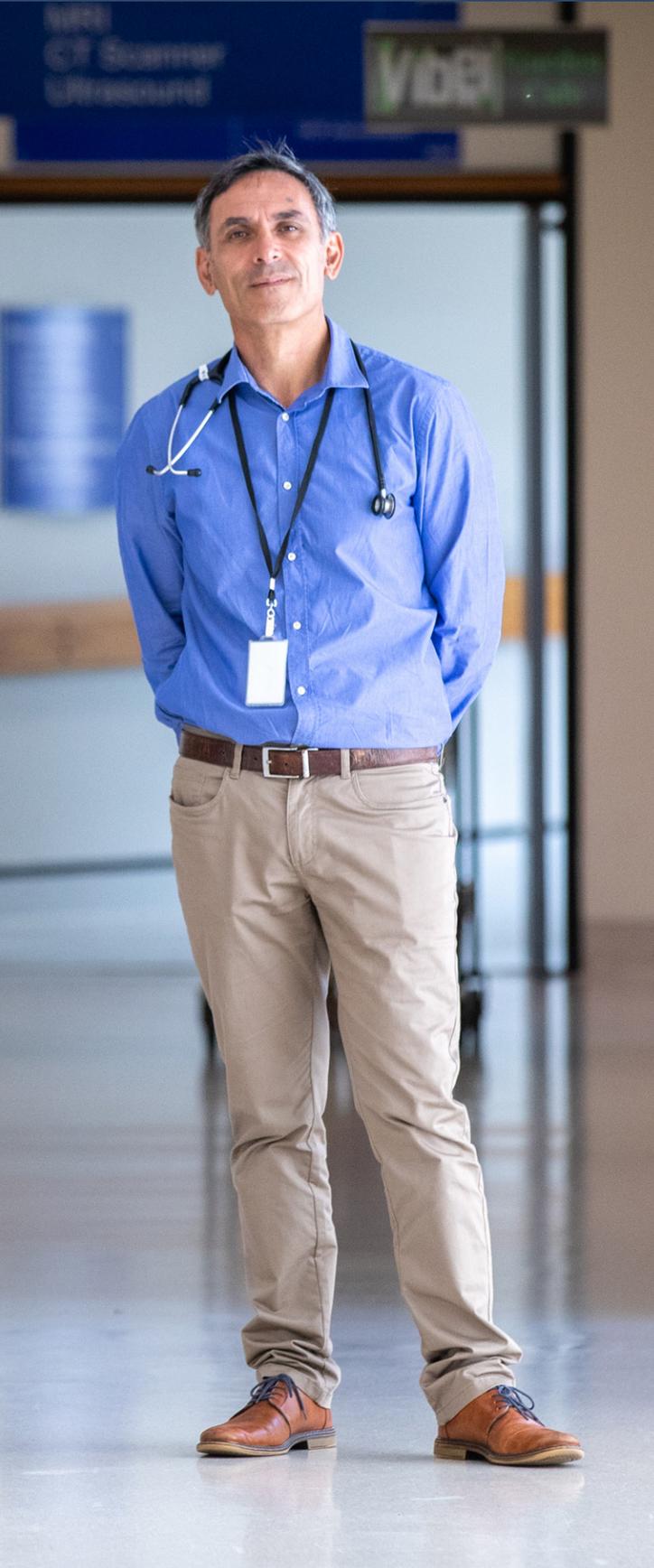




RACP
Specialists. Together
EDUCATE ADVOCATE INNOVATE

Annual report 2019





RACP
Specialists. Together

EDUCATE

Through the RACP specialists work together to educate and train the next generation of specialists to deliver quality care.

ADVOCATE

Through the RACP specialists come together to develop and advocate for policies that promote the interests of our profession, our patients and our communities.

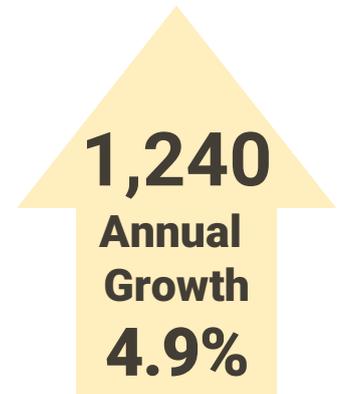
INNOVATE

Through the RACP specialists collaborate to lead innovation in the delivery of specialist medicine in a constantly changing world.

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Member overview



18,335

Fellows

68.9%

8,118

Trainees

30.5%

156

Honorary Fellows

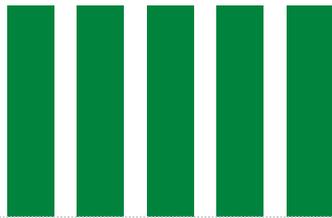
0.6%



This report reflects members' financial status as defined in the RACP Constitution. In this report, 305 Fellows and 107 trainees are excluded from the RACP membership count as they were not current financial members at 31 December 2019.

26,609

RACP Members



22,176

Australia

83.3%

3,239

New Zealand

12.2%

1,131

Overseas

4.3%

63

Location
Unknown

0.2%

22,176

Australia



15,205 | 68.6%

Fellows

6,943 | 31.3%

Trainees

28 | 0.1%

Honorary Fellows

3,239

New Zealand



2,090 | 64.5%

Fellows

1,143 | 35.3%

Trainees

6 | 0.2%

Honorary Fellows

Data as at 31 December 2019

As I type, this pandemic is still unfolding, its full impact on our healthcare systems, our populations and our way of life as yet unknown. It is a traumatic coda to a challenging two years for our College but our staff and members will rise to this challenge.

President's message

Writing this message to you is one of my final acts as RACP President.

It is hard to believe that as I do so in late March of 2020, our members and staff, our two nations and the rest of the world together face a grave healthcare challenge, the global pandemic of the novel coronavirus SARS-CoV-2, and its associated disease COVID-19.

As I type, this pandemic is still unfolding, its full impact on our healthcare systems, our populations and our way of life as yet unknown. It is a traumatic coda to a challenging two years for our College but our staff and members will rise to this challenge.

After nearly three decades working with and on behalf of specialists in both Aotearoa New Zealand and Australia, I am also reflecting on where we have come from, where we are now and where we can go in future.

When I first started supervising trainees in gastroenterology in the late 1980s, supervision was more like professional pastoral care. We would share our experience and insights, highlighting what we would consider crucial skills and knowledge and do the best we could to support the next generation. We would set expectations for our charges and, if they were met, we would send them out into the world.

The curriculum was a two-page point of reference, rather than today's prescriptive tomes. It wasn't until the mid-1990s that we wrote a document that looked more like a modern curriculum, defining skills and knowledge a specialist gastroenterologist would have acquired on completion of training, though there was no information on how one might assess those skills.

Over the last 30 years we have made quite a radical transition from a society of Fellows driven by vocational commitment to a professional training organisation.

The workload in overseeing trainees has become more intense. Programs are more visible, requirements across different jurisdictions are more onerous.

We have had to evolve to match these heightened expectations and it has been challenging, culminating in the recent intervention by the Australian Charities and Not-for-profits Commission.

However, the Board has benefited from working with the ACNC.

One positive change the Commission recommends is giving real power to our College Council, with the Board more focused on managing risk, overseeing strategy and, critically, meeting regulatory compliance requirements.

This proposal will put power back in the hands of the wider membership – giving a greater voice for all and less opportunity for political games.

It will require significant constitutional change after wide consultation with the membership. I would encourage you all to actively take part in this process.

What I am really proud of as I signoff on my time as President is that despite turbulence in the organisation, we have still managed to make a positive difference to the delivery of health services in our two countries.

In particular, the College's work in addressing the social determinants of health, with a focus

on the first 1,000 days, through our Paediatric Child Health Division has been transformative.

As 2019 closed with disastrous bushfires across Australia, we remain committed to highlighting the health effects of climate change.

We can all be proud of our Indigenous Strategic Framework. It commits us to addressing gross health inequities faced by First Peoples in both of our countries. We have elevated our Indigenous Committees to become committees of the Board, empowering them to hold us accountable in delivering on the strategy.

Of course, there is more that we need to do.

A stronger voice at all levels of government will ensure we can significantly influence the delivery of healthcare to our communities, and ensure our Fellows have the support they need to serve their patients.

These are the things that can only be delivered by a unified College with a common purpose, "hominum servire saluti" ("to serve the health of our people") as our motto states.

Increased support for the mental health and wellbeing of our members, especially our trainees, is an urgent priority.

New ways continue to evolve to share information and support physician training and life-long learning, and we must change with them.

Our historic prudent management of finances sees us with enviable accumulated financial reserves today. But our cautious approach has also meant we've underinvested in information technology for tomorrow.

We need to re-balance this over the next few years. Investing in information technology may be reflected in future annual accounts as an operating deficit. That does not signal a weakening of our financial strength.

It represents an accelerated investment in IT to ensure we're fit for our core purpose in an exciting future for medicine.

What have I learnt during my time as President?

Leading a College is a specialised skill. You must be part of a team that involves your Board colleagues, the wider membership, and professional staff from the Chief Executive Officer down.

I leave confident that in our new CEO Peter McIntyre, we have the right leader to bring all these elements together.

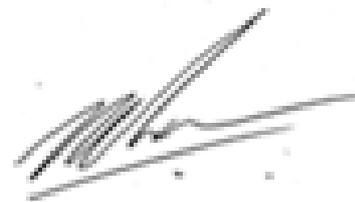
And finally, as a New Zealander leading a trans-Tasman organisation what have I learned about Australians? Despite our differing national allegiances, we are unified by our professional commitment to our people. There was a moment in the formative days of Australian Federation when Aotearoa New Zealand might have joined the Federation.

I understand that option remains open to us though I can assure you it will never happen! Nevertheless, we are at the very least the closest of neighbours and have more in common than we sometimes admit.

For me, as I intend to retire from full-time medicine in the near future, this role has been my swan-song. I plan to carry on part-time over the next few years. However, I will spend more time on my turangawaewae (which translates as somewhere I feel especially empowered and connected), a beautiful place called the Whangaroa Harbour where I plan to build a holiday home and spend much more time fishing.

I wish my colleagues all the best as the College evolves with the times while never losing its founding purpose.

Ma tini ma mano ka rapa te whai
(many hands make light work).



**Associate Professor
Mark Lane
RACP President**



It's a privilege to be presenting my first Annual Report as RACP Chief Executive Officer. Having spent six months in the job, I'm beginning to come to grips with the breadth of the College's operations and the diversity of its membership.

Chief Executive Officer message

Coming up to speed with the complexity and nuances of the RACP is challenging enough for a new CEO. In this case, it is compounded by the profound threat our two societies face from COVID-19. Representing 33 specialties, this College is more than a training and accreditation body: it is a fellowship of professionals who recognise their work has a broader social purpose that is advanced when they work together, and possibly no more so than at times like this.

Coming from a professional background myself, I recognise and respect this sense of vocation. As an engineer working on major public infrastructure, I learned first-hand that practise excellence and the public interest are co-dependent.

In many ways our professions are similar; both are high risk with a low tolerance of failure: the difference is engineers deal with systems whereas physicians deal with people. But whether it's an electricity grid or a hospital, we know that maintaining a robust piece of public infrastructure is not a luxury item.

For the past few years I have led Engineers Australia, the professional body representing around 100,000 members of the engineering family. There I came to appreciate the importance of a high-performing professional body to support the work of practitioners.

In leading your College, I will apply the disciplines I have learned as an engineer: gathering evidence to define the need, testing ideas from multiple angles, refining as we go rather than jumping to the solution, all the while creating the culture of critical thinking that is essential to a robust organisation.

To this end, a focus of my work over the coming year will be assisting your elected Board to develop and deliver a long-term strategy that recognises the changing nature of external healthcare environment and its impact on the profession.

While the commitment to excellence is a constant, it is the external operating environment that is constantly changing.

To stand still is to condemn our profession and our organisation to irrelevancy.

I will also bring to this role my personal passion around building human capacity: how we as a College engage with our staff and our Fellows with mutual respect, recognising that even the best system requires people to make it work.

I think this is a point that gets missed when we talk about organisations and structures: whatever structures we create and systems we use to run an organisation, they are only as effective as the people within them.

Another of my priorities as CEO will be to build on work already underway to ensure our IT systems work for our members. I am aware of your frustrations, but we are deploying a platform that will give you greater control over your interaction with us. Notably, the new systems will allow Fellows and trainees to build your own communities of practice across the College, allowing you to create your own networks of interests in order to play a leadership role across medical disciplines. Our early investment in the initial stages of these upgrades has proved incredibly fortuitous, allowing us to rapidly adapt

to remote working during the COVID-19 crisis.

Finally, as a Male Champion of Change in science, technology, engineering and mathematics, I am committed to ensuring we don't put up invisible barriers to gender diversity in medicine. In particular, we need to find ways for those women, and indeed men, who want to meld their profession with a rich family life.

We have even more fundamental challenges with Indigenous equity, and the Board has recognised that growing our Indigenous physician workforce needs to be addressed as a priority.

In all these issues, our biggest barriers to success are in imagining a better way of doing things. As an intellectual leader in the profession, this is a role the College is perfectly positioned to fill.

By working together, our Fellows, our trainees and our staff, I am sure we are up to these challenges.



Peter McIntyre
Chief Executive Officer, RACP



Dr Lydia Scott FRACP and Dr Gaurav Ghosh,
Broome hospital



Goals

1

Experience

We will improve our members' experience and offer an enhanced sense of membership

2

Education and Professional Development

We will enable our physicians with the knowledge, skills and behaviours needed for the future

3

Career and Workforce

We will improve our understanding of the physician workforce

4

Research and Leadership

We will be a respected supporter of physician researchers and their work

5

Advocacy and Influence

We will advocate for healthier communities

6

Effective and Sustainable

We will be an effective and modern college

Experience

We will improve our members' experience and offer an enhanced sense of membership.

As one of the most respected and diverse medical colleges in Australia and Aotearoa New Zealand, we will continue to enhance our members' experience when interacting with their College and deliver value.

All of the improvements to member services in 2019 were guided by our service principles.

We are collaborative

We are collaborative with members in how we design, implement and improve our services.

We are relevant

We aim to offer services and experiences that are relevant to the changing needs of our members.

We are human

We support our members individually and collectively in the moments that matter most to them.

We are transparent

We provide clarity to members about what our role is, and we are accountable for the products and services we provide.

We are proactive

We are responsive to the changing circumstances of our members and reach out to members in a way that suits them.

Dr Sandra Lussier
and Dr Ashleigh Witt



What our members say they want

Quality

Members want to practise at the highest possible standard, with their goal being the improvement of the health of the whole community. They strive for quality and improved competence in their roles as trainees, supervisors, Fellows, leaders, managers or teachers.

Transparency

Members want to feel they belong to a caring community which reflects their beliefs and values, and which provides them with opportunities to develop skills, extend their thinking and participate in discourse.

Belonging

Members have a need to feel like they are part of a community that stands for the things they believe in and provides them with opportunities to develop their skills, push their thinking and contribute to discourse.

Support

Members have a foundational need to access support on an individual level to assist them to carry out the role of being a good trainee or physician. The kind of support needed often takes the form of assistance to navigate the complexities, processes and stresses which surround their core medical responsibilities.

“We’ve been working with our members to foster better opportunities for them to connect, engage and learn with the College. Continuously shaping our College through our members’ feedback ensures our membership feels heard and places us in a better position to deliver the services they need.”

Lisa Penlington,
Director Member Services



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Member Satisfaction Survey

Ensuring our members have positive, engaging and meaningful experiences with the College is at the core of what we do.

The results of RACP's 2019 Member Satisfaction Survey (MSS) showed a decrease in member satisfaction since our last survey in October 2016. The broader results identified key opportunities for us to improve members' experience, particularly in the way we communicate and through the quality of our online resources.

We have reviewed this feedback in detail and many initiatives are already underway, including upgrading our website to improve member engagement and satisfaction.

Progressing gender equity in medicine

One key area our members identified in the survey was a need for greater gender equity in medicine. As the second largest medical college in Australia and Aotearoa New Zealand, we have an opportunity to address this.

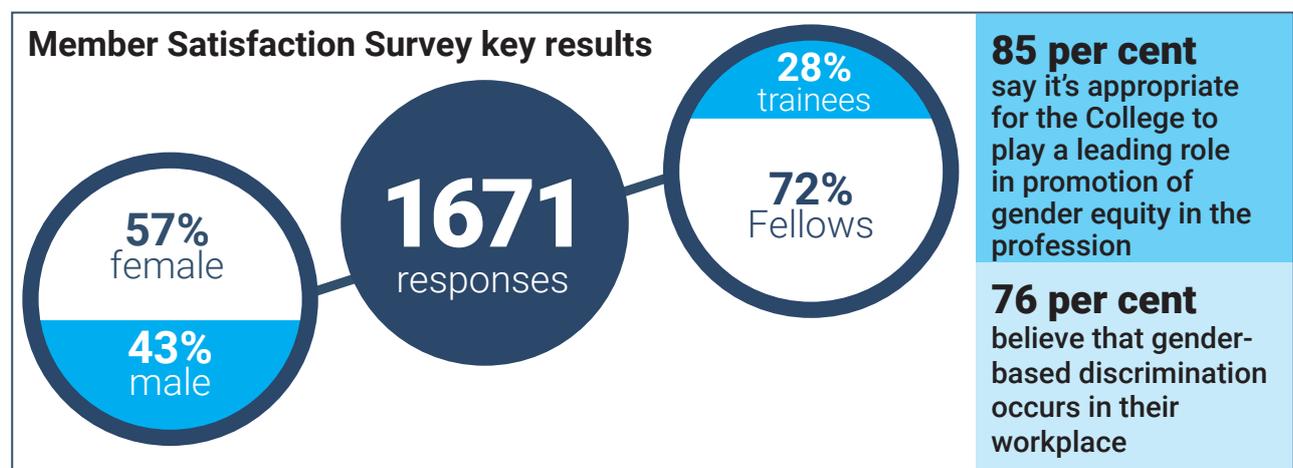
In June 2019 we ran our first ever member poll to gauge member attitudes towards our role in promoting and progressing gender equity. This would see us tackling issues such as elimination of barriers that prevent the advancement of female physicians and paediatricians, including pay gaps and employment opportunities.

The survey told us:

- members think the College has a role to play in addressing gender inequality
- members value family flexible work practices
- many of our members have experienced gender-based discrimination.

Following the poll, we held a Gender Equity in Medicine event in Sydney in August.

This gathering of 80 physicians in person, and via video-conference, discussed increased promotion of gender equity within the College. A Gender Equity in Medicine working group was subsequently established to progress this critical issue.



Events

RACP Congress 2019

Impacting health along the life course. From paediatrics to palliative care.
As Specialists. Together.



900
delegates
attended



142
presentations



42
sessions

RACP Congress, held in Auckland in May, was a landmark event. It was notable for celebration of Māori cultural practices across all three days, and for catalysing a growing recognition of the importance of both nations' Indigenous cultures within the College. With a theme of Impacting Health along the Life Course, this Congress highlighted the College's work in tailoring training and continuous professional development to a variety of points across the human lifespan.

Highlight sessions included:

- The First 1000 Days – The Window of Opportunity for Long Term Health
- The Key to Unlocking Optimal Health – The Life Course Paradigm
- Maternal and childhood anaemia in remote Aboriginal communities
- Obesity: Rising to the Challenge
- Rural and remote populations and health issues
- Exploring the impact of health services on Māori health through key moral and ethical principles
- The Opioid Epidemic – Iatrogenesis on a Worldwide Scale

The RACP has acknowledged feedback from previous years that the traditional Monday to Wednesday Congress program clashes with the busiest clinical days of the week for many physicians.

In response, we will pilot a Thursday to Saturday program for the future.

Fringe at Congress

Our members are high achievers who are often multi-talented, with many skills and past-times outside medicine, and we're always searching for ways to engage Fellows and trainees at our flagship annual event.

Held for the first time in 2019, 'Fringe Experience' saw 30 members showcase musical and dramatic arts performances, as well as visual and fine art submissions.

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Total member events

6,342

member events run in the College event spaces and external venues

We catered for **8,629** guests



4,537
Zoom meetings

1,361 Zoom meetings the College events team supported

RACP member feedback ratings for 2019 College events

8.7/10 for overall experience

For event team service **9.76/10**

24% more events run by the College than in 2018

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Member events

Our seven Australian regional committees and their secretariats curated an incredible 539 events in 2019 engaging over 10,812 members. That's more than Sydney Opera House holds during a year.

Career Transitions

During the year we continued to support members as they transition to different stages in their career through our face-to-face orientation events for new members of the College as they start their Basic Training.

We've also expanded our targeted support for new Fellows through the development of direct communications from our DFAC Presidents as well as providing opportunities for our Australian our new Fellows to learn about financial management and medical legal matters through face-to-face forums.

Robodoctors: The Rise of Artificial Intelligence and Technology in Medicine

One of our most successful events was held in May. The 'Rise of Artificial Intelligence and Technology in Medicine' explored exponential improvements in Artificial Intelligence and its possible impacts on the future of medicine.

The event was hosted by Committee member Dr Ron Granot, joined by sector experts: Rami Weiss, CEO of Healthshare Digital, James Scollay, CEO of Genie Solutions, and Professor Enrico Coiera, Director for the Centre of Health Informatics at Macquarie University.

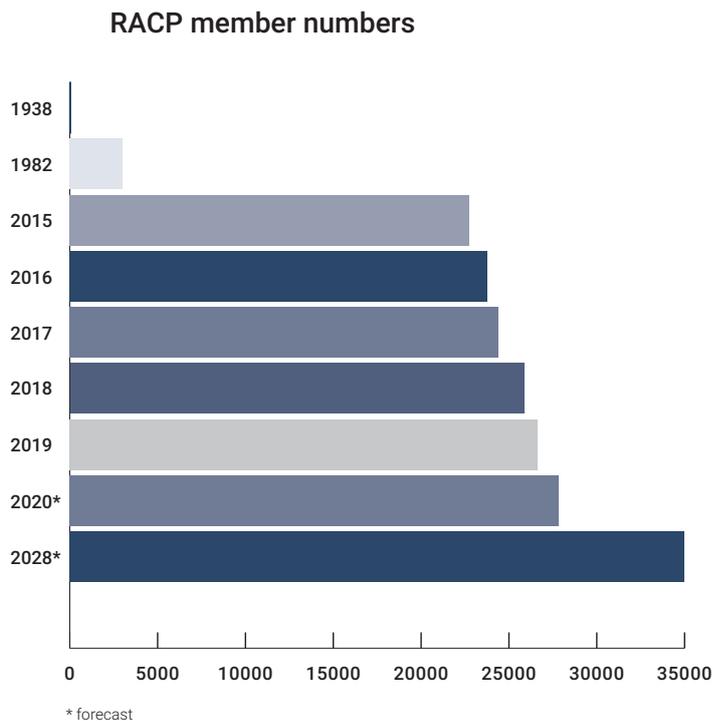
Nearly 90 people attended in person, and via teleconferencing.



Growth in numbers

With consistent five per cent year on year growth, we are on track to have 35,000 members by 2028.

Greater numbers of trainees will require more training to meet the demands of our ageing and increasingly diverse populations in Australia and Aotearoa New Zealand.



Renewing our Convocation Ceremonies

Graduation is one of the highlights of every Fellow's career and represents the culmination of many years of hard work as they complete their specialist training. During 2019 we trialled improvements to this special occasion, to make ceremonies more accessible, and easier for our new Fellows and their loved ones to attend.

Holding a trial weekend ceremony in Sydney instead of a traditional weekday convocation reduced last minute declines by 80 per cent.

We piloted a convocation ceremony in Adelaide, South Australia, which was available to new South Australian Fellows and their family and friends, for which we received very positive feedback. We will be rolling out regional ceremonies to other locations, including New Zealand, in 2020.

Replacing the old ATSM

In 2019 we replaced the old Advanced Trainee Selection and Matching (ATSM) system with a new system and we published the ATSM results to provide greater transparency to participating trainees

The College will continue to work with our members to make further improvements to ATSM in 2020.



Education and Professional Development

We will enable our physicians with the knowledge, skills and behaviours needed for the future

Our purpose is to support physicians and the health system, by providing high quality training and assessment programs to ensure our physicians are future ready.

Trainees

Basic Training Program

Over the past few years the RACP has been renewing its entire Basic Training Program, looking at best practice around the world and the requirements in Australia and Aotearoa New Zealand.

In 2019 we developed a roadmap to improve access into Basic Training. Work has continued to develop the new program which we are preparing to launch with several selected early adopter sites across Australia and Aotearoa New Zealand throughout 2020 and 2021. A full rollout will then follow.

2 Basic Training Divisions

38 Advanced Training specialties

410 accredited training settings in Australia

61 accredited training settings in New Zealand

Satisfying our accreditation requirements

In 2019 we were required to submit an annual progress report to the Australian Medical Council (AMC) and Medical Council of New Zealand (MCNZ).

In December 2019, we received the formal assessment of our progress against accreditation standards, conditions and quality improvement recommendations. The AMC recognised our steady progress towards the completion and implementation of the renewed Basic Training Curricula. Our additional resourcing and demonstrated gradual pace to moving plans forward for the Advanced Training Curricula review was also noted.

Based on our progress report, the AMC determined that we had satisfied a further seven accreditation conditions and two quality improvement recommendations. The AMC also made amendments to several remaining conditions and extended some of the timeframes to meet these conditions.

Advanced Training Curricula

In 2019 we continued renewal of our Advanced Training Curricula. In particular, we focused on content common to all 38 curricula, while still maintaining unique elements needed for each specialty's training. Our Fellows have fed into this review via extensive consultation.

Increasing fee transparency

We recognise that it's important for trainees to understand how their fees contribute to their education.

During the year we provided a clearer breakdown on our website of where fees go. We also established a working group that is looking at other ways to improve transparency around fee structures.

Clinical and written examinations

Candidates in all 21 RACP exams have been given the chance to provide feedback on their experience and these insights are guiding the design of future assessments.

In addition, a new Computer Based Testing project will be developed, drawing on the insights of experience. We expect to launch a small faculty-based pilot Computer Based Test during 2021.

We've also completed a successful transition to the revised scoring system for the Divisional Clinical Exams in both Paediatrics and Adult Medicine.

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“We’re strengthening our examination systems for today and for the future, and ensuring our trainees have the tools they need to succeed.”

Robyn Burley, Director of Education



Supervisors

Empowering our supervisor physicians

Our Supervisor Professional Development Program (SPDP) supports our physician supervisors, providing them with the latest coaching tools, teaching strategies and assessment advice.

This free, three-part program is a facilitated workshop, held with assistance from our Supervisor Learning team and Member Support Officers.

While the workshop can be completed online, there are opportunities throughout the year to participate in face-to-face workshops in a local healthcare setting or at an RACP office.

Supporting our Overseas Trained Physicians Interviewers

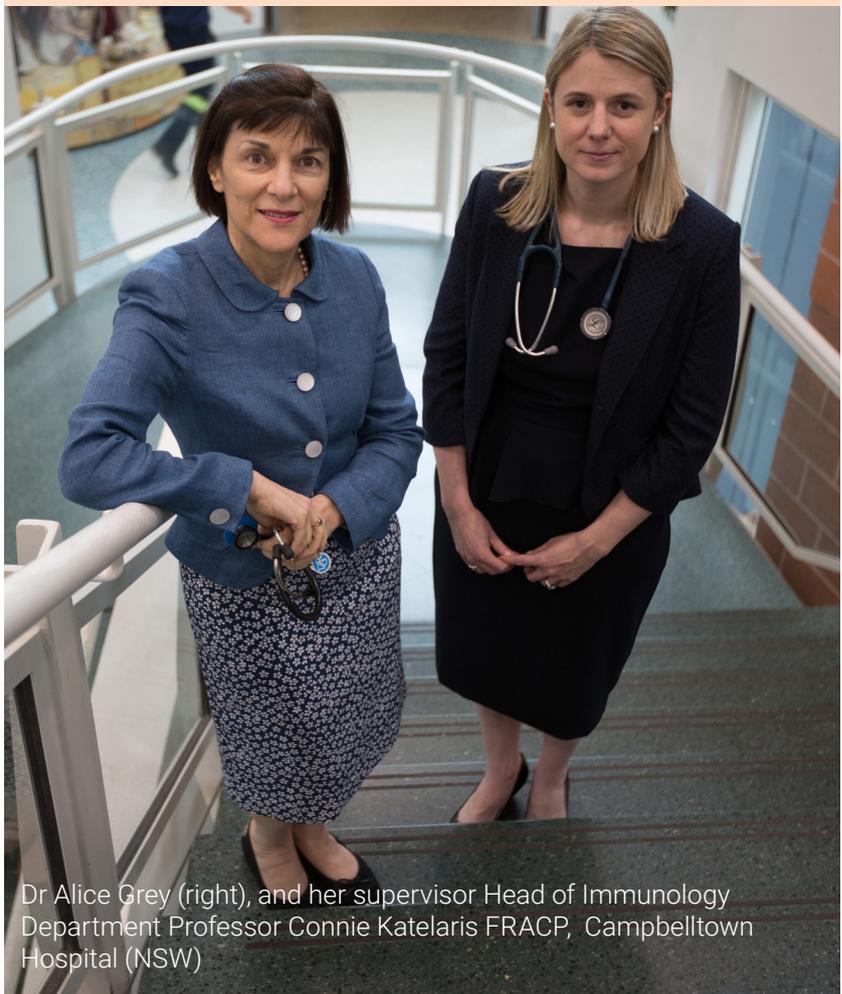
We delivered our newly introduced OTP Interviewer Training Program to more than 70 Fellows, providing them with the skills, knowledge and support to conduct robust assessments of our OTPs.

This free program is a facilitated workshop held with the support of our Overseas Trained Physicians team. The face-to-face interaction enables Fellows to share their experiences and seek expertise from other OTP Interviewers as well as OTP Assessment Subcommittee Members.

Supervisor Professional Development Programs 2019

In 2019 we had an unprecedented number of supervisors enrolling in this program.

- Over 960 total enrolments
- 119 Training workshops
- 2,000 + supervisors
- Increased approved supervisors from 10 per cent to 13 per cent



Dr Alice Grey (right), and her supervisor Head of Immunology Department Professor Connie Katelaris FRACP, Campbelltown Hospital (NSW)

What our supervisors say:

“Very interesting discussion and great to hear the experiences of colleagues in other disciplines. Nice to know problems I encounter are common elsewhere. Also, interesting to hear how they manage them,” SPDP 3 participant.

“Very helpful. In my 20 years of medicine I have never been given the opportunity to discuss this integral part of our profession,” SPDP 1 participant.

Wellbeing

The Physician Health and Wellbeing Strategy

We know that doctors are exposed to a range of stressors including bullying and a lack of support in the workplace that seriously affect physician health.

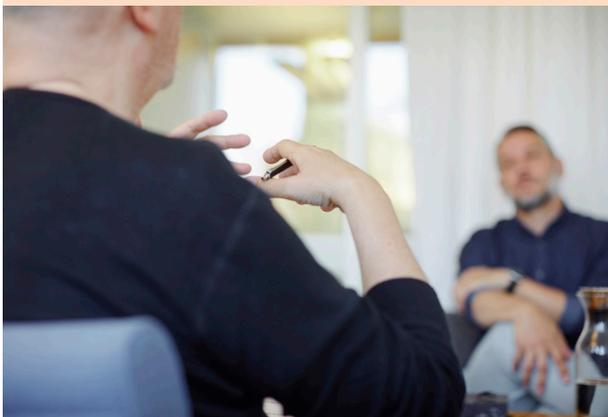
In 2019 we developed a three-year Physician Health and Wellbeing Strategy to improve the health and wellbeing of the physician workforce and address these issues.

Improving physician wellbeing is not simply about providing support to trainees, but also involves a much broader, long-term task of collaborating with sector partners to improve training environments and medical professional culture.

Mental Health training for Supervisors

In 2019 we worked in partnership with leading Australian mental health advocate the Black Dog Institute and the University of New South Wales to develop an online program for supervisors, enabling them to better support the mental health of our trainees.

The 2019 pilot program involved over 150 supervisors and feedback was very positive. The College will continue working with our partners in 2020 to develop this integral program to support trainee mental health.



Shaping International Policies for the Asia Pacific

In 2019 the College consulted with the Australian Department of Foreign Affairs and Trade on its International Development Policy.

We believe the development of health and education systems in our neighbouring countries can make an important difference to health outcomes in the Asia Pacific region.

The consultation with DFAT included a written submission where we described the nature of our international work, explained our role in medical education, and positioned ourselves as a ready and willing partner to assist with building capacity in the health sectors of our near neighbours.

The College can assist in this process in a variety of ways, including:

- developing new curricula
- sharing standard operating procedures for standard clinical procedures
- assisting with post-graduate education and continuing professional development.

“Tourism is important to Pacific Island economies, but better air links enable disease to travel at 400 knots. Improving the preparedness of our near-neighbour countries to respond to epidemics is therefore as important a dimension of Australia’s contribution to security as responding to natural disasters. The College could assist by sharing systems and processes and training medical staff.”

RACP submission to DFAT

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Created during 2019, the Resourceful Physician is a brand-new tool for our members to share existing resources with other members in a collaborative way. Members can also suggest topics for new online learning resources that they would like developed by the College.

Available on the RACP's Online Learning Platform, the Resourceful Physician is optimised for mobile on-the-go learning.

In the medical sector where research and knowledge are constantly evolving, this tool now allows our members to directly share the best and latest resources with each other.

As the platform grows, it will become a valuable pool of information where members can search and find resources that others have already recommended.

“The College has been in dialogue with our membership to ensure we shape professional development programs in the way that our members need.”

Kerri Brown,
Director of Professional Development



The new Continuing Professional Development Framework

Our new framework was introduced in 2019 to align with new regulatory requirements by the Medical Board of Australia and Medical Council of New Zealand.

As part of this process, the College developed several online learning resources to assist our Fellows to meet new CPD requirements.

These include essential tools for audit and peer review, Professional Development Planning resources and the new Interactive Handbook.

We also introduced a new Online Learning course, *CPD: Applying the New Framework*, to educate our members about the new regulatory changes and to assist them with their transition to the new CPD Framework. The course received record breaking enrolments within the first two weeks of it being released.

The new Interactive Handbook

Produced during the year, our new Interactive Handbook has been launched and includes updated information and resources for Fellows about the new CPD Framework.

We are also integrating cultural competence, cultural safety and health equity into our CPD program, recognising requirements of the Medical Council of New Zealand.

Our Fellows are embracing these changes, posting a 98.5 per cent completion rate on MyCPD records.

Online Learning Resources

The RACP's Online Learning Resources platform continues to be a popular way for our members to access information and learning tools. In 2019, we had over 5,000 enrolments for our online learning website.

The most visited resources were:

- Research Projects
- Curated Collection – Audit
- Clinical Genomics
- Ethics
- Overseas Trained Physicians eResource.

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College Learning Series

The College Learning Series continues to expand, with over 130 new Adult Medicine lectures recorded in 2019. Topics included valvular heart disease, interpretation of lung function, and thyroid disease.

The College also introduced a Paediatrics series and we now have 11 Paediatrics lectures live on the website with many more to come in 2020. Some of the most popular Paediatrics topics so far have been epidemiology and statistics, and autism.

The RACP team also travelled to Darwin to record five new lectures on First Nations Health and Dermatology – which will go live in 2020.

In 2019 the College released a number of enhancements to the College Learning Series to continue to improve members' learning, including improved search features and an easy to download audio-only option for all lectures.



The Online Learning Resources @RACP platform had over one million page views in 2019.

Pomegranate Health Podcast

Our RACP Pomegranate Health Podcast Series continues to increase in popularity. In 2019 we added an extra 11 podcasts to the channel with highly topical subjects including:

- Opioids
- My Health Record in practice
- Training in the bush
- Complex adolescent transitions
- Indigenous healthcare.

The RACP's Podcast Series was a category finalist at the Australian Podcasts Awards.

The most popular podcasts in 2019 were:

Medical Fitness to Drive

We spoke to a GP, a neurologist and an occupational therapist about how to discuss cessation from driving with patients, and where responsibilities lie in reporting to the Driver Licencing Authority.

Cervical Screening and the HPV Test

We answered some questions that women and health professionals might have about the HPV-based National Cervical Screening Program.

Getting off the Opioids

We explored some of the latest studies that have followed pain patients long-term and provided evidence against the efficacy of chronic opioid use.

Consumer Advisory Group

The ultimate end-users of medical education aren't doctors – but patients and their families.

Our Consumer Advisory Group (CAG) are external, independent experts in consumer health who represent patients' and family interests.

CAG members join key RACP Committees to ensure a consumer voice is heard in discussions, initiatives and work plans.

Two of the CAG members, Hamza Vayani and Debra Letica, presented to physicians at our 2019 RACP Congress, giving consumer perspectives on *Transition from Paediatric Care to Adult Medicine* and *Integrated Care: The Future Must be About Partnership*.

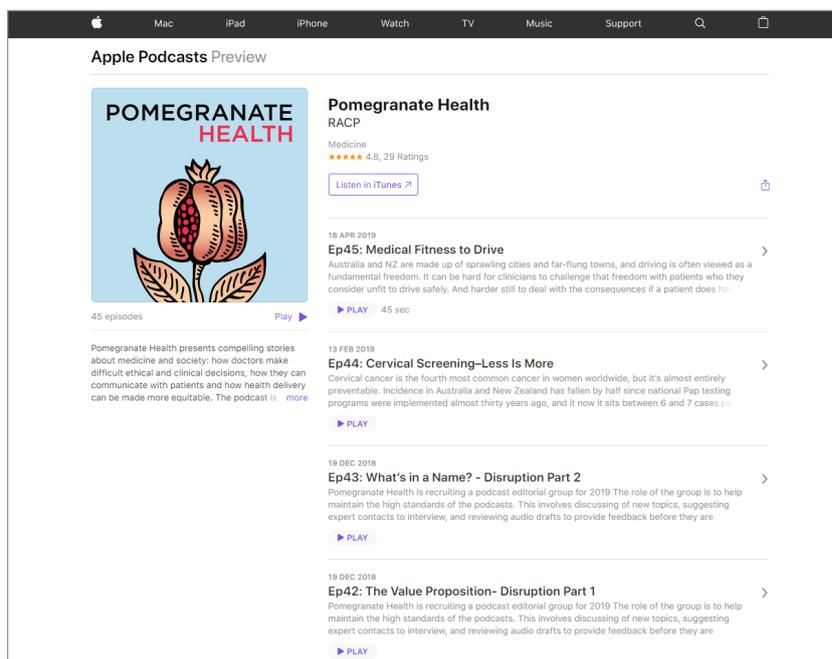
Parts of the RACP have embraced the CAG's feedback and input. The Group has contributed to various Pomegranate podcasts and RACP papers, including the *RACP Model of Chronic Care Management* and the *Ethical Principles for Artificial Intelligence in Medicine* submission to The Royal Australian and New Zealand College of Radiologists.

In 2019, the CAG elected an Indigenous consumer representative member.

We look forward to deepening our engagement with the College in 2020.

In 2019 we totalled:

54 podcasts
Over 1,000,000
downloads



Older Persons Rehabilitation Services Unit →

↑ Radiology / Xray



Dr Danny De Lore FRACP
General Paediatrician, Rotorua Hospital

Career and Workforce

We will improve our understanding of the physician workforce to provide relevant information on careers for members and contribute authoritatively to national workforce policy

The healthcare sector is changing. We will ensure we understand future, as well as current, workforce needs, and provide resources to support physicians throughout their careers.

In 2019 the College has been working with governments and the full spectrum of healthcare stakeholders to ensure our members have the career planning tools, insights and support that they need.

Planning for the future

As our College grows and evolves across a range of specialties, we have the opportunity to co-operatively gather data to deliver valuable career insights to our members and contribute to national workforce policies and agendas trans-Tasman.

It is becoming more evident that our members need this type of information to make long-term career plans.

Workforce data is valuable in helping our physicians to:

- specialise in a new and emerging field that is growing in demand
- decide to move to a location where there is high demand for their current specialty
- rule out a location with an oversupply in their field.

During the end-of-year 2019 subscription billing cycle, the College began an opt in process to seek workforce data from members via the myRACP platform. At the end of 2019, 16 per cent of all members had provided workforce data.

We will continue to gather workforce data during the 2020 subscription cycle.

This information will be used to develop comprehensive datasets of specialties, demographics and other employment information to contribute to national medical workforce strategies.

Did you know?

The number of doctors in Australia has been growing at roughly twice the rate of the general population since 2005 (3.9 per cent versus 1.7 per cent) of which the largest proportion are non-GP specialists.

The Australian National Medical Workforce Strategy

The National Medical Workforce Strategy, being led by the Australian Federal Department of Health, is an effort to create a centralised national planning strategy for the medical workforce.

The strategy aims to identify achievable, practical priority actions to build a sustainable, highly trained medical workforce, formulated within a 10-year vision and a five-year action and implementation plan.

We have been actively involved in the consultation process since the strategy

launched in 2019 and will continue to play a role in shaping the strategy over its 18-month development process.

By being a part of the creation and rollout of the National Medical Workforce Strategy, the RACP will be at the forefront of delivering career insights to our members and contributing to national workforce policies and agendas.

“By surveying our members from across our specialities and regions - we have the power to unlock meaningful sector insights so that members can plan for the future.”

Brian Freestone, Director Development



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Research and Leadership

The College supports the development of clinician scientists through the entry and establishment career phases.

Our Foundation annually award grants, scholarships and fellowships to early-career medical researchers to fund world-class research addressing the healthcare challenges of today and tomorrow.

The outstanding achievements and contributions of Fellows or trainees from across the College, its Divisions, Faculties and Chapters are also acknowledged through the many prizes we administer.

In 2019 we awarded \$2,414,750 to 59 recipients. An additional \$160,000 was allocated for awards for meritorious achievement and excellence.

Among major funded research topics were:

- Alleviating the burden of respiratory disease in Timor-Leste
- Improving delivery of RNA therapeutics for disease treatment
- Investigating a treatment for severe malaria
- Alleviating the health-care burden of antibiotic allergies.

Recipients by Award category

Type of Award	Number of Recipients	Value
Research Awards	41	\$2,039,550
Travel Grants	7	\$65,000
Study Grants	3	\$24,000
International Grants	1	\$6,200
Indigenous Health Scholarships	7	\$280,000
Total	59	\$2,414,750

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Experience

Division, Faculty and Chapter	Fellows	Trainees	Subtotals
Adult Medicine Division	28	11	39
Paediatrics and Child Health Division	6	5	11
Australasian Faculty of Occupational and Environmental Medicine	1	3	4
Australasian Faculty of Rehabilitation Medicine	1	1	2
Australasian Chapter of Sexual Health Medicine	1	1	2
Total	37	21	58

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Country	Fellows	Trainees	Subtotals
Australia	35	16	51
Aotearoa New Zealand	3	5	8

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Research and Leadership

Across the research award categories there were an additional 43 applications that were deemed fundable but not able to be funded.

Foundation Income

We greatly appreciate the contributions made by the Fellows and trainees of the College, our partner organisations, donors and benefactors. Your generosity has made it possible to award over \$11.5 million in the past five years to support both medical research and research careers.

In 2019:

- 2,245 Fellows and 45 trainees made donations to the Foundation
- \$224,350 – the total amount they donated
- \$360,000 – the amount that external donors contributed to the Foundation
- \$600,000 – income from bequests

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Dr Nicholas Fancourt

Recipient of the RACP Research Establishment Fellowship Alleviating the burden of respiratory disease in Timor-Leste

Dr Nicholas Fancourt is a general paediatrician and early career researcher. He received degrees in medicine and bioethics at the University of Otago and completed his PhD in Health Systems at Johns Hopkins University as an International Fulbright Science and Technology Fellow. His dissertation covered the chest radiography components of the multi-country Pneumonia Etiology for Child Health (PERCH) study.

Building on this experience, Dr Fancourt now coordinates the WHO Chest Radiography for Epidemiological Studies project and has assisted pneumonia research projects in six countries. Dr Fancourt is a Research Fellow at Menzies School of Health Research and splits his time between Dili, Timor-Leste and Darwin. He is also an Honorary Research Fellow in the Pneumococcal Research Group at the Murdoch Children's Research Institute in Melbourne.

Dr Fancourt's research interests are the role of early life infections on future lung health, the diagnosis and measurement of pneumonia, and building health system capacity for disease surveillance. Dr Fancourt was awarded the RACP Research Establishment Fellowship for his work in alleviating the burden of respiratory disease in Timor-Leste.



“Laboratory diagnostics, like research, are in their infancy in Timor-Leste and this award will bring considerable and lasting gain to Australia's closest neighbour. The burden of respiratory disease in Timor-Leste is immense, and I am humbled that my presence here can leverage the support of the RACP.”

Dr Nicholas Fancourt

Dr Ken Pang

2019 Recipient of the RACP Fellows Career Development Fellowship

Improving delivery of RNA therapeutics for disease treatment

Dr Ken Pang is a physician scientist, who works in Melbourne as a paediatrician at the Royal Children's Hospital.

Dr Pang is also a team leader at the Murdoch Children's Research Institute (MCRI). Ken's research interests are diverse and encompass not only clinical research related to his work with transgender children and adolescents, but also basic research in the field of RNA transport.

The latter saw Ken's team awarded the 2018 Victorian Premier's Award for Medical Research (Basic Science), and his RACP Fellows Career Development Fellowship award of \$100,000 which will enable him to extend this work. More specifically, Ken is seeking to improve the delivery of RNA-based drugs by exploiting the cell's own naturally occurring RNA transport mechanisms.



“RNA therapeutics have enormous but thus far unrealised potential to treat a wide range of diseases, and the RACP's support will hopefully help us to turn that potential into a reality.”

Dr Ken Pang

Dr Bridget Barber

2019 Recipient of the RACP Research Establishment Fellowship

Investigating a treatment for severe malaria

Dr Bridget Barber is an Infectious diseases physician who has been conducting incredible work investigating the characteristics of emerging malaria infections. Dr Barber is a National Health and Medical Research Council Senior Research Fellow at Menzies School of Health Research (Darwin), and a Senior Research Officer at QIMR Berghofer Institute of Medical Research, Brisbane.

The focus of Bridget's research has been the epidemiological and clinical characteristics of *Plasmodium knowlesi* malaria, and she has made a significant contribution to the increased recognition of this emerging infection in Malaysia.

Dr Barber's research involves investigating the comparative pathophysiology of severe malaria from all Plasmodium species, with the aim of identifying potential targets for adjunctive treatment for severe malaria.

The money from this RACP Fellowship will be used to collect *P. knowlesi*-infected blood from a volunteer malaria patient in Sabah, Malaysia, for the development of a *P. knowlesi* parasite bank at QIMR Berghofer. This will enable *P. knowlesi* to be incorporated into volunteer-infection studies, allowing novel antimalarials and vaccines to be tested against this parasite, and allowing further research into pathogenic mechanisms of disease.



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Dr Jason Trubiano

2019 recipient of the RACP Fellows Research Establishment Fellowship

Alleviating the health-care burden of antibiotic allergies

Dr Jason Trubiano is a physician specialising in infectious diseases. Dr Trubiano is Austin Health's Director of Antimicrobial Stewardship and Drug and Antibiotic Allergy Services, and an Infectious Diseases Specialist at Peter MacCallum Cancer Centre. His infectious diseases physician training was undertaken in Melbourne and he undertook a PhD at the University of Melbourne entitled *The Impact of Antibiotic Allergy Testing on Antimicrobial Stewardship*.

Dr Trubiano is now exploring predictive pharmacogenomic tools and developing ex vivo T cell diagnostics that aid the assigning of drug causality in cases of antibiotic-associated severe cutaneous adverse drug reactions.

His research centres on developing multidisciplinary antimicrobial stewardship-led antibiotic allergy testing programs.

Dr Trubiano established Victoria's first dedicated antibiotic allergy clinic which is now operating across two sites. In 2019 Dr Trubiano was awarded the RACP Fellows Research Establishment Fellowship to support these studies.



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Fiji National University research project

We are leading a collaborative new project to support research in the Pacific.

Working with the Australasian College of Emergency Medicine, the Royal Australian and New Zealand College of Obstetricians and Gynaecologists, public health physicians at the University of Otago and surgeons at University of Auckland, the project is in the initial stages of a five-year research capacity building program.

Once this program has launched, it will allow members with an interest in research capacity building in low and middle-income countries to get involved.



Co-designing workshop attended by FNU CMNHS, ACEM, RANZCOG, RACP and University of Auckland



Advocacy and Influence

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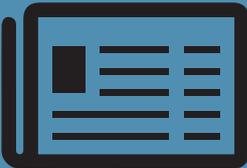
06 Effective and Sustainable

We advocate for healthier communities. We will strengthen and measure the impact of our advocacy for the health of our communities.

While much of our advocacy work takes place behind the scenes, in 2019 the RACP was involved in major public interventions that drove significant healthcare change.

Three RACP policies launched in 2019:

- Position Statement on ‘Early childhood: The importance of the early years’
- RACP Model of Chronic Care Management
- AFRM Standards for the provision of Inpatient Adult Rehabilitation Medicine Services in Public and Private Hospitals

2 election statements	
	media releases issued 51
 sub missions	4 new evolve lists
1 pre-budget submission	

Our advocacy priorities

Whether it's through quiet but effective lobbying or high profile national comment in Australian and Aotearoa New Zealand media, as physicians, we have the influence to improve patient outcomes in our healthcare system. In 2019, these were some of our priority areas.

Locking in child health as a top priority

The RACP's leadership in putting children at the centre of public health policy has continued with a large delegation returning to Canberra for a major collaborative event to progress the National Action Plan for the Health and Wellbeing of Children and Young People 2020–2030.

One year after the RACP's advocacy intervention that led to its announcement, the RACP convened a cross-sector roundtable

to further develop priorities and initiatives to inform the departmental process. Attended by the Federal Health Minister, Shadow Minister and cross-party representatives, the meeting highlighted our central role in achieving bipartisan health reforms that can be locked in for decades.

- Attended by over 40 leaders in child health
- Buy-in from all major political parties
- The RACP developing suggested implementation priorities from roundtable to deliver to government

Members can be proud. These were public interventions that changed national political conversations and saved lives. Your advocacy has had a tangible impact on Australians, New Zealanders and many of your most vulnerable patients.

Patrick Tobin,
Director of Policy & Advocacy



Broadening the debate on alcohol harm beyond licensing

During the year, our efforts to maintain late night alcohol restrictions changed, in recognition of a shift in the political dynamic in the eastern states of Australia.

With the unpopular 'Last Drinks' late-night licensing measures doomed to a severe wind back, the College turned this into an opportunity to push for expanded and more holistic measures to reduce alcohol harm including minimum unit pricing (MUP).

This important measure, which had previously received zero to little attention, is now firmly on the national agenda, with the RACP using recent success in the Northern Territory to undertake a media campaign calling for all States and Territories to implement MUP. This call was reinforced in College submissions and expert testimony at committee hearings direct to public health officials. The College has also been part of a St Vincent's Health-led cross-sector alliance to advocate for better investment in alcohol and other drug treatment services.

Showing sector leadership on refugees

The RACP played a leading role in an unprecedented collaboration between the nation's medical colleges and ultimately in its defence. This important legislation allowed an independent panel of medical experts to order the evacuation of asylum seekers from offshore immigration detention for medical treatment.

Regrettably, during the year, it was repealed.

The Independent Health Assessment Panel (IHAP) of experts saved lives and demonstrated outstanding medical stewardship and professionalism within a highly charged political environment. Front page and prime-time media exposure was timed to secure its passage through the parliament and improve the terms on which it was annulled.

- Three joint statements between 11 medical colleges
- Social media campaign 'Doctors say #savemedevac'
- Submission to relevant Senate inquiry and hearing evidence from Professor Niki Ellis

The IHAP was established with almost no notice. Yet over a weekend, more than 30 members expressed a wish to be considered for the IHAP – unpaid work with the prospect of self-funded visits to offshore processing centres. This is the spirit of the RACP and its members at its best.

Achieving national taskforce to tackle silicosis

After months of urgent awareness raising and media advocacy, the silicosis epidemic was thrust into the political spotlight, with both major parties forced to respond in favour of our proposal for a national taskforce.

The National Dust Diseases Taskforce and Registry will improve the prevention and

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management of silicosis across Australia, largely thanks to the targeted advocacy of RACP alongside the Thoracic Society of Australia and New Zealand and others. We continue to monitor its progress and the efforts of states to improve notification, regulation and state-based management practices.

Highlighting the climate health emergency

As 2019 closed with unprecedented and disastrous bushfires across Australia, the RACP declared climate change to be a public health emergency. We have engaged in over a dozen cross-sector initiatives to push for an urgent and strategic response to mitigate climate health risks.

With the full extent of health effects from the bushfire crisis still unknown, we have continued to highlight inadequate planning and prevention measures. We have continued to call for:

- the Commonwealth Government to commit to developing a national climate change and health strategy to coordinate action on health-specific climate adaptation at all levels of Australian government
- an urgent transition from fossil fuels to zero emission renewable energy across all economic sectors, with support to affected communities.

This work has included engagement with the Climate Change and Health Alliance, submissions to government and targeted election advocacy.

Other major achievements of the RACP's advocacy in 2019 included:

- Raising the profile of the harm to children through low ages of criminal responsibility and advocacy via the Council of Attorney-Generals and the Human Rights Commission.
- Finalising the integrated care model for chronic comorbidities for delivery to Commonwealth.
- Opposing mandatory testing of welfare recipients with parliamentary and media advocacy.
- Progressing Indigenous sexual health outcomes through the Noongar Boodia Statement.
- Strong advocacy for people with disabilities through several submissions to parliamentary and other reviews on the NDIS and participation in several key stakeholder consultations.

RACP on social media

In 2019, the RACP's social media audiences continued to grow.

- Facebook: 5,245 – 20 per cent increase
- Twitter: 7,000 – 22 per cent increase
- LinkedIn: 5,057 – 24 per cent increase
- Instagram: 2,088 – 33 per cent increase



The RACP @TheRACP · Nov 27, 2019

The RACP has presented an open letter signed by over 5,000 Australian doctors calling on Parliament to #SAVEMEDEVAC



36 53



The RACP @TheRACP · Nov 27, 2019

Previous delays and failures to transfer ill #asylumseekers result in preventable suffering. We are calling on the Australian Parliament to #SAVEMEDEVAC



More than 5,000 doctors urge Jacqui Lambie to 'save medevac' in open ...
More than 5,000 doctors have delivered an open letter to Parliament urging politicians to "save medevac" amid a push by the Federal ...
sbs.com.au

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The Royal Australasian College of Physicians

26 September 2019

It's World Environmental Health Day. We need #ClimateChange adaptation and mitigation – it's time to implement national climate change and health strategies in Australia and Aotearoa/New Zealand, set strong health-based air pollution standards, decrease fossil fuel combustion in energy generation and transport, and reduce fossil fuel extraction to contribute to better health for individuals, communities and the planet. <https://bit.ly/2muGNvg>



The Royal Australasian College of Physicians

20 September 2019

On 19 September, leading paediatricians, doctors from other disciplines, experts from NGO sector, policymakers, Aboriginal and Torres Strait Islander participants, and MPs from around the country including Hon Greg Hunt MP and Hon Chris Bowen MP gathered for RACP's Early Childhood Health Roundtable. "We want to draw on your expertise and experience to guide and inform the development of programs that will deliver on the objectives of the National Action Plan for the Health of Children and Young People," said RACP President, Associate Professor Mark Lane as he opened the event. Child health is an important national priority, with today's roundtable focusing on turning the National Action Plan for the Health of Children and Young People 2020-2030 from a plan into action. "We view today's event as part of a continuing conversation and engagement on early childhood health," said RACP President of Paediatrics & Child Health Division Professor Paul Colditz in his closing remarks.



#MakingItTheNorm

Advocating for a holistic approach to achieving positive health outcomes for New Zealanders Launched in 2019, the three priorities of the MakingItTheNorm campaign are access to housing, provision of good, safe work and Whānau (family) wellbeing.

The campaign originated because our physicians were seeing too many sick children and adults with preventable illnesses as a result of living in poverty.

To date, one of its successes is the Aotearoa New Zealand Government's announcement of a Winter Energy Payment – where single people or couples on benefits receive a \$400 to \$700 payment over the winter months so they can afford to

heat their properties.

At its kanohi ki te kanohi hui (face-to-face meeting) in September 2019, the Aotearoa New Zealand Committee discussed the development of report cards to measure the Aotearoa New Zealand Coalition Government's progress against the goals of the #MakingItTheNorm campaign.

This campaign is an excellent example of the power of physician voices in driving policy change for the benefit of our health system and our patients.

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#MakingItTheNorm report card

Good work

At the 2017 election, the RACP called for health equity, we said Healthy Housing, Good Work and Whānau Wellbeing must be the norm for all people. In 2019, how is Aotearoa NZ Making Health Equity the Norm?

SUMMARY
The RACP's report cards check in on how our case study whānau are doing - what have been their successes and where have they struggled? Together with their stories, we asked our Members - physicians and paediatricians across the country - what other actions they would take in #MakingGoodWork/TheNorm in Aotearoa NZ.

SURVEY OF NZ MEMBERS
In our survey of NZ members, members were asked to rank government initiatives from making the most difference to people's health, to making the least difference to people's health.

TOP 3 POLICIES FOR WORK MAKING A DIFFERENCE TO PEOPLE'S HEALTH

- 1 Increasing the minimum wage
- 2 Supportive return/entry to work programmes - Te Ara Mahi and He Pouārama Rangitahi
- 3 Increased to Paid Parental Leave

ARE WE MAKING #GOODWORK THE NORM IN AOTEAROA NZ?

Income inadequacy remains for many whānau

- While the Minimum Hourly Wage has risen to \$17.70, it is well below the 2019 Living Wage of \$11.15.
- The WhānauMāori Tangata Report found income inadequacy was entrenched for many people receiving government benefits.
- There were few programmes to support entry into or return to work for people with disabilities, or with common mental health conditions.

WHAT RACP MEMBERS SAY:

Support the living wage, introduce legislation and tax breaks for companies who offer living wage.

The pay has to make it worthwhile for people to go to work.

RACP Specialists Together

Our case study whānau

When we met our case study whānau, they were part of an extended family group living in an overcrowded house and garage. In 2019, we find that the house has been sold and this has meant different housing outcomes for all of them, time in emergency housing, homelessness and experiencing the public housing system.

SHIRLEY, NOW 72 YEARS OLD

"We had 42 days to move out, then the house was sold. We had nowhere to go, our whānau were split up. I spent over 6 months living in a motel."

Shirley now lives alone in council-owned pensioner housing after living in emergency housing. Although her new home is accessible for her wheelchair, she often gets lonely. Aqi Cochrane finds around 1 in 5 older people experience loneliness and social isolation.

BRIAN, NOW 50 YEARS OLD

"The Housing First programme meant I wasn't sleeping in my car any more. Last time I went into detox, I had straight back out on the street. Now I see the D detox team at my place. Being in a house again, that's been huge."

Brian and his wife separated following increased family tensions. Brian's drinking escalated, and he spent time living in his car. Brian was connected to Housing First. By May 2019, Housing First had placed over 200 households into permanent housing in Auckland. Social housing enables people to then treat addiction and other health issues.

TANIA, NOW 28 YEARS OLD

"I had a c section with Mia. It was hard... I wished I could of bought her home to our own place, but we were still in the motel. I had to bring my baby to emergency housing, not her home. I feel like I don't remember a time there where Josh and her didn't have runny noses."

In June 2019, it took 100 days to house priority A applicants (people in most severe need of housing) of the 12,000 people on the Public Housing waitlist, over 80% have been assessed as Priority A.

RACP Specialists Together #MakingItTheNorm

#MakingItTheNorm report card

Whānau wellbeing

At the 2017 election, the RACP called for health equity, we said Healthy Housing, Good Work and Whānau Wellbeing must be the norm for all people. In 2019, how is Aotearoa NZ Making Health Equity the Norm?

SUMMARY
The RACP's report cards check in on how our case study whānau are doing - what have been their successes, and where have they struggled? Together with their stories, we asked our Members - physicians and paediatricians across the country - what other actions they would take in #MakingWhānauWellbeing/TheNorm in Aotearoa NZ.

SURVEY OF NZ MEMBERS
In our survey of NZ members, members were asked to rank government initiatives from making the most difference to people's health, to making the least difference to people's health.

TOP 3 POLICIES FOR WELLBEING MAKING A DIFFERENCE TO PEOPLE'S HEALTH

- 1 More people are eligible for low-cost GP visits
- 2 Child Poverty Reduction Act, whereby the government will report on progress to reduce child poverty in Aotearoa NZ
- 3 Families Package - extra support for whānau during baby's early years

ARE WE MAKING #WHĀNAUWELLBEING THE NORM IN AOTEAROA NZ?

Many whānau struggle to provide the basics and the non-government sector is under pressure to fill the gap

- Food insecurity is a reality for around 500,000 New Zealanders.
- Low-cost GP visits are an important start but more work to address other barriers like transport and availability of appointments is needed.
- Low-income whānau could be better supported through entitlements like the Winter Energy Payment.

WHAT RACP MEMBERS SAY:

Make GP visits free for all - or if you can't afford, make it a donation.

More money directly to the people in need will significantly and swiftly increase people's wellbeing.

RACP Specialists Together

Reaffirming Indigenous health and education equity are core business of the College

On 6 December the Chairs and members of the Aboriginal and Torres Strait Islander and Māori Health Committees met with RACP President, Mark Lane, along with Board Directors and other senior members of College staff at Sydney's National Centre of Indigenous Excellence in Redfern, on the land of the Gadigal People.

This highly symbolic gathering followed an agreement to make both Committees Committees of the Board. This means members will have direct access to College Board Directors, and will be able to provide the Indigenous leadership that was acknowledged as essential to lead the RACP towards the goals of our Indigenous Strategic Framework.

There was also an agreement that First Peoples' skills, values and knowledge systems are to be incorporated at Board level – with the Board endorsing the Joint Statement of Principles on Justice and Equity and reaffirming that First Peoples' health and education equity are core business of the College.

This meeting was a significant and powerful moment for the RACP in our journey towards achieving our five priorities set out in the Indigenous Strategic Framework.

"As one of Australia and Aotearoa New Zealand's largest medical colleges, the RACP has a core responsibility to work to address the inequalities experienced by Indigenous people in our healthcare system." – RACP Indigenous Strategic Framework 2018–2028

"Addressing indigenous health and closing the gap is core business for the College. As your future President you have my commitment to continue and strengthen our efforts to support indigenous-led measures to bolster our Indigenous Strategic Framework."
Professor John Wilson AM, President-Elect

The five priorities of the Indigenous Strategic Framework

1. Contributing to addressing Indigenous health inequities
2. Growing the physician workforce
3. Educating and equipping the physician workforce on Indigenous health and culturally safe clinical practices
4. Fostering a culturally safe and competent college
5. Meeting the regulatory standards and requirements of the Australian Medical Council and the Medical Council of Aotearoa New Zealand

A key element of the ISF has been improving Indigenous Selection into Training.

In 2019 we held detailed consultation across Australia and Aotearoa New Zealand on how to bring Indigenous physician numbers into parity with the general populations of both nations.

This parity would see three per cent of Australian members with Aboriginal or Torres Strait Islander background, and in Aotearoa New Zealand would see Māori doctors represent 15.5 per cent of members.

If this were achieved, this would represent an increase from the current 37 members who identify as Aboriginal or Torres Strait Islander to 669. Currently 58 members identify as Māori; parity with the general population in Aotearoa New Zealand would see that number rise to 481.



Recognising Indigenous significance through art in Australia and Aotearoa New Zealand

In 2019 we commissioned two incredible artworks to represent the importance our College places on celebrating Aboriginal and Torres Strait Islander and Māori cultures.

'Healing Place', created by Riki Salam

In Australia, College staff worked closely with the Aboriginal and Torres Strait Islander Health Committee in engaging Riki Salam, Principal and Creative Director of WeAre27 Creative.

Riki developed initial concepts that incorporated and expressed the RACP's values

and how these values aligned with Aboriginal and Torres Strait Islander culture, values, practices and messaging through the lens of healing.

The development of this artwork is a pivotal moment in the history of the RACP, as the RACP now has its own distinct visual imagery to demonstrate our respect of, and commitment to, Aboriginal and Torres Strait Islander people and their cultures.



'Healing Place' By Riki Salam of WeAre27 Creative

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'Tāne Mahuta', created by Ihaia Puketapu

'Tāne Mahuta' is the first piece of Toi Māori (Māori art) ever commissioned by the College and was completed under the direction of our Māori Health Committee.

'Tāne Mahuta' now resides on the public floor of the RACP's Wellington office – it is one of the first things visitors to the College will see when they enter the space.

The work provides a powerful and apt metaphor for our own journey through the Indigenous Strategic Framework, as a cultivator of physicians' education and training, and their progression to Fellowship.

We thank Ihaia Puketapu for his dedication to this significant artwork.





Dr Adrian Lee FRACP
Medical Oncology
Royal North Shore Hospital (NSW)

Effective and sustainable

We will be an effective and sustainable college.

We respect our history and will continue to build a stronger college.

During the year we made significant progress in realising key goals of our three-year strategic plan covering the period from 2019 to 2021.

The appointment of our new permanent Chief Executive Officer, the continuation of major transformation programs to core systems including information technology, and the benefits of the ACNC's recommendations to improve our board and governance practices leave us a stronger and more modern organisation.

Delivering better member service through IT

Whereas information technology used to be merely a part of College life, there's now an acknowledgement that it underpins everything we do.

There is no denying we have had to play catch up, but a decade of underspending on IT is now matched by a very ambitious modernisation program that aligns us with best practice.

Many large organisations have been in the same situation. Our situation also parallels many of our members' own practices, hospitals and workplaces.

IT is no longer a cost, it's an investment for the future. This year established a firm culture of continual investment in technology that will set us up for decades to come.

Following an exhaustive assessment of the College's technology infrastructure, corporate systems and key applications, we identified opportunities to improve performance in people, process and technology.

An IT Renewal Program was prioritised as an imperative focused on:

- remediation and replacement of end-of-life systems, hardware and software
- improving cybersecurity and data protection to mitigate against data breaches
- moving from custom-built solutions to more easily supported and cost-effective, off-the-shelf software-as-a-service solutions
- moving from on-premises servers to cloud-based servers.

We delivered 12 major IT projects in 2019 and are now working on the *Five-Year IT Roadmap 2020–2025*, a portfolio of works designed to enable a 'Digital First' College.

“After a turbulent year we've kicked some huge goals in modernising and preparing the College for decades to come.”

Bob Kotic, Interim Director, Operations

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Experience

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Advocacy and Influence

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Strategic Planning: Vision 2025 – A five-year vision for the College

In late 2018 the Board established a series of goals for the organisation to work toward. This process initiated a strategic review, leading to the development of a plan.

Underpinning this plan is the social contract that the College has with trainees. The training period for Fellowship is six years. Our plan needed to enhance certainty of resourcing to deliver to this implicit commitment.

Work started in January 2019 on bringing together three core programs of work.

- Member Journey Mapping was a project initiated in 2017. It charted the pathway from trainee, through completion of Basic Training, Advanced Training, Fellowship and post-Fellowship activity. This work allows us to more effectively place resources at key points along a member's entire career with the RACP. It also guides development of projects to enhance ways in which members can interact with the College, such as digital technology.
- Education renewal
- Changes to CPD

We also looked at key drivers of change focusing on:

- Rising expectations of members: Highlighted by Member Journey Mapping research
- Technology change: Significant changes in technology including moves from on-site data centres to cloud-based computing, software rented as a service rather than purchased outright, and the use of commercial off-the-shelf products as opposed to bespoke in-house developed software.

This planning exercise highlighted rising expectations of members for services that are easier to access and use. Members also expect

us to deliver new services; as well as delivering key projects such as Education Renewal.

A key barrier to lifting our performance was existing technology.

A new IT roadmap to support the needs of members and deliver education renewal was required. We also needed to address our historic underestimation of the rate and scale of change in technology.

During 2019, management and Board workshops assessed the future direction of technological development and set new priorities, culminating in a plan titled Vision 2025.

In the second half of the year, some work was identified as needing immediate attention.

Considerable investment was made in network system upgrades, improving reliability, increasing bandwidth, hardening cyber-security and upgrading servers and operating systems.

At its December 2019 meeting the Board adopted Vision 2025, subject to further refinement expected to be carried out in early 2020.

Risk

As well as undergoing significant organisational change ourselves, we operate in a complex and dynamic sector with diverse stakeholders.

A clear understanding of operational and organisational risks is critical to our continuing effectiveness.

During the year we refreshed the RACP Risk Management Framework and the Board's Statement of Risk Appetite. We also updated our Strategic and Operational Risk Registers and trained management and staff to further embed risk management into all levels of the operations of the College.

Human Resources and culture progress

Throughout the year our Human Resources team focused on delivering sustainable change following an Organisational Culture Survey, employee consultation and the subsequent 2019 Culture Action Plan.

During 2020 we aim to increase employee collaboration, developing programs and initiatives that deliver greater employee engagement and member satisfaction. With CEO sponsorship, we've formed an employee task force to make this happen.

Working with employees, we seek to develop four pillars to support cultural transformation:

1. A leadership framework from which to develop and support our leaders
2. Wellbeing programs to support employees across the organisation
3. Continual learning in the digital space as the College moves to digital first methodology
4. Cultural immersion activity to further develop First Peoples cultural safety and competency in our employees, policies and business process.

During the year we also introduced policies to better support employees including:

- our Domestic and Family Violence Leave Policy which provides up to 20 days paid leave in such circumstances
- a Parental Leave Policy, increasing paid parental leave from eight to 12 weeks and the introduction of four weeks paid partner leave in addition to a six-month qualifying period, reduced from 24 months
- a Purchased Leave Policy which allows employees to buy up to two weeks additional leave per year to assist in balancing work and life.

In addition, Human Resources will take over responsibility for Work Health and Safety during 2020. This will commence with a safety gap analysis, from which a plan will be created to support the transition.

Priority four of the College Indigenous Strategic Framework is to foster a culturally safe and competent College. We aim to lift our numbers of First Peoples candidates in College employment opportunities through a partnership with Yarn'n Aboriginal Employment Services. Yarn'n will source candidates and provide support in the workplace to ensure success.



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Sustainability

We're as conscious as any other organisation of our environmental footprint and ensuring that our ongoing operations are sustainable.

In 2019 we began a project to map our current carbon emissions, energy usage and waste produced across our Sydney campus. We've highlighted areas for improvement, set targets and are already implementing measures to improve sustainability.

On the following two pages, you'll find estimation of our current annual

carbon emissions by category expressed in tonnes of carbon dioxide equivalent, our energy consumption in kilowatt hours, as well as kilograms of solid waste produced.

We've also highlighted specific areas where we have opportunities to improve.

Throughout 2020, we anticipate gathering more robust data, before expanding this project to our state and territory offices and New Zealand in the future.

Impact area		Current progress 2018	Current progress 2019
Carbon	Air Travel (tCO2e)	1,110	1,367
	Staff Commuting (Personal)		83
	Staff Commuting (Public)		0.91
Energy	Sydney Campus (kWh) Electricity, gas, heat and steam, oil, biomass all contribute to tCO2e	70 Phillip 211,014 145 Macquarie 406,957	70 Phillip 269,695 145 Macquarie 379,270
	Waste	General (kg)	6,417
Management	Paper (secure) (kg)		815
	Paper (general) (kg)		3,151
	Kitchens (kg)		267
	Printer Cart (kg)		tba
	Globes (kg)		67
	Organic (kg)		975
Sustainable procurement		216,000	177,500
Water		tba	

Class	Current initiatives	Initiatives opportunities
Carbon	See Energy, Waste, IT initiatives	<ul style="list-style-type: none"> Set targets
Energy	<p>Replaced light globes with more efficient ones.</p> <p>Replaced printers.</p>	<ul style="list-style-type: none"> Set targets Solar at 145 Macquarie Street Minimum energy efficiency on new purchases such as appliances, IT hardware etc Lighting upgrades all sites. 145 Macquarie Street being considered in 2021 Smart controls to reduce consumption
Waste management	<p>Co-mingle – Recycling</p> <p>Paper cardboard – Recycling</p> <p>Toners – Recycling</p> <p>Batteries – Recycling</p> <p>Organic waste (VIC and Syd only)</p> <p>Pens (Sydney only) – Recycling</p>	<ul style="list-style-type: none"> Set targets Reduce. Promote reusable coffee cups. Stationery. Go paperless. Report on waste channels across sites Recycle. How to get staff engaged?
Water		<ul style="list-style-type: none"> 145 Macquarie Street to have rain water tanks to service garden irrigation and bathrooms Minimum efficiency for new tap hardware Upgrade bathrooms in 145 Macquarie Street
Lighting	Light globes – more efficient	
Building waste during refurbishment		<ul style="list-style-type: none"> Certificate of waste recovery
IT	New devices offer less paper, less cording, less energy and improve the ability for remote access, reducing the need for physical meetings	<ul style="list-style-type: none"> Improve training and culture shift to drive users to better utilise technology and significantly reduce physical meetings

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Honorary Treasurer's report

Financial strength

Both the President and CEO have highlighted the extraordinary healthcare and societal impacts of COVID-19 and members will rightly have concerns about the possible financial effects on the RACP.

At the end of 2019 the RACP's financial position, as detailed in the balance sheet, shows that the College remains very robust financially, with consolidated net assets growing to \$103.9 million from \$97.2 million reported in 2018.

Forecasting the effects of an event of such an unprecedented scale are challenging. But we can anticipate an impact on our investment portfolio during 2020 because of falls in equity markets. Our earnings forecasts will be affected and there may be an impact on RACP Foundation income and the ability to fund prizes.

It is becoming apparent the income of some Fellows will be affected, and there may be a question mark around trainee numbers and whether hospitals will run their usual levels of trainee intake.

An ironic consequence of this dreadful event is that we will save expenses on travel and accommodation with the enforced travel ban. Consequently, our current forecast for 2020 is for net savings.

We are in a sound position to deal with these many uncertainties.

The College remains debt-free, with minimal long-term liabilities and has sufficient funds to cover more than six months of operating costs. This position enables the College to withstand the impact of unanticipated events that could materially increase expenditure or reduce revenue, ensuring that it remains financially stable and sustainable in the long-term.

In 2019, the College's Foundation offered \$2.7

million in research grants, scholarships and fellowships, and a further \$75,000 in prizes for meritorious achievement and excellence. Over the past five years the annual program of grants, scholarships and fellowships has distributed \$11.7 million to support our Fellows and trainees in the various stages of their medical research careers, increasing research capacity and improving patient care. The performance of the investment portfolio of the Foundation has also ensured that 2020/2021 will continue to see annual funding for research grants, scholarships and fellowships remain around \$2.8 million.

The assets held by the Foundation are either cash or marketable securities and investments, with sufficient liquidity to cover the following year's grants and awards.

Consolidated result

In 2019 the College commenced significant initiatives aimed at improving education, training, and the capability and security of our information technology infrastructure. The College has also incurred compliance costs resulting from its voluntary compliance agreement with the ACNC. This expenditure is shown in the consolidated results presented in the Audited Financial Statements.

Income for the year increased from \$61.3 million, to \$63.4 million primarily reflecting increasing numbers of both Fellows and trainees. Expenditure related to staffing, travel and meetings for the year was in line with the budget approved by the Board. Other costs, with the exception of ACNC compliance costs, were also at or below the levels originally approved by the Board.

The RACP has an enviable track record in prudent fiscal stewardship over the last decade, with significant surpluses booked over many years. While the College's financial management has been cautious and responsible, it has had

the effect of under investing in Information Technology Assets in particular. This has significantly restrained the College's ability to deliver "best-in-class" services to its membership.

This underinvest needs to be rebalanced over the next few years. The historical fiscal stewardship has empowered the College to rely on its significant accumulated reserves to invest in Information Technology. This investment may be reflected in the ensuing years' annual accounts as an operating deficit, which does not signal or imply a weakening of the College's financial strength and position. It more accurately represents the accelerated investment in Information Technology Assets to ensure the effective continuation of the College's core purpose for the future and for the benefit of its members. This investment will drive better services for the College's membership.

Accounting Standard Changes

The College has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases for the first time in the current year with a date of initial application beginning 1 January 2019.

The adoption of these standards has been applied from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated.

The adoption of AASB 16 creates a balance sheet account "Right of Use Asset" and Current and Non-Current Lease Liabilities for operating leases previously reported in the notes but not shown on the balance sheet.

The adoption of AASB 15 has changed the timing of recognition of some of our income. Income that was reported in the year that it was collected is now held on the balance sheet and will be recognised over a number of years. In the 2019 accounts, this has moved \$1 million of funds received from Income to the balance sheet. Prior to AASB 15 we would have reported total revenue for 2019 as \$64 million. The new standard has resulted in 2019 reported revenue of \$63 million.

These changes do not affect the operating cashflow of the College and further details can be found in the *Notes to the Financial Statements*.

Appreciation

I am indebted to, and appreciative of, the work of the Finance and Risk Management Committee during 2019, overseeing College finances, risk management and both external and internal audits of the College.

I want to thank my fellow Committee members for their valued service during the year. I thank the College President, Associate Professor Mark Lane, Associate Professor James Ross, Dr Jeff Brown (New Zealand), and Mr Adam Malouf, for their substantial contributions as members of the Finance and Risk Management Committee in 2019.

The dedicated support provided by the Finance, Risk Management and Governance staff of the College, was also very much appreciated and ensured a high standard of management of members' funds and governance over College finances. I want to especially thank the Director of Finance, Mr John McConville, his Executive Assistant and Project Manager Ms Jean Lim, the Financial Controller, Ms Lalesh Chand, the former interim CEO Mr Duane Findley, the current CEO Mr Peter McIntyre and our auditors, Mr James Winter and Ms Shirley Huang.



Mr Tony Tenaglia
Honorary Treasurer



Information on Directors

The Members of the Board in office as at the date of this report, their qualifications, experience and special responsibilities are set out below:

Associate Professor Mark Lane		RACP President
	Qualifications	MBBS, FRACP
	Experience	Associate Professor Mark Lane is a gastroenterologist based at Auckland Hospital. For 17 years he was Head of Gastroenterology at Auckland Hospital and involved in clinical leadership at national levels. He served on the executive of the NZ Society of Gastroenterology in various roles and represented NZ Gastroenterology on international gastroenterology societies and committees. He is a patron of the Coeliac Society of NZ. He has an honorary appointment with Auckland Medical School as a Clinical Associate Professor.
	Special responsibilities	RACP President-Elect (2016–2018), Member, RACP Board (2012–2020), New Zealand President (2014–2016), Chair, College Policy and Advocacy Committee, Member, New Zealand Committee (2009–2018).
Professor John Wilson AO		RACP President-Elect
	Qualifications	BSc (Hons), MBBS, PhD, FRACP
	Experience	Professor John Wilson commenced his two-year term as RACP President-Elect on 14 May 2018. He will serve as RACP President for two years from 2020. Professor Wilson has practised as a specialist physician for more than 25 years, working in Australia and the United Kingdom. His registration covers general medicine, respiratory and sleep medicine as well as intensive care medicine.
	Special responsibilities	RACP Board (1996–2001), Adult Medicine Divisional Committee (2005–2007), Adult Medicine Division Education Committee (AU) (2008–2012), Adult Medicine Division Executive Committee (2008–2016), RACP Board (2010–2020), College Education Committee (2008–2014), College Education Committee (2018–2020), Adult Medicine Division President (2014–2016).
Dr Jeff Brown		President, New Zealand
	Qualifications	MBChB, FRACP
	Experience	Dr Jeff Brown is a consultant paediatrician and Clinical Director of Child Health at Palmerston North Hospital and for the MidCentral District Health Board. Dr Brown has held various leadership positions locally and nationally, including National Health Board, Association of Salaried Medical Specialists and Advanced Paediatric Life Support.
	Special responsibilities	RACP President-Elect New Zealand (2016–2018), Member, RACP Board (2016–2020), Member, Finance and Risk Management Committee, Member, New Zealand Committee, Co-chair NZ PCHD Committee, Member, Paediatrics and Child Health Division Council.
Professor Niki Ellis		Member Director – two-year term from June 2018
	Qualifications	MBBS, FAFOEM, FAFPHM
	Experience	Professor Niki Ellis currently works as a consultant to a variety of government, not for profit and private sector organisations and as a non-executive director. A specialist in both occupational and public health medicine, she has extensive experience at State and Federal level in Australia, and has held international positions with London South Bank University and the United Kingdom Department of Health, and a visiting research appointment at the Wellcome Trust Centre for the History of Medicine.
	Special responsibilities	RACP Board (1992–1994), Social Issues Committee (1996–1997), Social Policy Committee 1998, CPAC Advisory Committee (2018–2020), College Policy and Advocacy Committee (2018–2020), RACP Board (2018–2020).

Professor Paul Komesaroff AM		Member Director – three-year term from June 2018
	Qualifications	MBBS, BSc (Hons), PhD, FRACP, AM
	Experience	Professor Paul Komesaroff is a physician, medical researcher and philosopher at Monash University in Melbourne, where he is Professor of Medicine. He is a practising clinician specialising in the field of endocrinology. He is also Executive Director of the international NGO Global Reconciliation.
	Special responsibilities	Ethics Committee (1990–2002), College Policy and Advocacy Committee 2013, CPAC Advisory Committee (2013–2014), College Policy and Advocacy Committee (2016–2018), Adult Medicine Division Council (2016–2020), Adult Medicine Division Executive Committee (2016–2020), Ethics Committee (2016–2018), RACP Board (2016–2018), RACP Board, (2018–2021), Adult Medicine Division President (2018–2021)
Dr Jacqueline Small		Member Director – three-year term from June 2018
	Qualifications	MBBS, MPH (Hons), FRACP, GAICD
	Experience	Dr Jacqueline Small is a Senior Developmental Paediatrician at the Disability Specialist Unit, Croydon Health Centre, Sydney and a Clinical Lecturer at the University of Sydney. She has 20 years' experience working in multidisciplinary disability health teams providing care across the lifespan for people with developmental disabilities, clinical care for young children suspected to have a disability, older children with severe and complex conditions associated with their disability, and transition to adult health services.
	Special responsibilities	NSW/ACT Regional Committee (1994–2002), ATC in Community Child Health (2007–2010), NSW/ACT Regional Committee (2007–2008), Chapter of Community Child Health Committee (2010–2013), Paediatrics & Child Health Division Council (2010–2018), Paediatrics & Child Health Division Policy & Advocacy Committee (2012–2018), CPAC Advisory Committee (2012–2014), College Policy and Advocacy Committee (2014–2018), Paediatrics & Child Health Division Executive Committee (2014–2018), Fellowship Committee (2018–2020)
Tony Tenaglia		Community Director and Honorary Treasurer to May 2021
	Qualifications	MBA, GAICD
	Experience	Tony joined the College effective 31 July, from IAG in Melbourne, and brings extensive experience in leading business and financial services teams within the public, private and tertiary education sectors. He has held senior leadership positions with Australian and New Zealand Intensive Care Society, the Intensive Care Foundation and the Institute for Safety, Compensation and Recovery Research.
Ms Monica Schlesinger		Community Director
	Experience	Monica Schlesinger brings over 30 years of board and senior management experience to her position, with specialties in cyber-security, information technology, artificial intelligence, healthcare and tertiary education. She has particular expertise in healthcare informatics across a range of fields including hospitals, pharmacies, primary care, radiology, medical devices, epidemiology and allied health.
Mr Robert Stewart		Community Director
	Experience	Rob Stewart is a highly experienced company Director, having served on many boards across the healthcare, information technology and production sectors in both the United States and Australia, and earlier holding General Management positions in a variety of Australian companies. In addition, he is a former National Managing partner in leading Australian law firm Minter Ellison.

Corporate Information

ABN 90 270 343 237

Directors

("Responsible Entities") at the date of this report:

Associate Professor Mark Lane

Professor John Wilson

Dr Philip Jeffrey Brown

Professor Niki Ellis

Dr Jacqueline Small

Professor Paul Komesaroff

Mr Tony Tenaglia

Ms Monica Schlesinger

Mr Robert Stewart

Company Secretary

Ms Kim Davis

Registered office and principal place of business

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Auditors

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Auditor's Independence Declaration

To the Responsible Entities of The Royal Australasian College of Physicians

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Royal Australasian College of Physicians for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter
Partner – Audit & Assurance

Sydney, 12 March 2020

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	NOTE	2019 \$	2018 \$
General fund			
Revenue			
Subscriptions & other Fellow receipts		24,064,518	22,536,933
Admissions, training & examination fees		32,395,484	30,724,010
Other	3	4,690,450	4,200,562
Other revenue			
Interest & dividend income		2,109,654	1,733,278
(Loss)/Gain on disposal of financial assets		153,040	(149,902)
Exam fee insurance claim		-	2,279,050
Total revenue		63,413,146	61,323,931
Expenditure			
Employee benefits		36,397,796	34,795,467
Travel, accommodation & meetings		7,415,536	6,953,160
Other	4	19,215,695	16,655,691
Total expenditure		63,029,027	58,404,318
General fund surplus		384,119	2,919,613
RACP Foundation fund			
Revenue			
Interest & dividend income		2,228,166	1,957,708
Donations from Fellows and other grants		1,169,555	669,236
Gain on disposal of financial assets		1,434,832	59,129
Other		286,061	300,851
Total revenue		5,118,614	2,986,924
Expenditure			
Grants paid or payable		2,485,868	2,258,466
Other		712,966	624,221
Total expenditure		3,198,834	2,882,687
RACP Foundation fund surplus		1,919,780	104,237
Total surplus		2,303,899	3,023,850

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	2019 \$	2018 \$
Surplus for the year	2,303,899	3,023,850
Other comprehensive income:		
Net gain/(loss) on revaluation of financial assets	4,214,259	(1,827,736)
Foreign currency translation gain/(loss)	135,677	581,373
Total comprehensive income for the year	6,653,835	1,777,487

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

Statement of Financial Position

As at 31 December 2019

	NOTE	2019 \$	2018 \$
Assets			
Current assets			
Cash & cash equivalents	5	39,677,071	66,227,129
Trade & other receivables	6	5,733,730	5,662,229
Other current assets	7	1,581,400	1,172,661
Other financial assets	8	4,599,938	6,701,153
Total current assets		51,592,139	79,763,172
Non-current assets			
Other financial assets	8	101,059,780	85,273,719
Property, plant & equipment	9	7,026,214	6,298,310
Intangibles	10	1,180,819	1,925,894
Right of Use Assets	11	6,733,097	-
Other non-current assets	12	1,449,693	1,448,552
Total non-current assets		117,449,603	94,946,475
Total assets		169,041,742	174,709,647
Liabilities			
Current liabilities			
Trade & other payables	13	54,317,761	74,391,881
Provisions	14	3,278,229	2,800,924
Lease Liabilities	15	2,562,587	-
Total current liabilities		60,158,577	77,192,805
Non-current liabilities			
Provisions	14	241,819	268,038
Lease Liabilities	15	4,738,707	-
Total non-current liabilities		4,980,526	268,038
Total liabilities		65,139,103	77,460,843
Net assets		103,902,639	97,248,804
Funds			
General funds	19	49,190,659	48,806,540
RACP Foundation funds	19	47,136,418	45,216,638
Reserves	19	7,575,562	3,225,626
Total Funds		103,902,639	97,248,804

The statement of financial position is to be read in conjunction with the attached notes.

Statement of Changes in Funds

For the year ended 31 December 2019

	2019 \$	2018 \$
General and Foundation funds		
Balance, 1 January	94,023,178	90,999,328
General fund surplus	384,119	2,919,613
RACP Foundation fund surplus	1,919,780	104,237
Balance, 31 December	96,327,077	94,023,178
Fair value through other comprehensive income reserve		
Balance, 1 January	1,280,107	3,107,843
Other comprehensive income	4,214,259	(1,827,736)
Balance, 31 December	5,494,366	1,280,107
Foreign currency translation reserve		
Balance, 1 January	1,945,519	1,364,146
Foreign currency translation gain/(loss)	135,677	581,373
Balance, 31 December	2,081,196	1,945,519
Total Funds	103,902,639	97,248,804

Statement of Cash Flows

For the year ended 31 December 2019

	NOTE	2019 \$	2018 \$
Cash flow from operating activities			
Cash receipts from training fees, memberships and operations		62,184,500	55,463,794
Cash payments applied in operations		(59,004,724)	(57,058,670)
Payments to Specialist Training Program posts		(59,622,842)	(51,367,606)
Proceeds from Government for Specialist Training Program posts		37,922,906	73,138,267
Interest received		198,342	186,540
Proceeds from Government grants		344,836	268,670
Net cash provided by/(used in) operating activities	16	(17,976,982)	20,630,995
Cash flow from investing activities			
Payments for property, plant and equipment		(1,910,043)	(2,249,542)
Payments for investments		(6,478,083)	(4,176,300)
Proceeds from disposal of property, plant and equipment		(192)	(66,887)
Proceeds from investments		2,655,232	2,269,620
Net cash from (used in) investing activities		(5,733,086)	(4,223,109)
Cash flow from financing activities			
Payments for finance lease liability		(2,946,162)	-
Net cash from (used in) financing activities		(2,946,162)	-
Net increase in Cash and cash equivalents		(26,656,230)	16,407,886
Cash & cash equivalents at the beginning of the year		66,227,129	49,405,376
Effects of exchange rate fluctuations on the balance of cash held in denominated foreign currencies		106,172	413,867
Cash & cash equivalents at the end of the year	5	39,677,071	66,227,129

The statement of cash flows is to be read in conjunction with the attached notes.

Notes to the Financial Statements

For the year ended 31 December 2019

1. Corporate information

The College is a medical college that provides training and education and represents physicians in Australia and New Zealand. The College is an Australian company limited by guarantee registered under the Corporations Act 2001, domiciled in Australia and registered with the Australian Charities and Not-for-profits Commission.

The financial report of the College for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors (Responsible Entities) on 12 March 2020.

2. Statement of accounting policies for the year ended 31 December 2019

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected assets.

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency.

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities

The College has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of years beginning 1 January 2019.

The College has applied AASB 15 and AASB 1058 using the modified retrospective (cumulative catch-up) method which means the comparative information has not been restated and continues to be reported under AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions and related interpretations.

The following practical expedients have been applied on transition to AASB 15 and AASB 1058: For contracts modified prior to 1 January 2019, the company has elected not to restate the contract for the modifications and has instead reflected the aggregate effect of all the

modifications that occur before the transition date on 1 January 2019.

There are no changes to the College's accounting policies and the impact on the financial report from applying AASB 15 and AASB 1058.

Prior to adopting AASB 15, the Company recognised initial admission fees on receipt. Under AASB 15, since the fees do not relate to a performance obligation, they are combined with other goods and services transferred to the Fellows and therefore they are now spread over the expected period of a Fellows membership of the College.

Changes in presentation

There are no material changes in the presentation of the College's financial statements to align them with the requirements of AASB 15 and AASB 1058.

AASB 16 Leases – change in accounting policy

The College has elected to adopt AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations. The impact of adopting AASB 16 is described below:

Under AASB 117, the College assessed whether leases were operating, or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the lessee or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except where an exemption election is used). The leases identified by the College have been recognised as a right of use asset with a corresponding lease liability on the balance sheet.

Practical expedients used on transition

AASB 16 includes several practical expedients which can be used on transition, the College has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 and associated Accounting Interpretations were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the company's incremental borrowing rate at 1 January 2019;

- right of use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- leases with an expiry date prior to 31 December 2019 were excluded from the statement of financial position and the lease expenses for these leases have been recorded on a straight-line basis over the remaining term; and
- hindsight was used when determining the lease term where the contract contains options to extend or terminate the lease.

Financial report impact of adoption of AASB 16

The College has recognised right of use assets of \$9,484,806 and lease liabilities of \$9,874,172 at 1 January 2019 for leases previously classified as operating leases.

b. Significant accounting judgments, estimates and assumptions

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transaction and other events is reported.

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 2 (m). The amount of these provisions would change should any of these factors change in the next 12 months.

Lease term

The Directors considered the extension option on the commercial buildings and have determined that due to the market rent reviews and the remaining term of the non-cancellable lease term, it is not reasonably certain that the company will choose to exercise the option and therefore the lease payments that would arise during the optional extension periods have not been included in the lease liability.

c. Revenue

Revenue arises mainly from subscriptions from members and Fellows as well as admissions, training and examination fees.

To determine whether to recognise revenue, the College follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the College have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations. Revenue is recognised when the College is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office and the Inland Revenue Department in New Zealand.

Trainee fees

Revenue from trainee fees is recognised when the service is provided.

Membership fees

Where the consideration from membership subscriptions consists of a recurring fixed amounts over the term of the contract and the member receives and consumes the benefits of the services as the College provides them then revenue is recognised on a straight line basis over the term of the contract. Costs are recognised on an accrual basis. Application to fellowship fees are recognised over the expected period of a Fellows membership of the College.

Externally funded grant income

Grant income is recognised when there is reasonable assurance that the grant will be received and all attaching conditions complied with. When the grant relates to an expense item, it is recognised as income

over the period on a systematic basis to the costs that it is intended to compensate.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. Dividends and trust distributions from listed entities are recognised when the right to receive a dividend or distribution has been established.

Donations

Donations are recognised as revenue when the College gains control, economic benefits are probable, and the amount of the donation can be measured reliably.

In-kind contributions

The College receives contributions from Members and Specialty Societies in the form of the provision of extensive voluntary services to the College. These amounts are not brought to account in the financial statements as the fair value of such contributions could not be reliably measured.

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

d. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category, they have been allocated to activities on a basis consistent with use of the resources. Support costs are those costs incurred directly in support of expenditure on the objects of the College. Management and administration costs are those incurred in connection with administration of the College and compliance with constitutional and statutory requirements.

e. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with maturities of three months or less.

f. Trade and other receivables

The College makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the College uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The College assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

g. Property, plant and equipment and intangibles

Property, plant and equipment including land and

buildings is shown at cost, less accumulated depreciation and impairment losses.

Any property, plant and equipment donated to the College is recognised at fair value at the date the College obtains control of the assets.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the College and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the income statement. When revalued assets are sold, the amounts included in asset revaluation reserves, in respect of those assets, are transferred to General and Foundation funds.

Software (intangibles)

Costs incurred in developing IT products or systems are capitalised and included in as an asset when it is probable the development project will be successfully completed, the College will be able to use the assets as part of its operations, there is a continuing intention to complete the development project and the costs can be reliably measured. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Acquired software is also capitalised.

Amortisation of software is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

Depreciation and amortisation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings and strata title building units	40 years	(2.5%)
Plant and equipment	10 years	(10%)
Furniture and fittings	10 years	(10%)
Computer equipment and software	3 years-5 years	(20%-33.3%)
Equipment held under finance lease	life of lease	

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Impairment

The carrying values of property, plant and equipment including software are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and

equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of property, plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For property, plant and equipment, impairment losses are recognised in the income statement.

h. Library and College collection

The Library and College collection is carried at cost or deemed cost and consists of items of historical, scientific and artistic nature which appreciates in value, therefore no provision for depreciation is required.

i. Financial assets

The College classifies its financial assets into the following categories:

1. financial assets at fair value through profit or loss (FVPL),
2. amortised cost,
3. financial assets at fair value through other comprehensive income (FVOCI)

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.

Purchases and sales of investments are recognised on trade-date, the date on which the College commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the College has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The quoted market price used is the current bid price.

The categories of financial assets are:

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the income statement.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL or FVOCI): they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The College's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

Financial assets classified as fair value through other comprehensive income (previously Available-for-sale financial assets)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category was previously classified as 'available-for-sale'.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

j. Impairment of financial assets

At each balance date the College assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement. The College considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). 'Stage 3' would cover financial assets that have objective evidence of impairment at the

reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

k. Trade creditors and other payables

Trade creditors and other payables represent liabilities for goods and services provided to the College prior to the end of the financial year that are unpaid. These amounts are usually settled in thirty (30) days. The notional amount of the creditors and payables is deemed to reflect fair value.

l. Contract and service obligation liabilities

Service obligation liabilities

Service obligation liabilities generally represent the unspent grants, awards, sponsorships, or other fees (e.g. members' subscriptions) that are received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant and fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

Unexpended contract funds

The liability for unexpended contract funds are unspent government contract funds held until disbursed when certain conditions are fulfilled by third parties, usually within 12 months of receipt.

m. Employee benefits

Employee benefits comprise wages and salaries, annual, long service and accumulating but non-vesting sick leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of the balance date are recognised in the provision for annual leave.

Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for accumulating but non-vesting sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The College pays contributions to certain superannuation funds. Contributions are recognised in the income

statement when they are due.

n. Provisions

The College recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

o. Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowing costs are recognised as an expense in the period in which they are incurred.

p. Taxation

Income tax

The College is exempt from income tax in both Australia and New Zealand. Accordingly, there is no accounting for income tax or the application of tax effect accounting.

Goods and services tax (GST)

All items in the financial report are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable or payable is included as part of receivables or payables in the Statement of Financial Position.

q. Lease accounting

At inception of a contract, the College assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether: the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The College has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The College has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The College has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments,

estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the College's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The College has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the College recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

r. Funds

Funds are disaggregated and classified as follows (refer also to Note 19):

General funds

RACP Foundation funds

Fair value through other comprehensive income: and

Foreign exchange translation reserves

s. Foreign currency

All foreign currency transactions are shown in Australian dollars.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at balance date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rate prevailing at the date the fair value was determined.

Exchange differences are recognised in profit and loss in the period they occur.

Foreign currency operations

The assets and liabilities of the College's New Zealand operations are translated at the exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising, if any, are recognised in the foreign currency translation reserve.

3. Revenue

	2019 \$	2018 \$
General fund		
Externally funded grants	2,548,329	2,208,200
Registration and workshop fees	1,000,408	1,189,693
Advertising & publication income	658,974	522,608
Administrative fees & recoveries	305,423	248,223
Other	177,316	31,838
Total other revenue (General fund)	4,690,450	4,200,562

4. Expenses

	2019 \$	2018 \$
General fund		
Rent and outgoing/occupancy cost	770,161	3,435,051
Lease Interest Expense	373,282	-
Repairs and maintenance	257,217	395,527
Depreciation and amortisation	4,703,989	2,258,870
Printing, publication and postage	1,966,244	1,911,745
Contract, professional & consulting fees	5,200,726	3,598,918
Bank and investment management fees	826,227	760,990
Web hosting and information technology consumables	454,821	417,568
Insurance expense	130,512	112,700
General office stationery	697,255	596,553
Telephone	240,972	267,560
Training tools, development & delivery	31,132	-
IT hardware and software maintenance and support	1,963,636	1,452,848
Hospital assessment costs (Clinical exams)	804,931	674,410
OTP interview fees paid to Fellows	85,199	93,850
Bad and doubtful debt provision	92,784	310,595
Other expenses	616,607	368,506
Total other expenditure (General fund)	19,215,695	16,655,691

5. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and on hand	13,558,425	57,557,649
Short-term deposits with financial institutions	26,118,646	8,669,480
Total cash and cash equivalent	39,677,071	66,227,129

Restricted funds

Cash and cash equivalents includes \$27,954,246 (2018 \$50,923,836) held by the College for distribution to third parties or for a specific purpose under contractual arrangements with government departments. These funds are not available for general working capital requirements. Unexpended funding at year-end is disclosed in Note 13.

Also included in the balance is RACP Foundation funds of \$2,115,656 (2018 \$1,437,590). RACP foundation is not a separate entity but an activity of the College. RACP Foundation monies are part of the College funds. These funds have not been used for the general working capital requirements.

6. Trade and other receivables

	2019 \$	2018 \$
Trade and other debtors	5,179,629	5,076,766
Less: provision for impairment	(303,477)	(448,750)
Other accrued income	857,578	1,034,213
	5,733,730	5,662,229

Reconciliation of allowance for credit losses

Opening balance as at 1 January 2019	448,750
Less	
Prior year debts collected	(206,064)
Debts written off against provision	(238,469)
Add provision for impairment	299,260
	303,477

7. Other current assets

	2019 \$	2018 \$
Prepaid expenses	1,581,400	1,172,661

8. Other financial assets

	2019 \$	2018 \$
Current		
Bank bills and term investments	1,239,761	2,753,002
Financial assets at fair value through other comprehensive income (FVOCI)	3,360,177	3,948,151
	4,599,938	6,701,153
Non-current		
Bank bills and term investments	66,037	66,037
Financial assets at fair value through other comprehensive income(FVOCI)	100,993,743	85,207,682
	101,059,780	85,273,719

Restricted funds

The current at fair value through other comprehensive income financial assets includes funds for RACP Foundation \$2,353,489 (2018 \$2,276,889) and is not available for general working requirements.

The non-current at fair value through other comprehensive income financial assets also includes funds for RACP Foundation \$47,364,445 (2018 \$44,289,749).

RACP Foundation is not a separate entity but an activity of the College. RACP Foundation financial assets are part of the College funds. These funds have not been used for the general working capital requirements.

9. Property, plant and equipment

Cost	Land and Building \$	Leasehold Improvements \$	Furniture, Fixtures and Fittings \$	Plant and Equipment \$	IT Hardware \$	Total \$
Balance at 31 December 2018	5,632,949	2,537,659	2,548,066	1,506,944	4,182,959	16,408,577
Additions	-	10,678	46,053	124,892	850,887	1,032,510
Disposals	-	-	-	-	(4,329)	(4,329)
Balance at 31 December 2019	5,632,949	2,548,337	2,594,119	1,631,836	5,029,517	17,436,758

Accumulated depreciation

Balance at 31 December 2018	2,996,211	1,291,120	1,465,976	934,982	3,563,691	10,251,980
Depreciation expense	120,952	350,787	196,355	85,782	406,912	1,160,788
Disposals	-	-	-	-	(4,137)	(4,137)
Forex translation	(5,401)	-	(2,234)	(164)	(33)	(7,832)
Balance at 31 December 2019	3,111,762	1,641,907	1,660,097	1,020,600	3,966,433	11,400,799

Net carrying amount

at 31 December 2018	2,636,738	1,246,539	1,082,090	571,962	619,268	6,156,597
2018 Fixed Assets under construction						141,713
						6,298,310
at 31 December 2019	2,521,187	906,430	934,022	611,236	1,063,084	6,035,959
2019 Fixed Assets under construction						990,255
						7,026,214

10. Intangibles

	2019 \$	2018 \$
Software (Intangibles)		
Balance at the beginning of the year	1,925,894	2,843,797
Acquisition	46,521	26,914
Amortisation	(791,596)	(944,817)
Balance at the end of the year	1,180,819	1,925,894

11. Right of use assets

	2019 \$	2018 \$
Balance at the beginning of the year	9,484,806	
Additions	-	
Depreciation	(2,751,709)	
Balance at the end of the year	6,733,097	

The College has recognised right of use assets from 1 January 2019 in accordance with the adoption of AASB 16. Refer Note 2a.

12. Other non-current assets

	2019 \$	2018 \$
Library		
At cost	1,085,621	1,084,480
Paintings, antiques and historical objects		
At cost	364,072	364,072
Total other non-current assets	1,449,693	1,448,552

13. Trade and other payables

	2019 \$	2018 \$
Trade creditors and other payables	1,833,294	3,036,413
Accruals	7,718,543	6,017,983
Service obligation liabilities for subscriptions, exam fees and application to fellowship fees	16,120,215	14,958,484
Unexpended funds	28,645,709	50,379,001
Total trade and other payables	54,317,761	74,391,881

14. Provisions

	2019 \$	2018 \$
Current		
Employee entitlements	3,278,229	2,800,924
Total current provisions	3,278,229	2,800,924
Non-current		
Employee entitlements	241,819	268,038
Total non-current provisions	241,819	268,038
	3,520,048	3,068,962

15. Lease liabilities

	2019 \$	2018 \$
Current	2,562,587	
Lease Liabilities	2,562,587	
Non-current	4,738,707	
Lease Liabilities	4,738,707	
Total Lease Liabilities	7,301,294	

The College has recognised lease liabilities from 1 January 2019 in accordance with the adoption of AASB 16. Refer Note 2a.

Lease liabilities (2019 commitments)		
Not later than one (1) year	2,562,587	2,575,759
Later than one (1) year and not later than two (2) years	2,634,466	2,567,694
Later than two (2) years and not later than five (5) years	2,104,241	4,507,241
	7,301,294	9,650,694

16. Reconciliation of cash

	2019 \$	2018 \$
Net surplus for the year	2,303,899	3,023,850
Add/(subtract) non-cash items		
Depreciation of property, plant and equipment	1,160,684	1,314,052
Amortisation of intangibles	791,596	944,817
Right of use asset amortisation	2,751,709	-
Lease interest shown as Financing	373,282	-
Add/(subtract) investing activities		
(Profit)/loss on disposal of property, plant and equipment	192	66,888
(Profit)/loss on sale of investments	(1,587,873)	90,774
Investment distributions re-invested	(4,002,720)	(3,556,820)
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	(484,878)	(1,235,086)
Increase/(decrease) in trade and other creditors and accruals	(19,733,093)	19,785,906
Increase/(decrease) in provisions	450,220	196,614
Net cash provided by operating activities	(17,976,982)	20,630,995

17. Commitments and contingencies

a. Capital expenditure commitments

There is no known capital commitment.

b. Contingencies

Contingent liabilities exist in relation to claims as a result of the College's cancelled computer-based Divisional Written Examination in Adult Medicine and Paediatric and Child Health on 19 February 2018. The extent of the contingent liabilities is uncertain, and maybe material. The College considers its potential claims and compensatory amounts received and potentially receivable in relation to this matter, are likely to reduce any contingent liabilities.

c. Events after the Balance Date

Since year end as a result of the recent the volatility in financial markets, the fair value of the investments disclosed at Note 8 have declined by \$1.8M. This amount is not adjusted in the 2019 financial statements. There have been no other events after the reporting period.

18. Related parties and related party transactions

a. Directors

Directors of the College in office during the year are disclosed in the Corporate information that accompanies these financial statements.

b. Directors' transactions

The Directors act in an honorary capacity and receive no compensation for their services as Directors. During the year travel expenses incurred by the Directors in fulfilling their role were reimbursed to the Directors if not paid directly by the College. The College also paid legal expenses of \$28,497 (2018: \$64,712) incurred by some Directors for their legal advice regarding matters considered to be related to the College.

c. Related party transactions

The College provides services and accommodation to a number of Specialty Societies and some provide services back to the College and members of the College may be members of these Societies. During the year the College received \$235,755 (2018 \$211,099) for rent and outgoings from the Specialty Societies.

Members of the Board are Fellows of the College and may be members of Specialty Societies. All transactions of Board members as individual Fellows are on terms applicable to all members of the College. Transactions with Specialty Societies are referred to above.

In-kind services and contributions provided by all members and Specialty Societies, including Board members are not brought to account in the financial statements as the fair value of such contributions could not be reliably measured.

d. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College, directly or indirectly, including any Director of the College.

The aggregate compensation made to key personnel is set out below.

	2019 \$	2018 \$
Total compensation	3,275,055	3,816,021

19. Details of funds

General funds

The amounts held in the general funds are used to finance the operations of the College

	2019 \$	2018 \$
General Funds		
Balance, 1 January	48,806,540	45,886,927
General Fund surplus	384,119	2,919,613
Balance, 31 December	49,190,659	48,806,540

RACP Foundation funds

The amounts held in the RACP Foundation funds reserve are intended for the use of the College in financing awards and grants in research activities in Australia and New Zealand.

	2019 \$	2018 \$
RACP Foundation Funds		
Balance, 1 January	45,216,638	45,112,401
RACP Foundation Fund surplus	1,919,780	104,237
Balance, 31 December	47,136,418	45,216,638

Reserves

The amounts in the reserves represent the unrealised gains resulting from movements in the fair value of the investment portfolio accounted for as General funds and RACP Foundation funds, and movements in exchange rates.

RACP Foundation is not a separate entity but an activity of the College. Funds accounted for in the RACP Foundation funds reserve are part of the College funds.

20. Limitation of Fellows' liability

The College is a company limited by guarantee; in accordance with the Constitution, the liability of each Fellow in the event of the College being wound up would not exceed \$50.

21. Fundraising

The College holds an authority to fundraise under the *Charitable Fundraising Act 1991* (NSW). The College has disclosed the fundraising income statement below in respect of fundraising activity conducted with non-members. Proceeds from members are not considered to be fundraising activity in accordance with the *Charitable Fundraising Act 1991* (NSW) and therefore not included in the information below.

(a) Details of aggregate fundraising income and expense from fundraising appeals (from non-members)

	2019 \$	2018 \$
Gross Income from Fundraising	360,000	433,749
Cost of Fundraising	-	(156)
Funds expended for awards	(360,000)	(414,990)
Net Surplus from Fundraising	-	18,603

(b) Accounting Principles and Methods adopted in Fundraising accounts

The fundraising financial statements have been prepared on an accrual basis and in accordance with Australian Accounting Standards as per Note 2.

(c) Information on Fundraising Activities

The College has included in the total cost of fundraising the administration expenses of the Fundraising department. The fundraising income only includes contributions made by non-members and hence the expense is prorated between the contributions made by members and non-members.

22. Other information

The registered office and principal place of business is:
145 Macquarie Street
Sydney NSW 2000

Responsible Entities' Declaration

The Responsible Entities of The Royal Australasian College of Physicians declare that:

- 1) The financial statements and notes of the College are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including;
 - a. giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the financial year ended on that date;
 - b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- 2) there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

Signed in accordance with the resolution of the Board of The Royal Australasian College of Physicians.

For and on behalf of the Board.



Mark Lane

Director

12 March 2020



Antonio Tenaglia

Director

12 March 2020

Declaration by Responsible Member of the Governing Body

I, Peter McIntyre, the Chief Executive Officer of The Royal Australasian College of Physicians (the College) declare that in my opinion:

- a) The financial statements and notes thereto for the year ended 31 December 2019 give a true and fair view of all income and expenditure of the College with respect to fundraising appeals;
- b) The Statement of Financial Position as at 31 December 2019 gives a true and fair view of the state of affairs with respect to fundraising appeals;
- c) The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with; and
- d) The internal controls exercised by the College are appropriate and effective in accounting for all income received.



Peter McIntyre

Sydney, 12th day of March 2020

Independent Auditor's Report

To the Members of The Royal Australasian College of Physicians

Report on the audit of the financial report

Opinion

We have audited the financial report of The Royal Australasian College of Physicians (the "College" or "Registered Entity"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Entities' declaration.

In our opinion, the accompanying financial report of The Royal Australasian College of Physicians is in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 ("ACNC Act"), including:

- a) Giving a true and fair view of the Registered Entity's financial position as at 31 December 2019 and of its performance for the year ended on that date;
- b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013;
- c) The financial report gives a true and fair view of the financial result of fundraising appeals of The Royal Australasian College of Physicians for the year ended 31 December 2019, in accordance with the requirements of the Charitable Fundraising Act 1991 (NSW);
- d) The financial statements and associated records of The Royal Australasian College of Physicians have been properly kept during the year, in all material respects, in accordance with the Charitable Fundraising Act 1991 (NSW) and its Regulations;
- e) Monies received by The Royal Australasian College of Physicians, as a result of fundraising appeals conducted during the year ended 31 December 2019, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations; and
- f) There are reasonable grounds to believe that The Royal Australasian College of Physicians is able to pay its debts as and when they fall due.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the College in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Responsible Entities for the financial report

The Responsible Entities are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulation 2015. This responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Entities either intend to liquidate the College or to cease operations, or they have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.
- Conclude on the appropriateness of the Responsible Entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter
Partner – Audit & Assurance

Sydney, 12 March 2020

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RACP
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