



The Royal Australasian  
College of Physicians

**MINUTES OF THE 75<sup>TH</sup> ANNUAL GENERAL  
MEETING OF THE ROYAL AUSTRALASIAN COLLEGE OF  
PHYSICIANS (“RACP” or “the College”)**

**Meeting No.** 75  
**Date and Venue:** New Zealand Room 4  
Level 5, Auckland Convention Centre  
88 Federal Street  
AUCKLAND NEW ZEALAND  
Monday 19 May 2014  
**Time:** 12.45pm (NZST)

**Attendees**

As per the attached attendance register plus the following non-voting attendees:-

Ms Linda Smith	Interim Chief Executive Officer
Mr Walter Edgar	Director of Business and Finance ( <i>by teleconference</i> )
Mr Michael Smith	Director of Governance & HR and Company Secretary
Ms Caroline Turnour	Director of Policy and Advocacy
Mr James Winter	Partner: Grant Thornton Audit Pty Limited ( <i>by teleconference</i> )

**Apologies**

Apologies were received from Directors:-

Dr John O'Donnell  
Professor John Wilson

Apologies were received from Members:-

Dr Ross Bailie  
Associate Professor Merrole Cole-Sinclair  
Professor Ian Davis  
Professor Simon Gandevia  
Dr Michael Gunsberg  
Professor Richard Larkins  
Dr Peter Leslie  
Professor Raina MacIntyre  
Professor Ian Mackay  
Dr Geoff Matthews  
Dr Helen Moriarty  
Dr Kellie Perrie  
Dr Peter Talbot  
Winthrop Professor Sandra Thompson  
Dr Margaret Wilsher  
Professor John Ziegler

## **1. OPENING THE MEETING**

The President, Associate Professor Leslie Bolitho AM, as Chair, noted that a quorum was present, and declared the Meeting open.

Members of the Board, together with the College's interim Chief Executive Officer, Company Secretary and other members of the College's Senior Leadership Group were introduced to the Meeting.

The Meeting was also advised that the College's Director of Business and Finance together with a partner from the College's external auditors, Grant Thornton Pty Limited were available by teleconference to answer any questions Members may have.

## **2. NOTICE OF MEETING**

The President advised that the Meeting was convened by way of Notice mailed to all Members, and also posted to the College's website, so will be taken as read.

There were no items to be voted on at the Meeting.

## **3. REPORT OF THE BOARD**

The President's and Chief Executive Officer's Reports were presented to the Meeting, being included in the College's 2013 Annual Report.

The College's 2013 Annual Report was posted to its website with copies mailed to those Members who had specifically requested the Report in hardcopy form.

The President briefly spoke to his Report and the Chief Executive Officer's Report was noted.

Before opening the Meeting to any questions, the President then read out responses to three questions received prior to the Meeting.

### **Question 1**

Why has the Board been inconsistent with voting procedures? For example with the YES/NO vote for the General Meeting held in December 2013 details of the voting were disclosed, but details of the voting for the Presidential elections in 2014 were not.

### **Answer 1**

Where the College is voting on a special resolution such as at an Annual General Meeting, it is required under Australia's Corporations Act to advise Members of the vote count and results. When Members of the College are voting in College elections such as for the position of President-Elect, the process is governed by the internal policies and by-laws of the College which are determined by the Board.

The College does not release details of the numbers of votes cast for or against individuals in College elections. This policy respects the privacy of individual candidates. The College wishes to encourage candidates to stand for elections, and not to expose them to possible embarrassment if, for example, they received a low vote compared to other candidates, but the Board is prepared to review this policy prior to the commencement of future election cycles.

### **Question 2**

Why do we need so many Board Members and do they get paid?

### **Answer 2**

The number of Board Members is prescribed by the College's Constitution. As recently as December last year, College Members considered whether the number of Board Members should be reduced, and whilst 66% of those voting voted in favour of reducing the size of the Board, the proposal failed to achieve the 75% threshold required to approve the necessary changes to the Constitution. RACP Board Members act on a voluntary basis and do not get paid. This is prescribed in the Constitution.

The Board currently consists of 19 Directors comprising Directors from New Zealand, the Divisions and Faculties, the College Trainees' Committee, an Honorary Treasurer, the College President and President-Elect and community representatives.

The Board Working Party on Governance Reform published a Consultation Paper in March of this year. One of the consultation points in that paper seeks your feedback and suggestions on the size and composition of the Board. The Board Working Party has scheduled a Member Consultation Forum to be held on Wednesday morning at 8.00am in the New Zealand Rooms 1 and 2 at the Convention Centre and I would encourage all Members to attend and put forward their suggestions on Board size, composition and any other related governance matters as part of our planned program.

### **Question 3**

Are we trying to run the College as a business as it is not intended to be this?

### **Answer 3**

The College is a company limited by guarantee under Australian Law and has been since it was established in 1938. Although this means the Board must be alert to their legal and business obligations, Board Members are also strongly committed to the education/training, policy and Membership obligations of the College.

There were no questions from the Meeting on either the President's or the Chief Executive Officer's Reports.

## **4. ANNUAL FINANCIAL REPORT**

The Honorary Treasurer, Michael Hooper, presented his Report and commented on the College's Financial Statements and Reports for the year ended 31 December 2013.

James Winter, the lead audit partner of the College's external auditors, Grant Thornton Audit Pty Limited then commented on the College's financial position and the conduct of the 2013 audit.

The following points were made to Members:-

- the College remains in a sound financial position;
- the conduct of the 2013 audit was completed smoothly, with no significant issues or differences of opinion arising, with the full co-operation of the College's staff; and
- an unqualified audit report has been issued to Members.

The President then opened the Meeting to questions from Members.

A number of questions were asked which are detailed in the Annexure to these Minutes, together with the responses provided.

## **5. DECLARATION OF THE RESULTS OF THE ELECTION/APPOINTMENT OF MEMBERS TO THE BOARD IN PLACE OF THOSE RETIRING**

The President confirmed that Professor Nicholas (Nick) Talley would assume the office of President of the College at the conclusion of this Meeting and that Dr Catherine Yelland had been elected President-Elect in place of Professor Talley.

The following have also been appointed to the Board of the College:-

Dr David Beaumont	President, Australasian Faculty of Occupational and Environmental Medicine
Associate Professor Nick Buckmaster	Adult Medicine Division Representative
Dr Jonathan Christiansen	President-Elect, New Zealand
Professor Paul Colditz	Paediatrics and Child Health Division Representative
Dr Stephen De Graaff	President, Australasian Faculty of Rehabilitation Medicine
Dr Alexandra Greig	College Trainees' Committee Representative
Dr Greg Stewart	President, Australasian Faculty of Public Health Medicine

The President congratulated each on their appointment to the Board.

The President also thanked the following retiring Board Members for their valuable contribution to the work of the College:-

- Dr Charles Guest
- Clinical Associate Professor Michael Hooper
- Dr Alasdair MacDonald
- Associate Professor Christopher Poulos
- Associate Professor James Ross
- Dr Simone Ryan

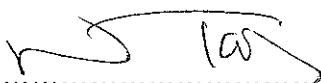
and extended his best wishes to those Directors remaining on the Board for a further term.

Associate Professor Mark Lane	President, New Zealand
Dr Nicola Murdock	President, Paediatrics and Child Health Division
Dr Jim Newcombe	College Trainees' Committee Representative
Dr John O'Donnell	Honorary Treasurer
Associate Professor Grant Phelps	President-Elect, Adult Medicine Division
Dr Helen Rhodes	Adult Medicine Division Representative
Professor Nicholas Talley	RACP President
Professor John Wilson	President, Adult Medicine Division

## **CLOSURE**

There being no further business, the President thanked Members for their attendance and declared the Meeting closed at 1.30pm.

Signed as a true and correct record



.....  
**Professor Nicholas Talley**

President

Date

**Questions on College's Annual Financial Report**

All responses were provided by the Honorary Treasurer, Michael Hooper, unless indicated otherwise.

**Question 1**

*Dr John Best*

What were the costs to hold the General Meeting in December 2013, the costs incurred in dealing with the requisition to hold a General Meeting and the costs of consultants retained to advise the Board on these matters? Are these costs contained within the College's 2013 Financial Statements?

**Answer**

The costs associated with holding the General Meeting in December 2013 would be included in the College's 2013 Financial Statements as would any other costs incurred up to 31 December 2013.

The costs in relation to the General Meeting requisition were incurred post 31 December 2013 and will be included as part of the College's 2014 Financial Statements and reports.

I don't have the precise details you require but if you put your questions in writing I will provide you with a written response.

**Question 2**

*Dr John Best*

How much of the College's reserves are kept in cash?

**Answer**

The Board has a policy of retaining the equivalent of 6 month's operating expenses as reserves.

The position at present is somewhat higher than that target so the Board and the Finance Committee are currently reviewing the position.

The Board also considers it to be prudent to retain a reasonable amount in cash reserves to provide cover for uncertainty or unforeseen events such as impacts of Federal Budget initiatives on the College.

Post the GFC the College has also followed a more conservative investment policy and retained more of its investments in cash or fixed interest type products, so that a reliable and predictable income stream is generated to fund the College's research grants and scholarships.

The College has established a Pricing Working Group to review the fees the College charges for its activities. The underlying principle to setting fees is to ensure that all fees set cover the cost of the activity so that no part of the College is being subsidised by other parts.

**Question 3**

*Dr Lynne Madden*

Does the College have an ethical investments policy and does it conduct an "ethical scan" of its investments?

**Answer**

Yes the College does have an ethical investments policy which is reviewed regularly by the Finance Committee. The College's investment advisors UBS have been advised of this policy and not to invest in organisations that undertake activities that are contrary to the College's values.

Dr Jim Newcombe advised the Meeting that Members of the Finance Committee recently met with Dr Jeff Blackmer, a Canadian ethicist who had been retained by the College to conduct a review of ethics.

Dr Blackmer provided advice as to how the College should ensure its investments are managed on an ethical basis and in ethical investment products.

To reiterate the Finance Committee regularly reviews its investments with its investment advisors to ensure entities and products invested in are consistent with the College's investment policy and with its principles and values.

**Question 4**

*No name provided*

The costs to attend the Annual Congress are very high.

**Answer**

The Congress is held each year as a service to Members and the fee to attend is set on the principle referred to earlier of trying to ensure the event breaks even and is not subsidised by other parts of the College.

Congress organisers are mindful of the cost to Members to attend and try to keep costs down but it has been increasingly hard to attract paying exhibitors to help defray costs, and we don't, due to ethical concerns, seek sponsorship from pharmaceutical companies.

We would welcome any feedback on other ways that costs to hold Congress could be contained.

**Question 5**

*Dr John Best*

Why are staff salary bands not disclosed in the College's Annual Report?

**Answer**

James Winter responded that the College does follow best practice disclosure principles for an organisation of its type (a public company limited by guarantee) but neither the Corporations Act nor the applicable accounting standards require the College to disclose such information.

**Question 6**

*Professor George Rubin*

What steps are the Board taking to improve opportunities for discussion of important issues?

**Answer**

Nick Talley responded that the Board holds a number of its Meetings each year away from Sydney to meet and engage Members.

Around each Board Meeting discussion sessions have been convened in convenient locations and Members invited to attend and engage with the Board. These sessions have been poorly attended although they have been extensively promoted.

In respect of the current consultation process in respect of the Board Governance Reforms, a dedicated email address has been established for Members as well as a Notice Board to which Members can post comments, questions or general feedback for viewing by other Members.

Consultation sessions are being held in a number of locations over the next few months to seek Members views on the Reform process. Members in those locations are provided with advance notice of when and where the sessions are being held, by both email and e-bulletin.

This Board is very keen to increase engagement with and receive feedback from Members and mechanisms have been set up to facilitate this as mentioned.

In addition the Board established the Fellowship Committee to improve engagement with Members under an approved Membership engagement strategy.

Members are also encouraged to engage with the College and the Board at any time through numerous College activities, such being a subject matter expert contributor to the College's Policy and Advocacy activities, which over 500 Members are currently doing.

#### **Question 7**

*Dr Paul Lancaster*

Why was the History of Medicine course not supported this year?

#### **Answer**

The Finance Committee late last year reviewed the business plan for the History of Medicine course submitted by the Library Committee. That business plan proposed a reduction in the fee payable to attend the course meaning that the course was estimated to run at a loss.

The Finance Committee and the Board have continued to support the History of Medicine course but consistent with the principle mentioned a number of times today all College activities must be priced at a level at which they at least break even and not require subsidisation from other parts of the College, on the grounds of fairness and equity to all Members of the College.

The Finance Committee was thus not in a position to approve the course being run at a loss.

The Board has recently established a Working Party to consider how to improve the use and awareness of what we are terming the College's "cultural assets". Part of that Working Party's task will be to make recommendations as to how the History of Medicine course can be made more accessible to a wider group of Members.

Before concluding the Meeting, the President advised that all questions received prior to the Annual General Meeting will be posted to the College's website, together with responses.

# DIAGNOSIS

12 June 2014

Professor Nick Talley PRACP  
Pro Vice-Chancellor  
Office of the PVC Health and Medicine  
Faculty of Health and Medicine  
University of Newcastle  
University Drive  
CALLAGHAN NSW 2308

Email: [Nicholas.Talley@newcastle.edu.au](mailto:Nicholas.Talley@newcastle.edu.au)

Dear Professor Talley

I am writing to you to seek the information which Dr Hooper promised to provide in response to the questions I asked at the AGM in relation to the failed moves by the College to change its Constitution.

As Dr Hooper has now retired, the new Treasurer may not be able to readily supply the information, and I thought that it would be best to send this letter to you, since you were present when I asked the question.

The specific questions were:

- (a) the amount of money spent by the College in relation to external legal fees. Within those legal fees, how much was spent directly in the action against Prof Paul Komesaroff AM and his associates;
- (b) the amount of money spent by the College on both on external public relations advice, i.e. in promoting the changes. This endeavour is now known colloquially as "spin doctoring" and therefore I am interested in not only the cost of externally hiring one of these companies but how many people in the College Secretariat were involved in promoting the case for reform, and thus what was the internal staff cost associated with this activity. It may be difficult to provide an accurate figure, but I am sure that a reliable estimate could be made, especially if you could also indicate whether any funds were made available to those Fellows who wished to prosecute the "No" case.

I must say, in an exercise where the *prima facie* case for reform of the Constitution was strong, it was appallingly handled. Whether this can be laid at the feet of the former Chief Executive Officer with or without the benefit of public relations advice is a matter for my conjecture and you to remedy by a better understanding of how to go about improving the governance now you are President.

I have managed a large number of governance matters over the years starting when the constitution of the University of Melbourne Student Representative Council was revised in 1961 during my term as President and most recently the Postgraduate Medical Council of Victoria of which I am Treasurer until the end of the financial year.

## DIAGNOSIS PTY LTD

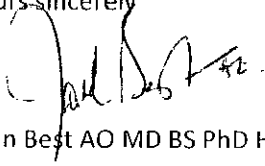
(ABN 49 006 339 466)

SUITE 2 / 780 DARLING STREET ROZELLE NSW 2039 AUSTRALIA  
PHONE +61-2-9818 2844 FAX +61-2-9555 1383  
(POST: PO BOX 145, BALMAIN NSW 2041)



If the College wants any assistance, I am only too happy to see if I can help.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Best', with a stylized flourish at the end.

John Best AO MD BS PhD Hon DSc FRACP(Hon) FAFPHM

cc Dr Greg Stewart, President AFPHM  
Prof Rick McLean AM, President AACP



The Royal Australasian  
College of Physicians

From: Dr. Best <...>

30 July 2014

Dr John Best AO FAFPHM FRACP (Hons)  
Diagnosis Pty Limited  
PO Box 145  
BALMAIN NSW 2041

Via Email: [jbbest@iimetro.com.au](mailto:jbbest@iimetro.com.au)

Dear Dr Best

Thank you for your letter of 12 June 2014 enclosing the questions you raised at the College's Annual General Meeting on 19 May 2014.

I respond accordingly:-

1. External legal advice was sought in relation to the General Meeting held in December 2013 on technical matters including the drafting of the proposed amendments required to the Constitution to reflect the changes to be voted on, and in reviewing the Notice convening the General Meeting prepared by the Company Secretary to confirm it complied with the requirements of the Corporations Act (2001).

In response to your second question, as was advised to all Members of the College on 7 March 2014, the College asked the Federal Court for a ruling as to the correct position regarding one of the motions the requisitioners required the College to put to a General Meeting. The Federal Court appointed Professor Komesaroff as the representative of those who signed the requisition for administrative and process reasons. The legal costs to the College in relation to this motion were approximately \$76,000.

Professor Komesaroff signed an affidavit supporting the College's second application to the Federal Court for an order that the College did not have to convene the general meeting that had previously been requisitioned. The legal costs to the College of this application were approximately \$80,000.

2. No external public relations firm was retained by the College and no public relations advice was received by the Board in the lead up to the proposed changes being put to the General Meeting last December.

Further no members of staff were involved in actively promoting the Board's proposed changes to its size and composition either in the lead up to the General meeting

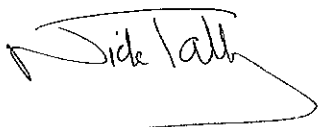
or subsequently. Staff remained neutral throughout the process, as is appropriate, but did undertake certain tasks and provided certain services as part of their day to day responsibilities as employees of the College, at the direction of the Board.

These included convening and preparing material in support of the General Meeting, and preparing content and notices, at the Board's direction, to publicise the General Meeting and the proposed reforms, and to request Members to vote, for inclusion in College publications such as RACP News and the regular e-bulletins.

In response to the concerns raised by Members, the College engaged Kreab Gavin Anderson, a firm specialising in strategic communications, after the Annual General Meeting.

Thank you also for your offer of assistance. As you are no doubt aware a consultation process is currently underway seeking Member feedback, by a number of avenues, on the preferred Board size and composition and related structures and, with your experience in governance matters, the College and the Board would welcome any comments or suggestions you may wish to make.

Yours sincerely

A handwritten signature in black ink that reads "Nick Talley". The signature is written in a cursive style and is enclosed within a hand-drawn, irregular loop that starts on the left, goes up, across, and then down to the right, ending in a small hook.

Professor Nicholas J Talley

RACP AGM  
Monday, 19 May, 2014

Type	Card	Code	Name	Votes
			BENNETT, CAMERON	1
			BEST, JOHN	1
			BOLITHO, LESLIE	1
			CHENNARIYIL, LENINA	1
			DALTON, SARAH	1
			GILL, ANTHONY	1
			GRAHAM, DAVID	1
			GREIG, ALEXANDRA	1
			GUEST, CHARLES	1
			HALL, GRAHAM	1
			HART, MICHAEL	1
			HOLMES, JOHN	1
			HOOPER, MICHAEL	1
			LANCASTER, PAUL	1
			LANE, MARK	1
			MACDONALD, ALASTAIR	1
			MACLENNAN, ANNE	1
			MADDEN, DIANA	1
			MCCAY, HAMISH	1
			MOREY, PATRICIA	1
			NEWCOMBE, JAMES	1
			NICHOLLS, ANTHONY	1
			PHELPS, GRANT	1
			PULLON, HUMPHREY	1
			RAYMOND, NIGEL	1
			ROBINSON, GEOFFREY	1
			ROSS, JAMES	1
			RUBIN, GEORGE	1
			SCURLOCK, JACQUELINE	1
			STEWART, GREGORY	1



THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS

ATTENDEE BY TYPE REPORT

RACP AGM  
Monday, 19 May, 2014

Type	Card	Code	Name	Votes
	117	100000004065	TALLEY, NICHOLAS	1
Total Voting Attendees = 31				31
Total Holders = 31				31
Total Visitors = 3				
Total Attendees = 34				

\*\* For Votes held by these Nominated Persons refer to the Nominated Persons Summary Report.



THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS

VISITOR REPORT

RACP AGM  
Monday, 19 May, 2014

First Name	Surname	Representing	Address1	Address2	Suburb	State	Postcode	Card
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**GENERAL PUBLIC**

SIMON MARTER

\*\*\*\*\* COUNT 1 \*\*\*\*\*

**OTHER**

ANDREW CONNOLLY  
JANE PORTER

\*\*\*\*\* COUNT 2 \*\*\*\*\*

TOTAL VISITORS 3