to \$12,605,550.

While the 2021 result was assisted by some one-off factors, including the reversal of income tax and fringe benefits tax provisions and the reversal of previously recognised doubtful debt provisions, as well as recognising in the financial year a special \$450,000 grant to VDHP from the Victorian Department of Health, the underlying result was strong. After accounting for these extraordinary items, the AMA Victoria Group achieved an operating surplus of \$423,065.

This underlying result reflected the on-going financial benefits of strategic decisions implemented over the last three years, 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, which continue to flow through.

Membership growth also contributed to our financial strength, with subscription revenue 4.6 % above budget forecasts and 9% higher than the previous year.

Not only has this turnaround in our finances allowed us to rebuild member funds but it has also given us the scope to invest in improved information technology and an upgraded member database management (CRM) system, as well as additional human resources to improve our services to members, providing the foundations for an even stronger future for the organisation.

Our goal of overall membership growth in 2021 was also achieved, despite the challenges of the pandemic. There was particularly strong growth 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, enhanced careers and mentoring services, member benefits, publications, media relations and policy and advocacy.

The decision in late 2021 to offer lower subscription fees by extending Associate Membership to all member categories on an opt-in basis has contributed to that growth, assisting to retain members and attract new ones.

All these achievements are a testament to the resourcefulness, hard work and dedication of our staff in the unprecedented circumstances of the COVID-19 pandemic, and to the great leadership of our President, Board and Council.

After a year of success in 2021, the Board, Executive and staff of AMA Victoria remain strongly committed to further strengthening our organisation and to serving you, the members.

Financial Report

Dr Jill Tomlinson
AMA Victoria and Controlled Entities

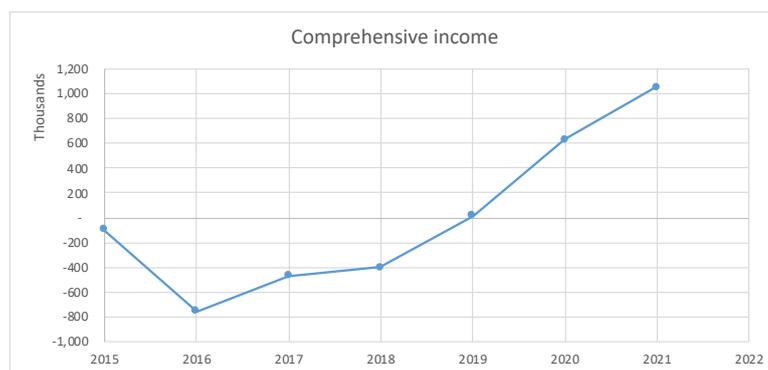
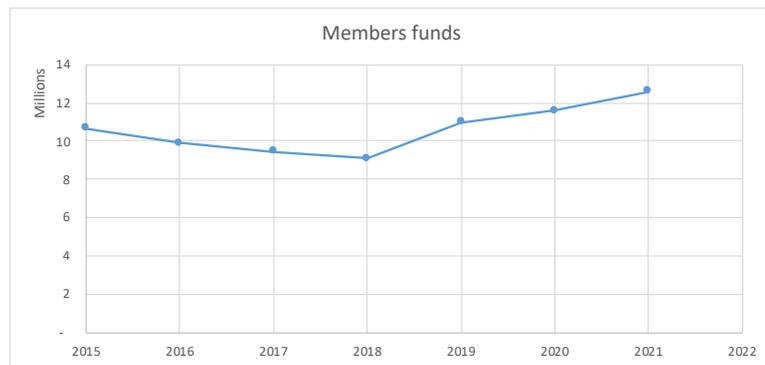


The profit after tax from operating activities of the consolidated entity for the year ended 31 December 2021 amounted to \$1,050,884 (2020: 627,807). In addition, the consolidated entity has net assets of \$12,590,553 as at 31 December 2021 (2020: \$11,605,550).

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.

Revenue income of \$10,098,276 increased by \$775,950 from 2020. Subscriptions transferred to National AMA amounted to \$3,326,061 compared to \$3,255,352 from prior year. Membership subscriptions represented 70% of total revenue. Employee benefits expenses increased from \$3,604,582 in 2020 to \$3,776,660 in 2021.

During the 2021 financial year external factors continued to have impact the operations of AMA Victoria Group. The Group introduced innovative ways of serving members during the COVID-19 pandemic, with a positive impact on the financial position of the AMA Victoria Group.



Financial Results and Position

For the year ended 31 December 2021

	2021	2020
	\$	\$
Revenue		
Member subscriptions	7095206	6626153
Member activities	2693150	2195882
Investment income	72632	156298
Other income	237288	343,993
Gain/Loss on assets	0	0
	10,098,276	9,322,326

Expenses		
Employee costs	3776660	3604582
Subs transferred to Nat AMA	3326061	3255352
Member support	1506204	1250874
Property costs	290112	329180
Depreciation	251141	254531
	9,150,178	8,694,519

Operating result	948,098	627,807
Asset revaluation	102786	0
Comprehensive income result	1,050,884	627,807

Assets		
Cash and equivalents	3987713	3620059
Financial Assets	1768027	1612995
Property and equipment	9508318	9560072
Other	367993	331492
	15,632,051	15,124,618

Liabilities		
Trade and other payables	1395529	395621
Member subscriptions in advance	956071	1321471
Federal moiety payable		686522
Provisions		674525
Employee entitlements	674901	455926
	3,026,501	3,534,065

Members funds	12,605,550	11,590,553
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Revenue 2021



Expenses 2021



Report from the Directors

As at 31 December 2021

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 2021. 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 2021 amounted to \$1,050,884 (2020: profit of \$627,807). In addition, the consolidated entity has net assets of \$12,605,550 as at 31 December 2021 (2020: \$11,590,553). 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 2021 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 2021).

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
Retired May 2021

Dr Roderick McRae Vice President

MBBS, BMedSc, FANZCA

Non-executive Director
May 2009–May 2017
Vice President since
June 2018
President since May 2021

Dr Simon Judkins MBBS, FACEM

Director without Portfolio
since June 2021

Dr Pearly Khaw B.App.Sci.(Med Rad), MBBS, FRANZCR

Director without Portfolio
since June 2021

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
Resigned October 2021

Dr Alice Mizrahi MBBS (Hons)

Director without Portfolio
since June 2021

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
Resigned October 2021

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 2021, and the number of meetings attended by each director were:

AMA Victoria	Board meetings		Audit, Risk and Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Dr Roderick McRae	11	11	4	4
Dr Jillian Tomlinson	10	9	4	4
Dr Enis Kocak	11	11	4	4
Dr Pearly Khaw	7	7	2	2
Dr Alice Mizrahi	7	6	2	2
Dr Simon Judkins	7	7	0	0
Dr Catherine Mandel	3	3	0	0
Dr Sarah Whitelaw	7	7	0	0
A/Prof Julian Rait	4	4	2	2



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Association Victoria**

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