

Annual Report 2009

Australian Medical Association Victoria Ltd

AMA
VICTORIA



Advancing the medical profession.
Advancing the health of Victorians.



AMA Victoria's past president Dr Douglas Travis presents a cheque to children from Reservoir East Primary School.



President's Report	4
CEO's Report	6
Highlights for 2009	8
Report of Directors	10
Auditors' Report	13
Financial Statements	14
Governance	18

Cover photo:
Dr Edwina Moore, surgical trainee
The Alfred

Public Health

2009 was a busy year for AMA Victoria's public health advocacy efforts.

We began the year advocating for compulsory sex education for young people, suggesting it be 'explicit' and comprehensive. Our evidence was praised as 'some of the best available'.

We lobbied for an increased focus on preventive health measures throughout the year, and I urged people to get active to prevent diabetes, maintain a healthy diet, and talk to their GPs about preventative health screenings.

We led the fight against tobacco, scoring the highest on the 2008 National Tobacco Control Scoreboard, an award bestowed by AMA and ACOSH, the Australian Council of Smoking and Health.

We were a consistent, calm voice in the panic over the H1N1 ('swine') flu virus. I vaccinated Greens MP Colleen Hartland and Federal Labor MP Anne Barker to raise awareness of the availability and importance of the vaccine.

We finished the year by launching a bold plan for the State Government to introduce new tobacco control measures, including a transaction levy that would increase the price of a packet of cigarettes to over \$20.

AMA Victoria will continue to be a leading public health advocate coming into 2010.

Workplace relations

AMA Victoria's 2008 state-wide public hospital enterprise bargaining campaign concluded in April. The Victorian Government and AMA Victoria agreed to pay increases of between six and 28 per cent over the life of the agreement and, at the earliest opportunity, to establish enforceable terms under Commonwealth legislation.

Also in 2009 a substantial financial settlement via pre-trial mediation in the Federal Court of Australia was achieved on behalf of a number of full time specialists employed by Barwon Health. AMA Victoria made application in the Australian Industrial Relations Commission to require the Royal Children's Hospital to recognise that a doctor in training holds the classification of Registrar once having demonstrated Learned College-accredited training status. The Commission's arbitrated decision found the member to be ineligible.

Throughout 2009, AMA Victoria resourced AMA Tasmania's public hospital enterprise bargaining campaign. A state-registered agreement came into force in December delivering salary increases of between 13 and 26 per cent over three years.

Legal

AMA Victoria ensured the integrity of doctors was maintained through the Ombudsman's investigations into billing practices at Bayside Health and the conduct of WorkSafe and TAC. AMA Victoria provided lobbying and representative support to doctors involved in audit activity.

Through the Federal AMA office we were successful in our application to the ACCC to engage in collective state-wide representation of rural general practitioner VMOs engaged by public hospitals.

AMA Victoria lobbied the County and Supreme Courts to amend their rules to allow for electronic service of documents. After a number of meetings with judges of the County Court, the Law Institute of Victoria and the Bar Council, the courts engaged consultants to provide feasibility advice on this project.

Medico-political

In 2009 AMA Victoria lobbied for more capacity, more innovative care options, and an investment in information and communication technology to provide the best possible care. We were very pleased to see announcements for more than 400 new hospital beds in late 2008 and 2009.

General practice came under fire during the year. Several reports commissioned by the Federal Government flagged changes to general practice, with likely patient enrolment, fund holding and other reforms. This issue will continue to be on the agenda in 2010.

We made a difference in 2009 in priority areas such as rural health, where AMA Victoria's lobbying ensured that rural incentives were kept in place for hundreds of Victorian doctors, on public health issues such as tobacco and sexual health for young people, a good new mental health strategy, and improved clinical support time and training arrangements.

Training, Recruitment and Practice Support

More than 150 medical practitioners attended the AMAV conducted ministerially approved impairment assessment training. We are keen to increase the number of medical practitioners performing these assessments in rural Victoria, where there is a shortage.

This year we reactivated the short course program which was primarily directed at practice support staff. Not all staff are interested in undertaking certificate level programs and many are looking for short sessions which build upon their current level of knowledge.

Consequently these sessions focus on the essential skills required to perform different aspects of their job.

mpstaff is our new recruitment business, part of our AMA Victoria Services Company, chaired by Dr Richard Whiting. In 2009 we extended our recruitment services into the public and private health sector with good results.

Our practice services business mp practice solutions has been busy. AMAV provides a free telephone advisory service on any aspect of running a medical practice. We also provide fee-for-service consulting at a discounted rate to members. Setting up in practice, marketing of practices, developing websites, advising on business models and assisting with accreditation preparations have been the main areas of work this year.

Subdivisions

In 2009 I engaged with members at a number of metropolitan, rural and regional subdivision meetings. These meetings allow AMA Victoria members across all disciplines and craft groups to come together and discuss issues of relevance to the profession.

Our subdivision meetings attracted important discussion and debate in 2009. In October, we had Federal Member for Ballarat, Catherine King, attend our Ballarat subdivision meeting to address concerns about the national reform agenda. Also in October I attended our Mallee subdivision meeting, which addressed the need to attract doctors to rural areas. This meeting attracted considerable media attention and reinforced the importance of subdivision meetings in influencing public policy. The 'soapbox' feature of the meetings has continued to improve, and has been invaluable in gauging member sentiment and input on a number of important issues.

Thank you

The many achievements of our organisation in 2009 are the result of hard work, commitment and tenacity on the part of AMA Victoria staff, led by Chief Executive Officer Jane Stephens. I extend my thanks to all those who contribute to the strength of this organisation, and by extension, the wellbeing of the medical profession and our patients.



Dr Harry Hemley
President, AMA Victoria





It has been a landmark year for health care in Australia, and AMA Victoria has played a key role. We have negotiated a number of generous industrial relations wins for our members, devised new ways of lobbying government and improved our range of services.

Member surveys

In 2009, AMA Victoria connected with members through a number of surveys which measured member satisfaction. Surveys were conducted of our doctor in training (DiT), GP and new members. The surveys sought to gauge views on subdivision presentations and seminars and to ensure they felt they were getting value for money from their AMA Victoria membership.

In the case of new members, we sought to engage with them and assess how they felt about joining the organisation. The results of these member satisfaction surveys were overwhelmingly positive, and enabled us to tailor our services and programs accordingly.

Our Legal Services Unit also conducted a survey of rural GPs, to establish whether they wished to be collectively represented and to ensure they were aware of AMA Victoria's contract review service, which is open to members. Again, the results of this survey were positive, indicating that rural GPs would like to use the industrial relations and legal expertise offered by AMA Victoria to members.

Changes to subdivisions

Geographical and other changes to AMA Victoria's subdivisions were planned in 2009 and will take effect in 2010. The new Salaried GPs subdivision was established to recognise the increasing number of GPs who are either employees or independent contractors working within a corporate practice. The subdivision will have meetings which focus on key industrial issues for these doctors.

As a result of our adoption of a new constitution, the Board has assumed a new set of regulations and by-laws,

and AMA Victoria has been in a position to review subdivision boundaries. Our geographical subdivisions have been restructured to match regional populations and ensure maximum coverage, and this coincides with the introduction of a new format to our meeting program. Each metropolitan subdivision will hold at least two 'member forums' per year, with the aim of presenting a range of interesting speakers and topics of relevance to the profession.

War on Red Tape

AMA Victoria declared war on bureaucratic red tape in 2009, inviting all general practitioners and practice staff to join the battle at www.waronredtape.com.au. Six years ago the Productivity Commission deemed the cost of regulatory burden on general practice to be more than \$13,000 per GP, per year. Every year, Victorian GPs face countless hours of unpaid paperwork from the various layers of government and other agencies, and their patients miss out on vital care.

The online campaign delivered real gains in its first year, with governments in Canberra and Melbourne working with AMA Victoria cooperatively to reduce red tape. The state government has announced its intention to reduce the regulatory burden on business by 25 per cent by 2011. Reviews of forms have been undertaken by a number of government departments, electronic forms are being made compatible with practice software through the standardisation of front end data and we are investigating the development of a central web portal as the repository for all Victorian Government forms requiring the input of doctors.

Excellence in member services

AMA Victoria implemented its 24-hour response guarantee in 2009. The resolution or investigation of complex matters necessarily takes more than 24 hours, but our commitment is that we will acknowledge contact from a member within this time frame. This

demonstrates our commitment to responding to, and finding solutions for, member enquiries in a timely fashion.

The year 2009 was a year in which we worked with technology to develop a number of initiatives, including online membership renewal and the online Wage Calculator, both of which, when introduced, will make members' lives easier.

The Wage Calculator is an easy-to-use online tool to help AMA Victoria members, particularly doctors in training, ensure they are being paid their correct entitlements. Where there is an underpayment, the Wage Calculator will calculate the entitlements owed to the member and produce a report for the member to take to his or her employer to seek an explanation.

Membership

The year 2009 proved to be a challenging year for many people, and AMA Victoria thanks members for their loyalty to the organisation.

It has been an important year for AMA Victoria. I thank the staff, and the senior staff team for their work, and the board for their continuing commitment and support throughout 2009.

Jane Stephens

Chief Executive Officer, AMA Victoria

Right: Dr Dinesh Varma, radiologist, The Alfred
Below: Dr Zoe Wainer, Vice President AMA Victoria



Left: Dr Samantha Ellis, radiologist, The Alfred
Above L-R:
Dr Paul Eleftheriou, DiT St Vincents Hospital and
Dr Stephen Parnis, emergency physician, St Vincent's Hospital
Right: Dr Angela Rutherford, GP, East Brunswick Medical Centre





Impact of bushfires



Ballarat subdivision, Catherine King MP



Minister Andrews addresses our Doctor in Training members



Dr Harry Hemley, new AMA Victoria President

JANUARY

AMA Victoria started the year off with a front page story on The Sunday Age newspaper about sexual health for young people and the need for comprehensive sex education in schools. This issue gained significant public attention and sparked a long-overdue debate on the importance of starting sex education at a young age. The Sunday Age called our evidence 'some of the best available', and praised AMA Victoria, 'often a cautious lobby group', for taking the lead in an important debate.

Also in January, following successful lobbying the previous year, there was a substantial bed increase implemented throughout 2009.

Events: Graduate functions.

FEBRUARY

In February, AMA Victoria lobbied hard early in the year to ensure the changes proposed to the Rural Remote and Metropolitan Area (RRMA) scheme would not disadvantage rural doctors or patients. We urged the public to discuss organ donation to mark Australian Organ Donation Awareness Week in February. The Federal Government announced a \$42 billion stimulus package, and we spoke about the lack of funding for health or health infrastructure in the package.

Following the Black Saturday fires in February, AMA Victoria lobbied the Federal AMA to change Medicare numbers to simplify the task of doctors helping in the aftermath of the crisis.

MARCH

Public hospital data fraud dominated headlines in March and April. AMA Victoria was a key player in the discussions. Then-President Dr Doug

Travis wrote a well-received opinion piece in *The Age* in March entitled 'Nothing but the truth', about the need for increased accountability from the Government on hospital data.

Subdivision meetings: Northern, Inner and Melbourne, and Peninsula.

Events: Leadership development workshop.

APRIL

AMA Victoria continued the call for increased accountability in the reporting of public hospital performance data. The Auditor-General released a damning report, saying several major public hospitals were fudging their figures to meet performance targets, to the detriment of patient care. The Health Minister ordered spot audits into Victorian public hospitals and created the position of Director of Data Integrity.

Subdivision meetings: Wimmera, South West Country, Mallee, South Eastern, Dandenong and Maroondah.

Events: GP forum, Choosing your medical electives seminar.

MAY

AMA Victoria spoke out about the state budget in May. We called it 'underwhelming', and were disappointed that it failed to make further investment in IT systems or new hospital beds. However, we applauded the Victorian Government's renewed investment in mental health. Ultimately, the budget lacked vision and included no long-term plan of how to care for a growing state's health needs into the future.

The Federal Budget in May provided AMA Victoria with the opportunity to speak to rural and regional press on the issue of doctor shortages in country areas. Our media campaign in the rural and regional press ensured the changes

announced to the RRMA classification scheme in the Federal Budget in May did not leave country doctors worse off.

In late May, Northcote GP Dr Harry Hemley was elected President of AMA Victoria. Coinciding with his election was a wave of H1N1 09 – swine flu – panic. AMA Victoria called for the Government to release their stockpile of protective equipment for medical staff treating infected patients. We were featured in several articles as a leading advocate during the initial outbreak, recommending steps people could take to avoid infection. We were then a chief voice in urging people to get vaccinated.

Other wins in May included \$150 million for the Mental Health Strategy and the successful Better Health for Migrants campaign.

Subdivision meetings: Bendigo, Ballarat, Southern, Goulburn Valley and Eastern.

Events: Women in Medicine, Retired doctors lunch, Mythbusters, Private Practice Conference, Careers Expo and AGM.

JUNE

The finalisation of the National Health and Hospitals Reform Commission (NHHRC) report in June signalled the potential for significant health reform. The NHHRC recommendation to cut hospital outpatient waiting times aligned with our calls to the Brumby Government to begin publishing the state's hidden waiting lists. Dr Hemley wrote an editorial in *The Age* when the report was released, concentrating on general practice and information technology in health. Free pertussis vaccinations for at-risk patients were also rolled out in June.

Subdivision meetings: Western, Geelong and Gippsland.

Events: GP forum.



Women in medicine, L to R: Dr Sally Cockburn, Dr Zoe Wainer, and Dr Kym Jenkins

Preventative health

AMA and ACOSH, National Tobacco Control Scoreboard Award

JULY

AMA Victoria was in the news again in July when the Victorian Government released the Your Hospitals report. It demonstrated that record numbers of Victorians were missing out on care delivered in a clinically appropriate timeframe. The Victorian Government omitted vital figures around outpatient waiting times, and we urged them to make these times available to the public. AMA Victoria continued to urge those in at-risk categories to get the swine flu vaccine.

Also in July, Health Minister Daniel Andrews paid a visit to AMA Victoria's DiT forum.

AMA Victoria was awarded best performer on the 2008 National Tobacco Control Scoreboard, an award bestowed by AMA and ACOSH, the Australian Council of Smoking and Health.

Events: Registrar forum – Emergency medicine, Leadership development workshop.

AUGUST

In August, AMA Victoria was lauded by the medical press as 'tech savvy' when our response to the Australian Labor Party's scare campaign around Medicare rebate cuts to ophthalmology services was released 24 hours after the ALP attack ad. Our response video was posted on YouTube and emphasised the pressure the rebate cuts would place on public waiting lists. We continued to be a leading advocate for public health issues, such as the importance of preventive health, as Dr Hemley noted in a piece in the Herald Sun newspaper in August.

Subdivision meetings: Northern, South Eastern, Maroondah and Dandenong.

Events: Careers in Medicine, Women in Medicine.

SEPTEMBER

AMA Victoria was in the news again as we called for an increase in bed numbers, based on the figures from the latest Intergenerational Report. We urged the importance of bed numbers keeping up with population growth. Our Federal colleagues called on state governments to increase transparency surrounding bed numbers and implement a Bed Watch monitoring system as part of its health reform process. We continued our campaign to defend ophthalmologists as the Government attempted to cut rebates for cataract surgery. AMA Victoria emphasised the message that cutting rebates would largely affect older, more vulnerable Victorians.

Subdivision meetings: Southern, Peninsula and Geelong.

Events: Section of GP AGM, Retired doctors lunch tour, Careers in Medicine.

OCTOBER

AMA Victoria responded to the release of the year's second Your Hospitals report, saying it provided little comfort to thousands of Victorians waiting for care. We noted that the 400 extra beds introduced by the Victorian Government had made a difference, but, again, more was needed to keep up with population growth. We also continued to emphasise in the media the need for adequate health ICT in public hospitals and the need for more resources devoted to junior doctor training.

Subdivision meetings: Bendigo, Western, Wimmera, Ballarat and Mallee.

Events: Leadership development workshop, Section of Psychiatry AGM, GP forum, Senior salaried staff AGM, Choosing your medical student electives, Emergency response seminar, International medical graduates (IMG) briefing.

NOVEMBER

We continued to urge people to get the H1N1 09 vaccine, and Dr Hemley vaccinated Greens MLC Colleen Hartland to drive the point home.

Launch of the new doctor support service - next phase of the Peer Support Service.

Subdivision meeting: Eastern.

Events: Mythbusters, Women in Medicine, Finance forum, Registrar forum – surgeons, IMG briefing, Registrar forum – physicians, DiT photo exhibition - Footprints in the sand.

DECEMBER

We finished the year by launching a bold plan for the state government to introduce new tobacco control measures, including a transaction levy that would increase the price of a packet of cigarettes to over \$20. An article in the Herald Sun was followed by Dr Hemley appearing on TV and radio to promote the plan, and provide a New Year's reminder for people to quit.

Events: Retired doctors lunch.



Treasurer's Report

The consolidated result for the three entities, AMAV Ltd., MSV Inc. and AMAVS P/L, and including the new business ventures as part of AMAVS P/L is a loss of \$441k. The impact of the Global Financial Crisis (GFC) on the group this year, although less than in 2008, was still significant. This was most noticeable in the area of investment income and membership.

The new business ventures which are part of AMA Victoria Services P/L had a loss for the year of \$294k. This

(budgeted) loss was partly offset by a small profit made by the member services side of the entity. Overall AMA Victoria Services P/L results were \$53k better than the prior year. As part of the development of non membership income the new ventures are budgeted to operate at a loss for the next one or two years and will then be assessed as to their ongoing viability.

Due to a number of issues training income fell short of the budgeted target. This was offset partly by a reduction

in spending in training compared to budget. It is expected that this will be resolved in 2010 with the appointment of dedicated training personnel and the establishment of a separate training entity.

Dr Robert Conyers
Treasurer



L-R: Dr John Leslie, Dr Graham Burrows, Dr Robert Conyers, Dr Stephen Parnis



Dr Graham Burrows



Dr Robert Conyers



Dr Harry Hemley



Dr Cathy Hutton



Dr John Leslie



Dr Roderick McRae



Dr Stephen Parnis



Dr Zoe Wainer

Report of the Directors 31 December 2009

Your Directors present their report on the consolidated entity consisting of Australian Medical Association (Victoria) Limited and the entities it controlled at the end of the year ended 31 December 2009.

Directors

The following persons held office as Directors of Australian Medical Association (Victoria) Limited at the date of this report:

Prof. G Burrows
Prof. R Conyers
Dr H Hemley
Dr C Hutton
Dr J Leslie
Dr R McRae
Dr S Parnis
Dr Z Wainer

Principal activities

The principal continuing activities of the economic entity constituted by the Australian Medical Association (Victoria) Limited and the entities it controlled from time to time during the year consisted of the provision of services to the medical profession.

Results

The net result of operations for the year ended 31 December 2009 was a consolidated loss after tax of \$440,721 (2008: a consolidated loss after tax of \$2,331,620). The 2009 loss of \$440,721 includes a non cash fair value gain to the financial assets of \$372,971 (2008: loss of \$1,214,865). This adjustment is a result of the application of International Financial Reporting Standards adopted by Australian Medical Association (Victoria) Limited to the portfolio.

Dividends

No dividends were declared or paid during the year.

Review of operations

The Directors continue to develop operations to provide for the stability and security of the economic entity.

Significant changes

There have been no significant changes in the operations of the economic entity during the year.

Matters subsequent to the end of the financial year

There is at the date of this report no matter or circumstance which has arisen since 31 December, 2009 that has significantly affected or may significantly affect:

- (i) the operations of the economic entity;
- (ii) the results of those operations; or
- (iii) the state of affairs of the economic entity;

in financial years subsequent to 31 December, 2009.

Likely developments

The Directors are not aware of any specific developments likely to have a significant effect on the operations of the consolidated entity constituted by the Australian Medical Association (Victoria) Limited and the entities it controls or the expected results of those operations in financial years subsequent to 31 December 2009.

Information on Directors

Dr Harry Hemley MBBS, FAMA
AMA (Victoria) President, Non executive
Director since May 2005

Prof. Graham Burrows, MRANZCP,
MBChB
Non executive Director since May 2007

Prof. Robert Conyers MBBS, FRCPA
Non executive Director since May 2006,
Non Executive Director of The Royal
College of Pathologists of Australasia

Dr Catherine Hutton, MBBS FRACGP
Non executive Director since May 2008

Dr John Leslie MBBS, FRACS
Non executive Director since May 2009

Dr Roderick McRae MBBS, FANZCA,
BMedSc
Non executive Director since May 2009

Dr Stephen Parnis, MBBS, DipSurgAnat,
FACEM
Non executive Director since May 2006

Dr Zoe Wainer, MBBS BHSc
Non executive Director since May 2008

Meetings of Directors

The number of meetings of the
Company's Board of Directors held
during the year ended 31 December
2009, and the number of meetings
attended by each Director was:

	Meetings Attended A Meetings Eligible E	
	A	E
Dr D Bainbridge	3	5
Prof. G Burrows	10	12
Prof. R Conyers	12	12
Dr H Hemley	12	12
Dr C Hutton	10	12
Dr J Leslie	7	7
Dr R McRae	6	7
Dr S Parnis	12	12
Dr T Ross	5	5
Dr D Travis	5	5
Dr Z Wainer	8	12

Directors' Benefits

Since the date of Incorporation, no
Director of the Company has received
or become entitled to receive a benefit
(other than a benefit included in the
aggregate amount of emoluments
received or due and receivable by
Directors shown in the financial
statements or the fixed salary as a
full time employee of the Company
or of a related corporation) because
of a contract made by the company
or a related body corporate with the
Directors or with a Firm of which
the Director is a member, or with a
Company in which the Director has a
substantial financial interest.

Directors' Insurance

During the financial year the company
paid a premium in respect of a contract
insuring the Directors and certain
Directors of related bodies corporate
against a liability incurred as such
by a Director, Secretary or Executive
Officer to the extent permitted by the
Corporations Act 2001. The contract of
insurance prohibits disclosure of the
nature of the liability and the amount of
the premium.

Signed in accordance with a resolution
of Directors at Melbourne this 30th day
of March 2010.



Dr Harry Hemley
Director



Prof. Robert Conyers
Director

Directors' Declaration

The Directors declare that in their
opinion, the concise financial report
of the consolidated entity for the year
ended 31 December 2009 as set out on
pages 3 and 5 complies with Accounting
Standard AASB 1039: Concise Financial
Reports.

The financial statements and specific
disclosures included in this concise
financial report have been derived from
the full financial report for the year
ended 31 December 2009.

The concise financial report cannot
be expected to provide as full an
understanding of the financial
performance, financial position and
financing and investing activities of the
consolidated entity as the full financial
report, which as indicated in note 3, is
available on request.

This declaration is made in accordance
with a resolution of the Directors.

Signed at Melbourne this 30th day of
March 2010.



Dr Harry Hemley
Director



Prof. Robert Conyers
Director

Independent auditor's report to the members of Australian Medical Association (Victoria) Limited

Report on the concise financial report

The accompanying concise financial report of Australian Medical Association (Victoria) Limited comprises the consolidated balance sheet as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and related notes, derived from the audited financial report of Australian Medical Association (Victoria) Limited for the year ended 31 December 2009. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Australian Medical Association (Victoria) Limited for the year ended 31 December 2009. Our audit report on the financial report for the year was signed on 30 March 2010 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the concise financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

In our opinion, the concise financial report of Australian Medical Association (Victoria) Limited for the year ended 31 December 2009 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Australian Medical Association (Victoria) Limited (the company) for the year ended 31 December 2009 included on Australian Medical Association (Victoria) Limited's web site. The company's directors are responsible for the integrity of the Australian Medical Association (Victoria) Limited web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

M Shewan
Partner

Melbourne
30 March 2010

CONSOLIDATED BALANCE SHEET

as at 31 December 2009

Discussion and analysis
of consolidated financial
statements

Assets

Although total assets have moved little in the financial year 2009 there was a drop in cash and term deposits held. This was mostly offset by growth in the fair value of the investment portfolio. There was also a drop in trade debtors compared to the prior year.

Liabilities

There has been an increase in unearned income due to the higher number of 2010 membership payments prior to the end of 2009. This also increases the amount of funds held for the Federal AMA.

	2009 \$	2008 \$
Current Assets		
Cash and cash equivalents	6,211,994	6,837,957
Receivables	197,215	57,502
Other financial assets at fair value through profit and loss	3,328,168	2,820,673
Other	99,639	157,783
Total Current Assets	9,837,016	9,873,915
Non-Current Assets		
Property, plant and equipment	5,085,276	5,015,129
Investments	1	1
Total Non-Current Assets	5,085,277	5,015,130
Total Assets	14,922,293	14,889,045
Current Liabilities		
Payables	341,215	262,998
Provisions	392,319	380,849
Other	2,452,339	2,188,847
Total Current Liabilities	3,185,873	2,832,694
Non-Current Liabilities		
Provisions	40,369	34,644
Total Non-Current Liabilities	40,369	34,644
Total Liabilities	3,226,242	2,867,338
Net Assets	11,696,051	12,021,707
Equity		
Reserves	4,230,643	4,115,578
Retained profits	7,465,408	7,906,129
Total Equity	11,696,051	12,021,707

The above balance sheet should be read in conjunction with the accompanying notes.

Discussion and analysis of consolidated financial statements (continued)
Results of operations

Revenue and losses from operating activities in 2009 reflect the following key points:

- Membership subscription revenue has decreased slightly compared to 2008 reflecting a decrease in member numbers. Although sponsorship income has increased compared to 2008, training income has fallen due to a reduction in training courses and seminars.
- Income from interest and dividends has dropped significantly in 2009 due to the GFC and low returns on investments.
- Due to the tougher economic climate, personnel costs have been restrained and have been held below the 2008 level.
- The revaluation of the investment portfolio in December resulted in a fair value gain of \$373k. In 2008 revaluation resulted in a fair value loss of \$1.2m.
- There were also ongoing non budgeted costs relating to enterprise bargaining agreement negotiations.

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2009

	2009 \$	2008 \$
Revenue from ordinary activities	4,249,004	4,609,001
Fair value gains through Profit or Loss	372,971	—
Employee benefits expense	(3,091,790)	(3,112,093)
Depreciation	(223,779)	(226,262)
Fair value losses through Profit and Loss	—	(1,214,865)
Other expenses from ordinary activities	(1,747,127)	(2,387,401)
Net Loss before income tax expense	(440,721)	(2,331,620)
Income tax (expense)/benefit	—	—
PNet Loss attributable to members of Australian Medical Association (Victoria) Limited	(440,721)	(2,331,620)

The above Income Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

	2009 \$	2008 \$
Loss for the year	(440,721)	(2,331,620)
Other Comprehensive Income		
Asset Revaluation Reserve	115,065	231,469
Total Comprehensive Income for the year	(325,656)	(2,100,151)
Total Comprehensive Income attributable to the Australian Medical Association (Victoria) Limited and controlled entities.	(325,656)	(2,100,151)

The above Statement of Comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2009

	2009 \$	2008 \$
Total equity at the beginning of the financial year	12,021,707	14,121,858
Gain on revaluation of land and buildings, net of tax	115,065	231,469
Net income recognised directly in equity	115,065	231,469
Loss for the year	(440,721)	(2,331,620)
Total recognised income and expense for the year	(325,656)	(2,100,151)
Total equity at the end of the financial year	11,696,051	12,021,707

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Discussion and analysis
of consolidated financial
statements (continued)**

**Cash flows from operating
activities**

There was a small movement upwards in cash flow from operating activities. This reflects a number of movements including an operating loss, and a decrease in payments to suppliers and employees.

**Cash flows from investing
activities**

Cash flows from investing activities reflect reduced interest income due to lower yields and reduced cash holdings. Dividend income is also less than the prior year. There is an increase in plant and equipment expenditure compared to 2008.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2009

	2009 \$	2008 \$
Cash flows from operating activities		
Receipt from customers (inclusive of GST)	4,099,550	4,310,822
Payments to suppliers and employees (inclusive of GST)	(4,823,551)	(5,213,380)
Payments for Other Financial Assets at fair value through profit or loss	(134,524)	(116,179)
Net cash outflow from operating activities	(858,525)	(1,018,737)
Cash flows from investing activities		
Payments for property plant and equipment	(178,861)	(114,517)
Interest received	274,860	593,523
Dividends received	136,563	160,415
Net cash Inflow from investing activities	232,562	639,421
Net increase / (decrease) in cash	(625,963)	(379,316)
Cash at the beginning of the year	6,837,957	7,217,273
Cash at the end of the year	6,211,994	6,837,957

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the year ended 31 December 2009

The concise financial report relates to the consolidated entity consisting of Australian Medical Association (Victoria) Limited and the entities it controlled at the end of, or during, the year ended 31 December 2009. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Australian Medical Association (Victoria) Limited and its controlled entities as the full financial report. The accounting policies adopted are consistent with those of the previous year.

1. Segment information

The Company operates as a membership organisation within the health industry solely in Australia and its predominant activity is to provide benefits to its members.

2. Dividends

The Articles of Association specifically prohibit the payment of any dividends to any members.

3. Full financial report

Further financial information can be obtained from the full financial report, which is available, free of charge, on request from the company. A copy may be requested by telephoning Mr. John Fisher (Director – Corporate Services), AMA (Victoria) Ltd. on (03) 9280 8722.



BOARD OF DIRECTORS

Dr David Bainbridge

Vice President
(until 26 May 2009)

Dr Graham Burrows

Chairman of Council

Dr Robert Conyers

Treasurer

Dr Harry Hemley

President
(from 26 May 2009)

Dr Cathy Hutton

Vice-President

Dr John Leslie

Vice-President
(from 26 May 2009)

Dr Roderick McRae

Vice-President
(from 26 May 2009)

Dr Stephen Parnis

Vice-President

Dr Timothy Ross

Board Member
(until 26 May 2009)

Dr Doug Travis

President
(until 26 May 2009)

Dr Zoe Wainer

Vice President

INFORMATION ON DIRECTORS

Dr David Bainbridge MBBS, FRACS, FRCS, ED(ORTH) FAOrthA

Vice President, AMA Victoria
Non executive Director since
September 2002

Dr Graham Burrows AO, KCSJ

Chairman of Council
Non executive Director
since May 2007

Dr Robert Conyers MBBS, FRCPA

Treasurer, AMA Victoria
Non executive Director since
May 2006

Dr Harry Hemley MBBS, FAMA

President, AMA Victoria
Non executive Director
since May 2005

Dr Cathy Hutton MBBS, FRACGP

Vice President, AMA Victoria
Non executive Director since
May 2008

Dr John Leslie MBBS, FRACS

Vice President, AMA Victoria
Non executive Director since
May 2009

Dr Roderick McRae MBBS, FANZCA BMedSc

Vice President, AMA Victoria
Non executive Director since
May 2009

Dr Stephen Parnis MBBS

Vice President, AMA Victoria
Non executive director since
May 2006

Dr Timothy Ross MBBS

Board Member, AMA Victoria
Non executive Director since
2008

Dr Zoe Wainer MBBS BHSC

Vice President, AMA Victoria
Non executive Director since
2008

INDUSTRIAL RELATIONS SUB-COMMITTEE

Dr Dr Georgiana Chin

Dr Michael J Galvin

Dr Harry Hemley

Dr J Fergus Kerr

Dr Pearly Y L Khaw

Dr Raju Lakshmana

Dr John D Leslie

Dr Howard A Machlin

Dr Roderick J McRae

Dr John T Moloney

Dr Stephen J Parnis (Chair)

Dr Frank A Shann

Dr Paul A Shekleton

Dr Allan L Whitehead

WORKSAFE/TAC ADVISORY COMMITTEE

Dr David Bainbridge (Chair)

Dr Andrew Bucknill

Dr Anthony Buzzard

Dr Stephen de Graaff

Dr Michael Epstein

Dr William McCubbery

Dr George Mendelson

Dr F John Parkes

Dr Rodney Richardson

Dr Mark Sandford

Dr Michael J Troy

Dr Mary E Wyatt

AMA VICTORIA COUNCIL 2009

Professional Affiliated Organisations

Alfred Hospital Medical
Staff Association

Dr Ian Porter

Austin Hospital Senior
Medical Staff Association

Dr Robert Weller

Australasian Integrative
Medicine Association

Vacant

Australian Association of
Consultant Physicians

Dr Andrew Nunn

Australian Association of
Surgeons (Victoria)

Dr Stephen Clifforth

Australian Chinese Medical
Association

Dr Erwin Loh

Australian Greek Medical
Society of Victoria

Vacant

Australian Medical
Acupuncture College
(Victoria)

Dr John Jagoda

Australian Salaried Medical
Officers Federation

Dr Roderick McRae

Australian Society for
Geriatric Medicine

Dr Henry Zeimer

Australian Society of
Anaesthetists
(Victorian Section)

Dr Elliot Rubinstein

Australian Society of
Orthopaedic Surgeons
(Victorian Branch)

Dr Gary Speck

Australian Society of Plastic
Surgeons (Victoria)

Vacant

Bayside General
Practice Network

Dr Baden Boan

Dandenong Casey
General Practice
Association

Dr Sally McDonald

Greater Monash
GP Network

Dr Leon Massage

Italian Medical
Society of Victoria

Dr Anthony Mariani

Medical Association
for the Prevention of
War (Victorian Branch)

Dr Margaret Rowell

Melbourne East General
Practice Network

Dr Lorraine Baker

Melbourne General
Practice Network

Dr Fiona Broderick

National Association of
Specialist Obstetricians
and Gynaecologists

Dr Christine Thevathasan

North East Valley
Division of General Practice

Dr Anthony Sellars

North West Melbourne
Division of General Practice

Dr Catherine Hutton

Northern Division
of General Practice

Dr David Andrew

Peninsula GP Network

Dr Geoffrey Campbell

Peninsula Health Medical
Staff Association

Dr John Copland

Provincial Hospitals Group

Dr Peter Burke

Royal Children's Hospital
Medical Staff Association

Dr Jonathan D Akikusa

Rural Doctors
Association of Victoria

Vacant

Skin and Cancer
Foundation of Victoria

Vacant

Southcity GP Services

Vacant

Southern Health Senior
Medical Staff Association

Dr Andrew Schneider

St Vincent's Hospital Medical
Staff Association

Vacant

Thoracic Society of Australia
and New Zealand (Victorian
Branch)

Vacant

Urological Society of
Australia and New Zealand
(Victorian Branch)

Dr Andrew Troy

Victorian Medical
Benevolent Association

Dr George Tippet

Victorian Medical
Women's Society

Dr Natalie Marijanovic

Western Health Senior
Medical Staff Association

Dr Rodney Jacobs

World Federation of Doctors
Who Respect Human Life

Dr David Westmore

Academic Affiliated Organisations

Australasian College for Emergency Medicine (Victorian Faculty)

Dr Allan Whitehead

Australasian College of Dermatologists (Victorian Faculty)

Dr Douglas Gin

Australasian Faculty of Occupational Medicine (Victorian Branch)

Dr Charles Castle

Australasian Faculty of Rehabilitation Medicine

Vacant

Australian and New Zealand College of Anaesthetists (Vic)

Dr Mark Hurley

Australian Orthopaedic Association (Vic)

Dr Christopher Haw

(May-July)

Dr David Bainbridge

(July-May)

Australian Rheumatology Association (Vic)

Vacant

Division of Paediatrics Royal Australasian College of Physicians

Vacant

Royal Australasian College of Medical Administrators (Victorian State Branch)

Vacant

Royal Australasian College of Physicians (Victorian Committee)

Dr Harvey Newnham

Royal Australasian College of Surgeons (Victorian State Committee)

Dr Andrew Cochrane

Royal Australian and New Zealand College of Obstetricians & Gynaecologists (Victorian State Committee)

Dr Geoffrey Edwards

Royal Australian and New Zealand College of Ophthalmologists

Dr Malcolm Ferguson

Royal Australian and New Zealand College of Psychiatrists (Victorian Branch)

Dr Graham Burrows

Royal Australian and New Zealand College of Radiologists (Victorian Branch)

Vacant

Royal Australian College of General Practitioners (Victorian Faculty)

Dr Timothy Ross

Royal College of Pathologists of Australasia (Victorian State Committee)

Dr Robert Conyers

Victorian Medical Post Graduate Foundation

Dr John Tiller

AMA Victoria Subdivisions

Ballarat & District Subdivision

Dr Gregory Henderson

Bendigo & District Subdivision

Dr Beverly Ferres

Dandenong Subdivision

Dr John Zubevich

Doctors in Training

Dr Paul Eleftheriou

Eastern Suburban Subdivision

Dr Murray Gerstman

Geelong & District Subdivision

Dr Gil Stynes

Gippsland Subdivision

Dr Robert Hall

Goulburn Valley Subdivision

Dr Dan Garrick

Inner Suburban Subdivision

Dr Sandra Hacker

Mallee Subdivision

Dr Annesley Perera

Maroondah Subdivision

Dr Dennis Gratton

Melbourne Central Subdivision

Dr Alan Jager

North Eastern Country Subdivision

Vacant

Northern Suburban Subdivision

Dr Dominic Barbaro

Peninsula Subdivision

Dr Geoff Campbell

Senior Salaried Staff Subdivision

Dr Stephen Parnis

South Eastern Suburban Subdivision

Dr Gerald Segal

South West Country Subdivision

Dr Neil Jackson

Southern Suburban Subdivision

Dr John Leslie

Western Suburban Subdivision

Dr Murry Verso

Wimmera Subdivision

Dr David Leembruggen

Independent Members - Professional

Dr Terence Ahern

Dr John Mathew

Dr Douglas Travis

Independent Members - Academic

Dr Kate Duncan

AMA SECTION CHAIRS

Section of Medico-Legal Practice

Dr George Wahr

Section of Psychiatry

Dr Graham Burrows

Section of General Practice

Dr Tony Bartone

AWARDS

Australia Day Honours

Member (AM) in the General Division

Dr Elizabeth Farrell

Member (AM) in the General Division

Dr Taffy Jones

Member (AM) in the Military Division

Dr Alexander Cato

Medal (OAM) in the General Division

Dr Geoffrey Klug

Queen's Birthday Honours

The Victoria Prize

A/Prof Murray Esler

Member (AM) in the General Division

Dr Napier Thomson

Medal (OAM) in the General Division

Dr William McKellar

Medal (OAM) in the General Division

Dr Lawrence Carroll

Public Service Medal (PSM) in the General Division

Dr John Carnie

Medal of the Order of Australia (OAM) in the General Division

Professor John Agar

AMA VICTORIA SECRETARIAT

Chief Executive Officer

Ms Jane Stephens

Executive Assistant

Ms Judith Clark

BUSINESS DEVELOPMENT/AMA VICTORIA SERVICES

Director

Mr Frank Spranger

Administrative Assistant

Ms Claire Bellett

Publications Coordinator

Ms Debra O'Brien

MEMBERSHIP AND MARKETING

Director

Ms Michelle Bourke

Events Coordinator

Ms Lisa Busuttill

Membership Assistant

Ms Jackie Brown

Ms Belinda Cousins

Membership Officer

Ms Susan Chandler

Marketing and Communications Coordinator

Mr Sean Mulquiney

Editor and writer

Ms Susanna Nelson

Publications Officer

Ms Niki Vounoridis

POLICY AND PUBLIC AFFAIRS

Director

Mr Ben Harris

Health Policy Officer

Ms Madelene Fox

Media and Public Affairs Officer

Ms Froncesca Jackson-Webb

Administrative Assistant

Ms Claire Bellett

TRAINING AND PRACTICE SUPPORT

Director

Ms Judith Merrick

mpstaff Recruitment
Services Manager

Ms Katrina Cox

mpstaff Recruitment
Consultant

Mr Stephen Hyde

Training Administrator

Ms Julie Mineely

mp practice solutions
Practice Services Manager

Ms Andrea Ravas

Administrative Assistant

Ms Jenny Shelton

CORPORATE SERVICES

Director

Mr John Fisher

Finance Officer

Mrs Nicole Pinnone

Finance Officer

Mrs Matilda Stathopoulos

Property Services and
Membership Data Officer

Mrs Judy Saunders

Finance and Records Officer

Mrs Josephine Marsay

WORKPLACE AND ADVOCACY

Director

Mr Geoff O'Kearney

IR Adviser

**Mr Douglas Bishop
(retired August 2009)**

Administrative Officer

Ms Aspa Papas

Senior IR Adviser

Mr Rod Felmingham

Senior IR Adviser

Mr Andrew Lewis

Project Officer

Mrs Kay Dunkley

IR Assistant

Mr David Kelly

IR Adviser (Rural Contracts)

Mr Michael Grimes

LEGAL SERVICES

Solicitor/Senior Adviser

Mr David Goldberg

Legal Services Officer

Ms Annie Morrison

Solicitor

**Ms Abby Neylon
(until December 2009)**

**Ms Anjali Parboo
(from December 2009)**

DECEASED MEMBERS

Dr Clement Ahern

Dr Nicholas Bare

Dr Harley Baxter

Dr Noel Bennett

Dr Sydney Giddy

Dr John Grant

Dr Kenneth Gullifer

Dr Maxwell Hankin

Dr Paul Jeffery

Dr Elizabeth Kenny

Dr John Leyden

Dr Brian McKie

Dr Dennis Maginn

Dr Francis O'Rourke

Dr Murray Percy

Dr Noel Ramsey

Dr David Richards

Dr Douglas Ritchie

Dr Leonard Satchell

Dr Harold Story

Dr Gordon Trinca

Dr Chester Troy

Dr Charnisay Woodward

Dr Peter Williams



Dr Howard Machlin, Anaesthetist, The Alfred

THANK YOU TO AMA VICTORIA'S PREFERRED PROVIDERS

 <p>T: 1300 131 141</p>	 <p>T: (03) 8646 0299</p>	 <p>T: (03) 9348 1111</p>	 <p>T: (03) 9280 8768</p>	 <p>M: 0438 140 553</p>
 <p>T: 1300 278 732</p>	 <p>T: (03) 9347 3373</p>	 <p>T: (03) 9835 3035</p>	 <p>T: (03) 9280 8722</p>	 <p>T: (03) 9835 3035</p>
 <p>T: 1300 76 49 49</p>	 <p>T: 1800 088 022</p>	 <p>T: (03) 9280 8722</p>	 <p>T: (03) 9280 8722</p>	

AMA Victoria and its related entities at times receive non-subscription income through commissions and other forms of income paid by service providers which provide commercial benefits to members. This income enables us to provide improved services to members and keep subscriptions to a minimum. Only the companies above are entitled to call themselves 'AMA Victoria preferred providers'.

Australian Medical
Association Victoria
PO Box 21
293 Royal Parade
Parkville
Victoria 3052

Telephone: 03 9280 8722
Facsimile: 03 9280 8786
Country Freecall 1800 810 451
Email: amavic@amavic.com.au
[http:// www.amavic.com.au](http://www.amavic.com.au)



Advancing the medical profession.
Advancing the health of Victorians.



Dr Angela Rutherford, GP, East Brunswick Medical Centre