

AMA VICTORIA

Finance Report 2022

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



Despite continuing challenges presented by the COVID-19 pandemic and severe stresses on the health system, 2022 was another successful year for AMA Victoria.

We continued to serve our members, championing their rights in the workplace, securing substantial gains for salaried doctors in enterprise bargaining and pursuing class actions on behalf of Doctors in Training who have been short-changed in overtime payments.

Thanks to the enormous efforts of our President, Dr Roderick McRae, we secured important wins in health policy, effectively advocating for members and the medical profession more generally.

We also improved our member services and increased the operational efficiency and effectiveness of our secretariat work which continues in 2023.

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

In 2022, after achieving operational surpluses from 2019 to 2021, we again kept AMA Victoria 'in the black' in

operational terms while continuing to grow our membership.

Our audited Annual Financial Report for the year to 31 December 2022 shows AMA Victoria on a group basis recorded a surplus after tax of \$377,555. This solid operating result was achieved despite a \$254,342 fair value loss on the value of our investment portfolio, reflecting the impact on the share market of the invasion of Ukraine and the associated rise in inflation and interest rates.

However, after a downward revaluation of the AMA House building asset of \$1,454,473, reflecting the impact of the pandemic on the commercial property market, total comprehensive income for the year showed a loss of \$1,106,918.

We project the operational budget in 2023 to record another surplus, which will be the fifth consecutive year, if achieved.

The financial turnaround during the previous four financial years has allowed member funds to be substantially rebuilt, with net assets rising by \$2.5 million or 27% since 2018 to \$11,498,632 in 2022, despite the revaluation of the building asset and adverse market conditions. It will rise further in 2023 if the projected budget surplus is achieved.

These results reflect the ongoing financial benefits of strategic decisions implemented over the previous four years, including better utilisation of our property and financial assets, cost savings due to the digitisation of Vicdoc magazine, rigorous cost containment in other areas, staff rationalisation and improved operational efficiency.

Membership growth has contributed substantially to our financial strength, with member subscription revenue in 2022 rising by 6% on 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 system, as well as additional human resources to improve our services to member. This

investment provides the foundation for a stronger future for the organisation.

Our goal of overall membership growth has been achieved over the past four years, despite the challenges of the pandemic. There has been 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. It also reflects the strong contribution to member value from all areas of the business, including 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 – while somewhat controversial at the time – contributed significantly to that growth, assisting to retain members and attract new ones.

As part of a new three-year Federation Agreement between the National AMA and state and territory AMAs, AMA Victoria has ceased offering Victoria-only Associate Membership from 1 January 2023. However, in negotiating this agreement we secured substantial revenue benefits for AMA Victoria as well as protecting the benefits to our members in terms of lower fees and the creation of new lower fee categories of conjoint membership for part-time doctors in training and members on parental leave.

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

After another year of success in 2022, the Board, Executive and staff of AMA Victoria remain strongly committed to further strengthening our organisation and serving members in 2023 and beyond.

Financial Report

Dr Enis Kocak
Chair
Audit Risk and
Compliance Committee



Total comprehensive income of the consolidated entity for the year ended 31 December 2022 amounted to a loss of \$1,106,918 (2021: profit of \$1,050,884) after a loss on revaluation of \$1,454,473.

However, an operational surplus after tax of \$347,555 was recorded (2021: \$1,065,144) despite a \$254,342 fair value loss on our investment portfolio for the year on a mark-to-market basis (2021: a gain of \$176,914).

As a result, the consolidated entity had net assets of \$11,498,632 as at 31 December 2021 (2021: \$12,590,553).

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 from continuing operations, net of member subscriptions transferred to National AMA, was \$6,113,897 compared to \$6,591,786 in 2021.

Membership subscriptions retained by AMA Victoria were \$3,983,977, an increase of \$218,347 (6%) on the prior

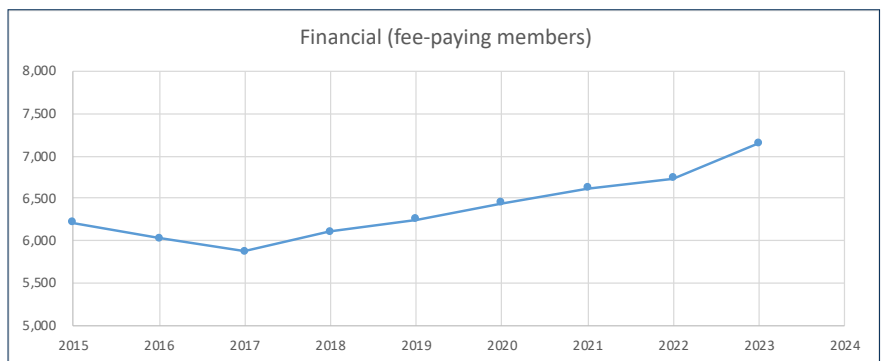
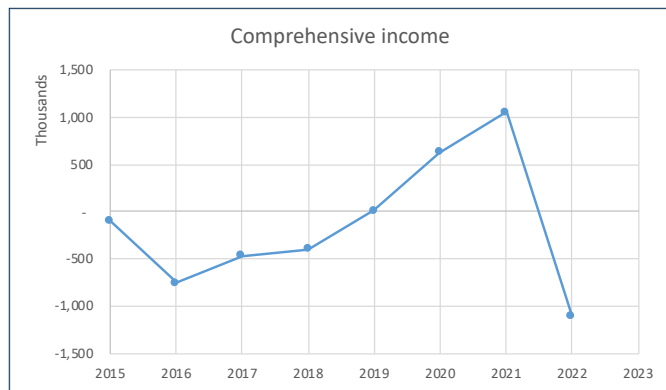
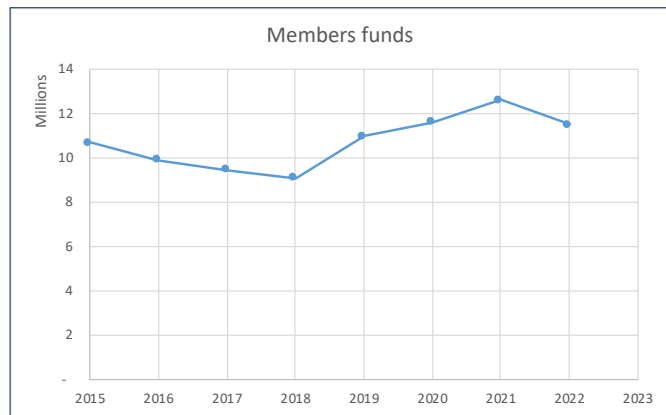
year. Subscriptions represented 65% of operating revenue.

Employee benefits expenses, which account for more than 60% of total operational costs, fell to \$3,637,013 from \$3,776,660 in 2021.

During the 2022 financial year external factors, including the ongoing impact on the business of the COVID-19 pandemic and the broad economic and financial market effects of the invasion of Ukraine, impacted

adversely across all the operations, investments and asset values of AMA Victoria Group.

However, the Group responded by continuing to introduce innovative ways of serving members, with a positive impact on the financial position of the AMA Victoria and member value.



Financial Results and Position

For the year ended 31 December 2022

	2022	2021
	\$	\$
Revenue		
Member subscriptions	4,001,952	7,095,206
Member activities	2,129,920	2,693,150
Investment income	57,191	72,632
Other income	111,953	237,288
Gain/Loss on assets	-	-
	6,301,016	10,098,276

Expenses		
Employee costs	3,637,013	3,776,660
Subs transferred to Nat AMA	17,975	3,326,061
Member support	1,927,431	1,506,204
Property costs	282,708	290,112
Depreciation	88,334	251,141
	5,953,461	9,150,178

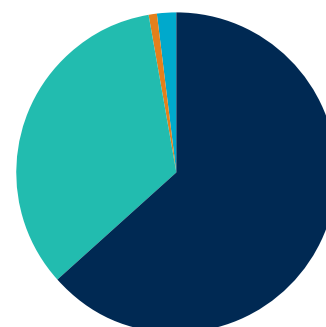
Operating result	347,555	948,098
Asset revaluation	-1,454,473	102,786
Comprehensive income result	(1,106,918)	1,050,884

Assets		
Cash and equivalents	3,461,484	3,987,713
Financial Assets	1,493,966	1,768,027
Property and equipment	8,356,973	9,508,318
Other	292,888	367,993
	13,605,311	15,632,051

Liabilities		
Trade and other payables	954,233	1,395,529
Member subscriptions in advance	449,186	956,071
Federal moiety payable	-	-
Provisions	82,939	-
Employee entitlements	620,321	674,901
	2,106,679	3,026,501

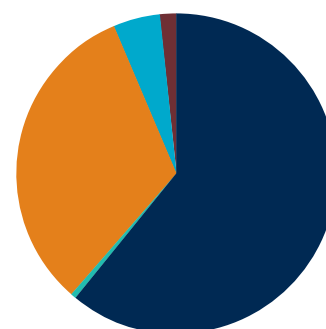
Members funds	11,498,632	12,605,550
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Revenue 2022



- Member subscriptions
- Member activities
- Investment income
- Other income

Expenses 2022



- Employee costs
- Sub transferred to Nat AMA
- Member support
- Property costs
- Depreciation

Report from the Directors

As at 31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Australian Medical Association (Victoria) Limited (referred to hereafter as 'the Company' or 'parent entity') and the entities it controlled at the end of, or during the year ended 31 December 2022.

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 result

The profit after tax from operating activities of the Consolidated entity for the year ended 31 December 2022 amounted to \$347,555 (2021: \$1,065,114).

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:
- » To promote best practice in medicine;
 - » 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 company, by other regular or occasional publications or circulars and on-line publications and content;
 - » To collect and circulate statistics and other information relating to medical practice, health or health services or of relevance or interest to the medical profession and to decision makers in the area of health;
 - » To act as the principal coordinating and negotiating body for the medical profession in Victoria and a forum for the medical profession at which consultation and communication takes place;
 - » To promote, maintain, protect, advance and extend the honour and standing of the medical profession and the professional and academic independence of the members of the profession;
 - » 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 consider, originate and promote improvements or alterations in the law relating to health, the practice of medicine and the medical profession, including petitioning the Parliament of the State of Victoria or of the Commonwealth (and the government departments thereof) and taking such other steps and proceedings as may be deemed expedient for carrying out this object;
 - » 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 memberships, and generally take, adopt and carry into effect all such steps, as are by law authorised or required for such purposes;
 - » 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 carry out such commercial or trading activities as are considered conducive to the achievement of the objects of the company including 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 company, including the AMA Victoria name;
 - » To become a member of, subscribe to, affiliate with or enter into arrangements with any other organisation, whether incorporated or not, having objects altogether or in part similar to those of the company or intended to advance the objects of the company;

» For the purposes only of achieving the above objectives, ensuring the maintenance of a strong and active membership of the company and the availability of financial resources to pursue those objects, provide services, advice, assistance and benefits to members of the company including:

- > providing advice and services to, and acting on behalf of, members of the company in matters relating to medical practice and medical services including commercial, legal, workplace and industrial relations matters; and
- > providing courses of training, advice, welfare and support services and other benefits to members of the company to support them in their personal and professional lives, but subject always to the adherence with, and preservation of, the not-for-profit status of the company.

Dividend

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

Significant changes in the state of affairs

–
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

–
There has not been any matter or circumstance occurring since 31 December 2022 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 2022.

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.

Indemnity and insurance of officers

–
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against liability to the extent permitted by Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

–
The company has not, during or since the end of financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor.

Proceedings on behalf of the Company

–
No person has applied for leave of Court to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

AMA Victoria Directors

Dr Roderick McRae President

MBBS(Hons), BMedSc
(Hons), FANZCA, JD

–
President since May 2021
Vice President from June
2018 to May 2021

Dr Jill Tomlinson Vice President

MBBS (Hons), PGrad
DipSurg Anat, FRACS
(Plast), GAICD

–
Vice President since
May 2022
Chair of Audit, Risk
and Compliance Committee
from May 2019 to May 2022

Dr Enis Kocak Chair, Audit, Risk and Compliance Committee

MBBS
–
Chair of Audit, Risk and
Compliance Committee
since May 2022
Director without Portfolio
since May 2018

Dr Simon Judkins MBBS, FACEM

–
Director without Portfolio
since May 2021

Dr Alice Mizrahi MBBS (Hons)

–
Director without Portfolio
since May 2021

Dr Sarah Lewis MBBS (Hons), FRACGP, DCH(SA)

–
Director without Portfolio
since May 2022

Dr Gavin Wayne MD, MPH, B-BMED

–
Director without Portfolio
since May 2022

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 2022, 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	7	7	4	4
Dr Jillian Tomlinson	7	7	4	4
Dr Enis Kocak	7	7	4	4
Dr Simon Judkins	7	7	0	0
Dr Alice Mizrahi	7	7	4	3
Dr Sarah Lewis	5	5	0	0
Dr Gavin Wayne	5	5	0	0

**Australian Medical
Association Victoria**

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