



The Royal Australasian
College of Physicians

ANNUAL REPORT 2014

RACP 2014 ANNUAL REPORT

OUR MOTTO /

HOMINUM SERVIRE SALUTI -
TO SERVE THE HEALTH OF
OUR PEOPLE

OUR VISION /

STRIVING FOR EXCELLENCE
IN HEALTH AND MEDICAL
CARE THROUGH LIFELONG
LEARNING, QUALITY
PERFORMANCE & ADVOCACY

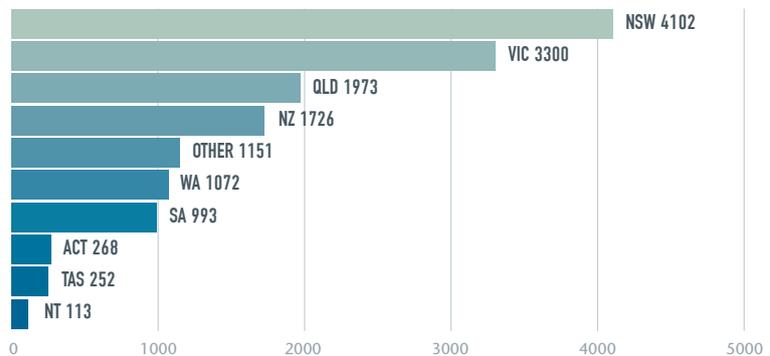
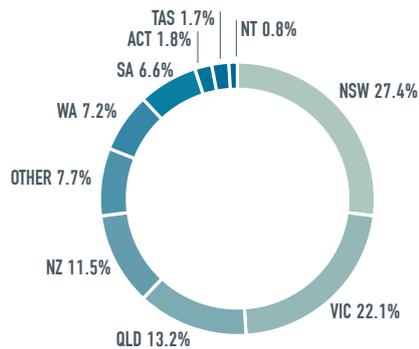
OUR VALUES /

PROFESSIONALISM,
EXCELLENCE, ADVOCACY,
COLLABORATION

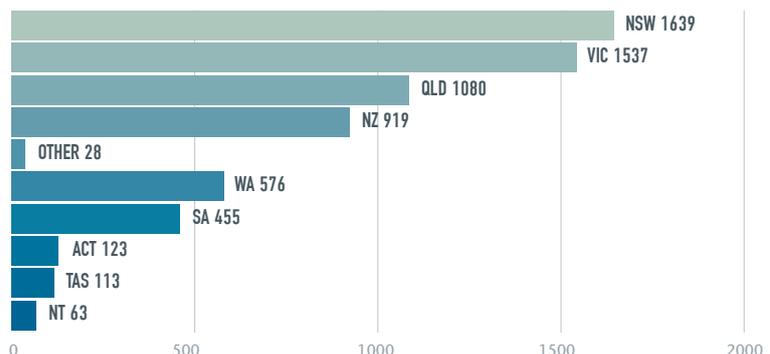
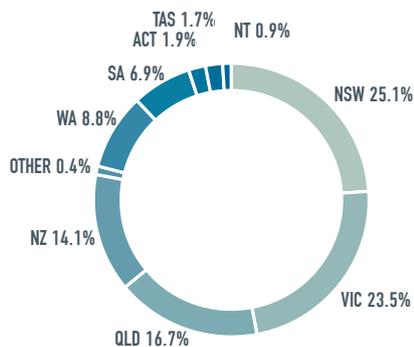
THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS (RACP) TRAINS, EDUCATES AND ADVOCATES ON BEHALF OF MORE THAN 14,950 PHYSICIANS - OFTEN REFERRED TO AS MEDICAL SPECIALISTS - AND 6,530 TRAINEES ACROSS AUSTRALIA AND NEW ZEALAND.

The College represents more than 34 medical specialities including paediatrics and child health, cardiology, respiratory medicine, neurology, oncology, public health medicine, occupational and environmental medicine, palliative medicine, sexual health medicine, rehabilitation medicine, geriatric medicine and addiction medicine. Beyond the drive for medical excellence, the RACP is committed to developing health and social policies which bring vital improvements to the wellbeing of patients.

FELLOWS



TRAINEES



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to the Members of the
Royal Australasian College
of Physicians

PRESIDENT'S MESSAGE



Dear Colleagues

2014 has been a year of substantial change for The Royal Australasian College of Physicians (RACP, the College), with a new President, Board and Chief Executive Officer.

I was honoured to be inaugurated as the 39th President of the RACP at Congress in Auckland in May. I would like to thank my predecessor, Associate Professor Leslie E Bolitho AM, for his contribution and leadership. I very much look forward to building on the solid foundation set by my predecessors over the course of my term.

As a Board, we have taken time to focus on ensuring our College can remain relevant for a future that is defined by increasing competition, changing community health care needs and a more complex operating environment. Our six strategic priorities help us do this. This report reflects the investment, activities and outcomes that have been realised against these priorities during 2014.

Underpinning our strategic focus are our Fellow and Trainee Members (members). Increasing member value by streamlining our service delivery is one of the College's key priorities. Providing a greater member experience - from improving interactions with the College to implementing innovative continuing professional development (CPD) and education resources - are vitally important and at the heart of everything we do.

THE PREFERRED EDUCATOR

Our core business is to train physicians of the future. In 2014, we completed our first major reaccreditation review with the Australian Medical Council and the Medical Council of New Zealand to ensure the quality of physician training continuously improves and its high standards are maintained. On behalf of the Board, I would like to thank members for their involvement, continued collaboration and contribution to this important process.

The College also successfully completed a major review of education governance to improve education oversight and decision-making efficiency and effectiveness.

SHAPING THE MEDICAL WORKFORCE STRATEGY

The new Board and I have been able to continue the strong work of our outgoing colleagues. The Board has accelerated, strengthened and enhanced valuable relationships with key stakeholders, in particular the specialty societies. Collectively, our organisation foci are not dissimilar. We aim to support our profession with robust health policies and advocacy, provide quality accredited education and training and above all, ensure members can focus on delivering the highest quality patient care.

I have made a personal commitment on behalf of members to foster productive and collaborative partnerships with each of the Specialty Societies and I am pleased to have met with a number of society Presidents during 2014. In November the RACPs' Adult Medicine Division held a strategy session to discuss a number of areas of mutual interest including education, capacity to train, workforce planning, continuing professional development and policy and advocacy. Ideas formulated at the session will be developed further in 2015.

A RESPECTED SUPPORTER OF RESEARCH

It is our duty to ensure that we foster the next generation of physician-scientists, a platform that I am personally dedicated to and spoke extensively about at many formal engagements I attended as President in 2014. I am proud of the efforts of our College and the financial assistance we offer our members through the RACP Foundation to pursue their research endeavours.

In 2014, the RACP Foundation made available more than \$3 million in research grants, scholarships and fellowships, and \$120,000 in prizes for meritorious achievement and excellence.

SHAPES THE HEALTH POLICY AGENDA

With the continued support of members, we have strengthened our reputation as an advocate, voiced our views on the need to improve health outcomes for our communities; whilst actively seeking to influence governments on health policy.

Some of our key policy and advocacy initiatives for 2014 include:

Indigenous health

The increased burden of chronic disease is a significant cause of the continuing gap in life expectancy between Indigenous and non-Indigenous Australians. Despite their significant and persistent complex health care needs, Aboriginal and Torres Strait Islander peoples also encounter many barriers to accessing specialist medical care. The College led a roundtable discussion with 35 Indigenous health experts to discuss how access to specialist care for Aboriginal and Torres Strait Islander peoples could be improved. This resulted in a consensus statement calling for a national framework to ensure timely access to high-quality, culturally safe specialist medical care.

In 2014, the College, through the RACP Foundation, offered seven scholarships for Aboriginal and Torres Strait Islander and Māori medical graduates and trainees to fund training in 2015 through Basic, Advanced and Faculty training.

Asylum seekers

Throughout the year, the College and our members repeatedly called on the Australian Government to stop the detention of asylum seekers and uphold basic human rights relating to the health and wellbeing of those in detention. There is clear evidence that detention causes significant harms to people, and the College strongly maintains it cannot be condoned.

End of Life

Modern medical care focuses on rapid investigation, diagnosis, treatment and cure with systems designed around delivering specialist care with a strong focus on the treatment of a single organ or group of disease rather than holistic patient-centred care. Some health professionals may feel they have a duty to prolong life at all costs and as a result may see the death of a patient as a 'failure' on their part. They may feel ill equipped or uncomfortable having difficult conversations with patients and we know many physicians and families will be unaware of patients' treatment preferences at the end of life. A Working Party was formed to guide our efforts to improve end of life care for all patients in Australia and New Zealand.

Paediatrics & Child Health

Our College voiced its opinions on paediatric health issues ranging from the marketing of infant formula and vitamin confectionery to the physical punishment of children. We also expressed great concern about self-harm among Australia's children and young people and called for the release of all children from immigration detention.

A ROBUST AND EFFECTIVE COLLEGE

College Reform continues to be a priority of the Board and 2014 saw significant member consultation on the topic in Australia and New Zealand. Steps are now being taken to design a governance model that ensures a sustainable College beyond 2025.

The proposed reforms had their genesis in Board strategy days held in June 2014, where it was recognised that our College must be able to adapt and respond to the changing needs of our operating environment. We are also working in an ever more highly regulated and competitive environment across two national jurisdictions. The Board recognises its responsibility to continually review governance structures and to evolve the College to keep up with, and anticipate, real and strategic change. A smaller skills-based Board would build on its current effectiveness and provide greater accountability for decision making.

The Board is appreciative of members' time taken to participate in the College Reform consultation process. The membership will have an opportunity to further comment on these proposals in 2015.

CHIEF EXECUTIVE OFFICER APPOINTED

The Board is pleased to have appointed a new Chief Executive Officer, Ms Linda Smith. Linda's appointment followed a rigorous and competitive recruitment process across Australia and New Zealand to identify the best person to lead the College at this important time. Linda will continue to work with the Board to consolidate our existing programs and help us take the College forward with renewed vitality to support our mission of serving 'the health of our people'.

I would also like to acknowledge Dr Jennifer Alexander, who left in May 2014, for her hard work and contribution as Chief Executive Officer.

I am immensely pleased with all the College has achieved in 2014. Our successes would not have been possible without the hard work and pro bono support of so many of our members. Commitment from our Fellows and trainees through the many 10s of thousands of hours volunteered participating in College Committees and as supervisors, ensures that collectively, we can continue to deliver excellence in health and medical care for our communities and build a College for the future.



Laureate Professor Nicholas Talley
RACP President

CHIEF EXECUTIVE OFFICER'S REPORT



Dear Members

It was a great privilege to be appointed Chief Executive Officer of the College in 2014. I look forward to working with the Board and members to deliver on the College's strategic goals, and improve our operations.

2014 has been a significant year of change for the College. Operationally we have focused on supporting the Board with College Reform and communicating the Board's proposals to members.

Great effort was put into improving our education and training, and making it easier for members to access continuing professional development (CPD) resources and log CPD activities.

Work continued to improve our data systems through the Online System for College Administration and Reporting (OSCAR) project. OSCAR will make it easier for members to manage their membership and access information that is relevant to them. We also invested in improving members' experience when interacting with the College by establishing the Contact Centre. Providing a single point of contact for members within the College has allowed most inquiries to be dealt with immediately, rather than directed to various points across the College.

Work also commenced on improving the College's communication channels, which included the implementation of superior electronic newsletters, an enhanced member magazine (RACP News) and initiating the College's website project.

EDUCATION

One of the most significant achievements of 2014 was the review of the RACPs' education and professional development programs by the Australian Medical Council (AMC) and the Medical Council of Zealand (MCNZ).

As a training organisation and provider of specialist medical education, accreditation is vitally important to the College. It ensures that we can continue to strive for excellence in delivering high-quality medical education. Without it, the College is unable to train, educate and support the next generation of physicians.

What was collectively achieved during 2014 throughout the reaccreditation process is a great example of Fellows, trainees and staff working together. The collaboration, over many months, was outstanding. In October alone, the AMC/MCNZ assessment team met with around 100 College Fellows, trainees and staff. We look forward to receiving our accreditation results in early 2015.

MEMBER ENGAGEMENT - 75 YEARS OF EXCELLENCE

The central event for the College was RACP Congress, held in Auckland, New Zealand in May and attended by 831 delegates. During the ceremonial handover of the College Presidency by Associate Professor Leslie E. Bolitho AM to Laureate Professor Nicholas Talley, outgoing President, Associate Professor Bolitho AM, asked delegates to reflect on the qualities asked of physicians in their professional commitment and practice.

During College Ceremony, more than 200 trainees became Fellows of our College and Honorary Fellowship was conferred on Mr Geoffrey Laurence and Professor Ron Paterson as persons of international eminence who have made major contributions to the College as Board Directors.

OSCAR

OSCAR will bring the College's administration and reporting functions under one contemporary online platform and provide members with:

- enhanced management of continuing professional development activities
- easier tracking of training progress and requirements
- preference selection that allows profile management and subscribing to particular College communications
- the ability to maintain details online at any time
- improved data integrity and security

OSCAR is a significant project that will transform the way we work together and improve the member experience for all Fellows and trainees.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank my predecessor, Dr Jennifer Alexander for her contribution to the College over several years as Chief Executive Officer, leading the Senior Leadership Group and staff in Australia and New Zealand. I would also like to thank Business, IT and Finance Director, Mr Walter Edgar who left the College in 2014 after more than 5 years of dedicated service.

Our many achievements would not be possible without the unwavering support of our Fellow and trainee members, who generously contribute their time and expertise across many areas of the College. I would also like to acknowledge and thank our staff in Australia and New Zealand for their significant contribution, professionalism and hard work towards the collective achievement of our six strategic priorities. This would not be possible without the strong guidance of the College's Senior Leadership Group (SLG). I would like to thank members of the SLG including Professor Richard Doherty, Dean, Dr Marie-Louise Stokes, Director Education, Ms Caroline Turnour, Director Policy & Advocacy, Mr Michael Smith, Company Secretary and acknowledge Interim Director, Fellowship Relations Dr Kate More and Interim Chief Financial Officer Mr Pat Reddy. I would also like to thank Mr Greg Porter, who joined the College in May 2014 as Interim Chief Information Officer.

The focus of 2014 has been to continuously enhance the services delivered to members and to position the College as robust and effective, with a sustainable future. I thank staff for their dedicated delivery and their commitment to supporting the College to achieve its vision.

Linda Smith

Ms Linda Smith

Chief Executive Officer



Delegates at the Future Directions in Health RACP Congress in Auckland, New Zealand

RACP VISION 2013–2016

**IT IS THE VISION OF THE RACP TO
STRIVE FOR EXCELLENCE IN HEALTH
AND MEDICAL CARE THROUGH LIFELONG
LEARNING, QUALITY PERFORMANCE
AND ADVOCACY.**

In order to achieve this vision, the RACP seeks to position itself as sustainable into the long term future by becoming more strategic in its focus, relevant and transparent to its members, credible to external stakeholders and enhancing the professional capability of its workforce, both paid and voluntary, and systems.

This report addresses progress towards this vision against the RACPs' 6 strategic goals.

STRATEGIC GOALS

GOAL 1 / RACP IS THE PREFERRED EDUCATOR AND ASSESSOR OF PHYSICIAN PERFORMANCE

- 01 / clearly define educational governance
- 02 / implement the Educational Resources Strategy
- 03 / set standards for physician performance
- 04 / actively support the delivery of workplace-based training and supervision
- 05 / understand the continuum of physician learning needs over a career and use it to plan the provision of learning resources offered by the College
- 06 / provide leadership in the development of revalidation processes

GOAL 3 / RACP IS A RESPECTED SUPPORTER OF RESEARCH

- 01 / develop and implement the RACP Research Strategy
- 02 / ensure sustainable funding for research
- 03 / encourage research integration into all facets of healthcare

GOAL 5 / RACP IS ABLE TO SHAPE THE HEALTH POLICY AGENDA

- 01 / review and strengthen the College Policy & Advocacy Committee (CPAC) to provide effective policy governance for the RACP that clarifies and articulates College policy
- 02 / articulate the College's commitment to improving health outcomes for the Indigenous populations of Australia and New Zealand, and promote access to specialist care
 - support Indigenous doctors through training and professional development
 - strengthen the cultural competency and awareness of College members, staff and committees

GOAL 2/ RACP SHAPES THE MEDICAL WORKFORCE STRATEGY

- 01 / build RACP capacity to address workforce issues
- 02 / collaborate with Government and others to develop the workforce needs of the future
- 03 / collect Member/workforce data
- 04 / develop a recognised leadership role in medical workforce policy

GOAL 4 / PROVIDE VALUE FOR MEMBERS

- 01 / develop a clear articulation of the College's offerings to members, taking into account the feedback from the member survey
- 02 / tailor communication to members

GOAL 6/ A ROBUST AND EFFECTIVE COLLEGE

- 01 / progressively review College governance, including the structures of Faculties, Divisions and Chapters to ensure consistent and effective governance of the College, while also recognising the diversity in the College and the key relationships with the Specialty Societies
- 02 / sustain the pro bono model by supporting Fellow involvement
- 03 / strengthen the capability of the College to meet future requirements, including the capability of its workforce (both employed and voluntary), culture, workplace health and safety, and its business model



**GOAL 1/
RACP IS THE PREFERRED
EDUCATOR AND ASSESSOR
OF PHYSICIAN PERFORMANCE**

Dr Daryl Ooi, Advanced Trainee, Cardiology

THE RACP HAS 61 ACTIVE TRAINING PATHWAYS, SEVEN FELLOWSHIPS, EIGHT SPECIALTIES, 34 FIELDS OF SPECIALTY PRACTICE (AUSTRALIA), NINE VOCATIONAL SCOPES OF PRACTICE (NEW ZEALAND) AS WELL AS A MYRIAD OF CONTINUING PROFESSIONAL DEVELOPMENT ACTIVITIES FOR MEMBERS.

2014 SAW THE COLLEGE UNDERTAKE A MAJOR REACCREDITATION REVIEW WITH THE AUSTRALIAN MEDICAL COUNCIL AND THE MEDICAL COUNCIL OF NEW ZEALAND. ACCREDITATION PROVIDES EXTERNAL QUALITY ASSURANCE OF THE COLLEGE'S SPECIALIST TRAINING PROGRAMS.

COLLEGE RE-ACCREDITATION

In 2014, the Australian Medical Council (AMC) and the Medical Council of New Zealand (MCNZ) assessed the College's education and training programs. The primary objective was to provide external assurance of the quality of specialist medical education programs. The College's Accreditation Submission provided a detailed account of how the College meets accreditation standards and criteria.

Accreditation evaluations undertaken by the AMC and MCNZ included:

- eighteen site visits to selected hospitals across Australia and New Zealand
- surveys of College trainees and supervisors
- visits by the AMC and MCNZ assessment teams to the College in October for meetings with more than 100 Fellows, trainees and staff
- assessment team discussions with attendees at RACP Congress in Auckland
- observing a range of other College meetings and events

The College received initial positive feedback through a statement of preliminary findings from the AMC in December 2014, and expects to receive a full report on the AMC and MCNZ assessment in March 2015.

EDUCATION GOVERNANCE REVIEW

The purpose of the College Education Governance Review was to:

- streamline the number and size of relevant committees
- clearly define roles, responsibilities, delegations and reporting lines for relevant committees involved in education and training, continuing professional development and assessment of Overseas Trained Physicians (OTP)
- achieve greater consistency and transparency through development of education policies and standards
- improve education oversight, governance and decision-making efficiency and effectiveness

To date significant progress has been made. The College Education Committee was streamlined and reconstituted in 2013. Cross-College CPD and OTP committees were established for Australia in 2014, consolidating previous multiple committee structures. An Advanced Training Forum was established to discuss important topics in education and training across the different Advanced Training Groups. The Advanced Training Forum also considered Capacity to Train and Assessment.

Another area of progress is greater interaction, collaboration and alignment with respect to education and training issues across Australia and New Zealand. Basic Training Committees have also been established in each Division and are charged with oversight of the Basic Training program, freeing up the Division Education Committees to take a more strategic oversight role over the continuum of Basic and Advanced Training.

ELEARNING@RACP

The eLearning@RACP site is the College's repository for online resources. Five eLearning resources were approved for development over 2014-2015:

- Communication Skills
- Research Projects
- Practical Skills for Supervisors (Supervisor Professional Development Program)
- Telesupervision
- Physician Readiness for Expert Practice (PREP) on-the-go videos

SUPERVISOR PROFESSIONAL DEVELOPMENT PROGRAM

During 2011 the College conducted the Physician Readiness for Expert Practice (PREP) consultation to gather feedback from Fellows and trainees around Australia and New Zealand on the rollout and implementation of the PREP program. The overwhelming message received was the need for supervisors to be supported particularly in relation to supervisor education.

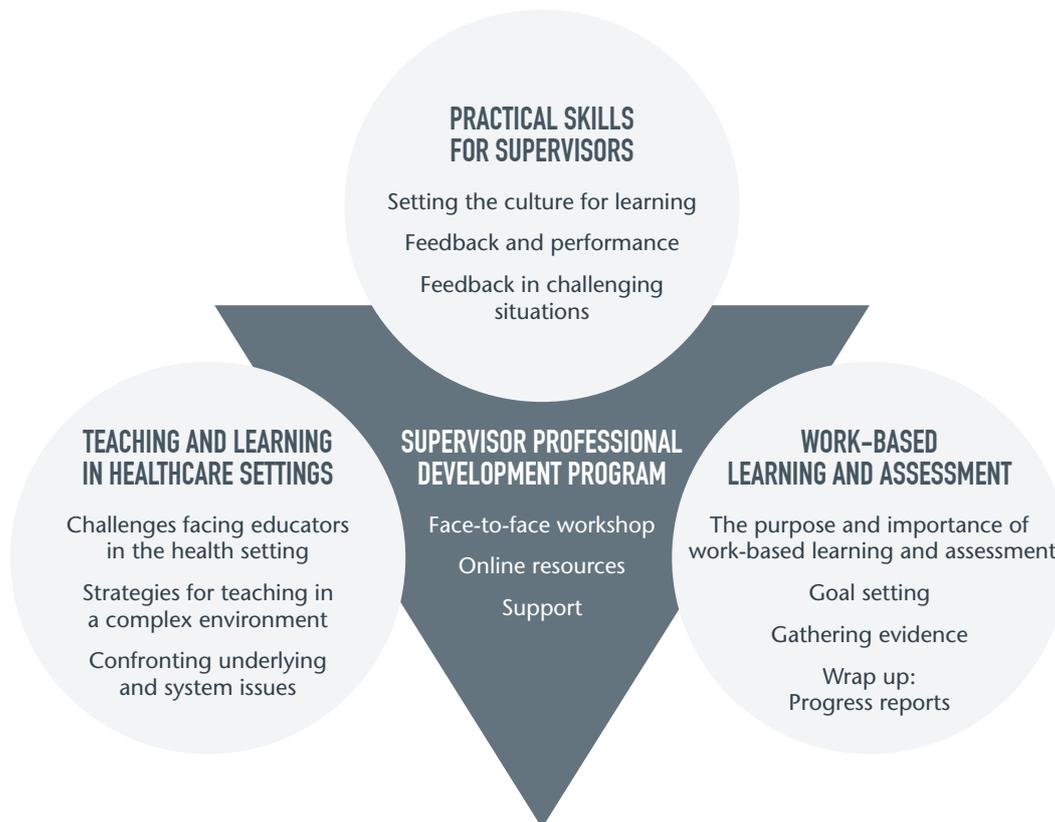
To address this, a supervisor support strategy was developed that outlines the activities the College will undertake between 2012 and 2016. The Supervisor Professional Development Program (SPDP) was launched in pilot form in 2012 and entered its first year of full operation in 2014.

The SPDP comprises three, three hour workshops designed to provide supervisors of the College with the core skills they need to enable them to effectively train trainees. The diagram below outlines the workshop topics.

Supervisors attend these face-to-face workshops in their workplace or at Annual Scientific Meetings. Workshops are led by trained facilitators who are supervisors and Fellows of the College.

The feedback from these workshops has been positive. Some quotes from supervisors include:

- *"It highlights some common sense principles that we often let go of when we are "too busy" or "stressed". It gives realistic scenarios and reminds us of the importance of how our communication and teaching can be interpreted and taken by others."*
- *"Encourages more reflection and healthier teaching environment. It is a process that is never taught. Great to have a framework and mindset to approach it."*





Participants at the Supervisor Professional Development Program workshop held during RACP Congress in Auckland.

IMPROVED CONTINUOUS PROFESSIONAL DEVELOPMENT

Continuous professional development (CPD) tools were further developed to allow physicians to demonstrate the standard of their professionalism and performance.

The New Zealand CPD Committee has developed a practice review process and tools that meet the needs of physicians. The first trial, led by Dr Tony Scott, with cardiologists at North Shore Hospital in Takapuna, North Shore City, is now in its second year. Regular Practice Review (RPR) tools and the first report of the RPR pilot were also published online in 2014. In 2015, the Committee will pursue development of multi-source feedback methods to support peer review in New Zealand.

SUPPORTING PHYSICIANS' PROFESSIONALISM AND PERFORMANCE (SPPP)

The SPPP team delivered a 10 week online program on professional behaviour using the technique of spaced education with material prepared by a group of Fellows, and then delivered to a larger group of volunteer participants. The program was oversubscribed and rated very highly in evaluations.

OVERSEAS TRAINED PHYSICIANS

The College's Overseas Trained Physician (OTP) Assessment Unit manages the assessment for specialist registration of physicians and paediatricians who have gained their specialist qualifications overseas. The decisions of the OTP Unit determine which overseas trained physicians can work in Australia and can have a real impact on health service delivery and quality of care in the Australian health system.

At any one time there are about 350 OTPs in assessment in Australia. In 2014, 70 completed assessment and joined the College as Fellows. The OTP Unit also assessed 140 applications from international medical graduates for short-term training positions in Australia.

In New Zealand, the College acts as an advisory body to the MCNZ in assessing OTPs for vocational registration. The MCNZ determines registration. In 2014, 37 OTPs were assessed by the College on behalf of the MCNZ. The New Zealand OTP Assessment Committee approved 35 OTP Fellowship applications.

STREAMLINED OTP PROCESSES

In Australia, up-front costs for OTP applicants have been reduced by introducing staged payment of fees.

The Board approved a proposal to reduce the number of committees involved in assessment of OTPs. This unifies the governance of OTP assessment and will help ensure the efficiency, safety and consistency of decision-making that is expected by the Australian Health Practitioner Agency, applicants and the community.

NEW ZEALAND

There were several activities in New Zealand to assist members' professional development. These included:

- further enhancement of Cultural Competence Tools, which provide an overview of how cultural competence activities can be entered into MyCPD
- seventeen supervisor workshops held for more than 277 participants
- the extension of the status of Protected Quality Assurance Activity (MyCPD) by the New Zealand Ministry of Health until 2019

CULTURAL COMPETENCE

During 2014, the Māori Health Committee, with the Cardiac Society of New Zealand, developed a discussion paper on the importance of physicians' cultural competence. It is in the context of dealing with acute rheumatic fever patients and their families. Māori are significantly overrepresented in the statistics for rheumatic fever.

The paper gives physicians the opportunity to consider cultural competence in their daily practice and initiate discussion on ways they can improve their approach to treating Māori patients.

The Māori Health Committee and the New Zealand CPD Committee also developed guidance to support physicians' cultural competence and to support Māori engagement with the health system.



Left to right: Winthrop Professor Fiona Lake and Dr Fiona Horwood at the Supervisor Workshop, held in New Zealand in May

SUPPORTING SUPERVISORS



There were more than 4585 College Fellows engaged in a formal supervisory role within the Divisions, Faculties and Chapters across Australia and New Zealand during 2014. The College has committed to establishing an integrated system of support for supervisors to ensure they have the skills, backing and tools to deliver quality training.

The College is continuing to implement its five-year Supervision Strategy (2012-2016) with a focus on six key areas:

- engagement
- support
- policy
- rewards and recognition
- training
- research and evaluation

With an initial focus on training, the design, development and progressive rollout of the comprehensive Supervisor Professional Development Program (SPDP) has been well received by the 30 per cent of supervisors who had completed Workshop 1 by the end of 2014.

A large majority (97 per cent) of the 1000 attendees of Workshop 1 reported that the content 'met their learning needs', confirming that the College is 'on the right track' with this approach in terms of its relevance for supervisors.



GOAL 2/ RACP SHAPES THE MEDICAL WORKFORCE STRATEGY

Dr Josh Francis, paediatrician and infectious diseases specialist

IN 2014, A HORIZON PAPER COMMISSIONED BY THE AUSTRALASIAN FACULTY OF REHABILITATION MEDICINE CONSIDERED STRATEGIC DRIVERS, MARKET SUPPLY AND DEMAND, AND THE WORKFORCE. A STRATEGIC RESEARCH PROJECT ON RURAL AND REGIONAL MEDICAL WORKFORCE ENTRY AND RETENTION WAS COMPLETED.

OPTIMISING THE CAPACITY TO TRAIN

The number of physician trainees has doubled in Australia and increased by 60 per cent in New Zealand since 2004. As the largest medical college in Australasia, the RACP is facing the challenge of ensuring that the pressure of increasing numbers of medical graduates does not adversely affect the quality of physician training. To address this, the RACP is developing strategies to ensure that health care and education systems have sufficient capacity to train specialist medical trainees to become competent independent practitioners.

A consultation paper outlining the pressures on the capacity to train medical specialists from the College's perspective was developed in 2014. The paper set out a proposed action plan that identified five key strategies for optimising the capacity to train. Intended as an aid for collaborative discussion and strategy development, this paper was disseminated to targeted College committees and the broader membership for feedback. External stakeholder consultation is planned for 2015.

ROBUST SELECTION INTO TRAINING

A College Education Committee working group developed and consulted on a draft Selection into Training Policy, which sets out principles, criteria and standards for selecting RACP trainees. A forum on selection into training was conducted in November 2014 drawing on outside expertise in the field of selection. This was to explore a future best practice methodology and process to underpin implementation of the draft policy.

The findings of the development and consultation work undertaken so far highlight the importance of stakeholder input and the complexities of introducing a standardised selection process across multiple jurisdictions within Australia and New Zealand.

A feasibility study is planned for 2015 to provide the Board with important information on the options available and the associated investment and implementation implications for each of these.

SPECIALIST TRAINING PROGRAM

The Specialist Training Program (STP) is an Australian Federal Government initiative designed to increase training posts for specialists outside traditional public teaching hospitals, providing an annual trainee salary contribution of \$100,000 per post. The posts allocated to the RACP (356) are estimated to represent an approximate ten percent increase in specialist training positions across RACP specialties and approximately 93 percent of all STP training in the RACP takes place in settings including private hospitals, rural and remote hospitals and community health.

The STP provides high quality training for doctors in the final stage of becoming medical specialists and hands-on experience across a broad range of patients and clinical situations and is specifically designed to support areas of workforce shortages. The program gives young doctors a training experience that aligns with the increasing move to delivering specialist care as part of an integrated multidisciplinary team. More than half of the RACPs specialist training positions rotate through rural and remote areas and nearly one quarter directly target need in Aboriginal and Torres Strait Islander communities.

REGIONAL WORKFORCE ENTRY AND RETENTION

In 2014 a strategic research project on Australian rural and regional medical workforce entry and retention was completed. This was funded by the Queensland Government and conducted for the College by the University of Queensland's Centre for Military and Veteran's Health.

The key findings from the project provided further insight into the complexity of attracting physicians to regional and rural practice. They also emphasise the importance and long-term value of providing training opportunities in these settings.



WESTERN AUSTRALIA STATE COMMITTEE ENSURES STREAMLINED TRANSITION FOR TRAINEES FOLLOWING THE OPENING OF FIONA STANLEY HOSPITAL

The opening of the \$2 billion Fiona Stanley Hospital between Perth and Fremantle was the focus of attention for Western Australian members in 2014.

The College's State Committee members worked closely with the Accreditation Unit to enable uninterrupted training for trainees during a period of significant organisational restructuring in the public health sector in Western Australia.

Fiona Stanley Hospital Emergency Department

DUAL TRAINING IN REGIONAL CENTRES

The NSW Dual Training project was initiated in 2014 with trainees in Dubbo (General and Acute Care Medicine and Respiratory Medicine) and Orange (General and Acute Care Medicine and Endocrinology). Both programs ran successfully over their first year and a subsequent trainee has begun in Dubbo for 2015. College staff conducted site visits to identify lessons arising from implementation at these locations. Discussions are continuing with New South Wales Health over possible extension of the project.

The Victorian Government has funded an equivalent program for introduction in 2016. A working party of the Victorian State Committee has conducted an application and selection process. Two health services have been chosen for this program.

HORIZON PAPER COMMISSIONED FOR AFRM

The Australasian Faculty of Rehabilitation Medicine commissioned a Horizon Paper (to 2030) that considered strategic drivers, market supply and demand factors and the workforce. It was distributed to Faculty members to stimulate discussion of several recommendations made to address key strategic priorities. These will be built upon in 2015.

RACP INDIGENOUS SCHOLARSHIP PROGRAM

The RACP Indigenous Scholarship Program was a major initiative for 2014. It provides a funded pathway through either Basic, Advanced, Faculty or Chapter training in Australia and New Zealand to those who identify as being of Aboriginal, Torres Strait Islander or Māori heritage.

The scholarships include:

- training fees
- supported attendance at RACP Congress each year during training
- examination fees
- small cash component to cover miscellaneous expenses

Work also commenced on a mechanism to assist Fellows find external funding opportunities for specific research projects that may not meet the priorities of major funding bodies but, with the endorsement of the College, may attract other philanthropic funding. Work will continue on this initiative in 2015.

WORKFORCE DATA REVIEW

The College is further analysing its historic workforce survey data, linking data records between the different surveys. This allows the development of a longitudinal picture of some aspects of the physician workforce spanning a 12 year period up to 2008.

In addition, information from the Australian National Health Workforce Dataset is being analysed to understand physician clinical activity by the location of practice and time committed. Equivalent data is being sought for New Zealand.

SPECIALIST TRAINING PROGRAM

BRINGS SPECIALIST CARE TO CHILDREN AND YOUNG PEOPLE

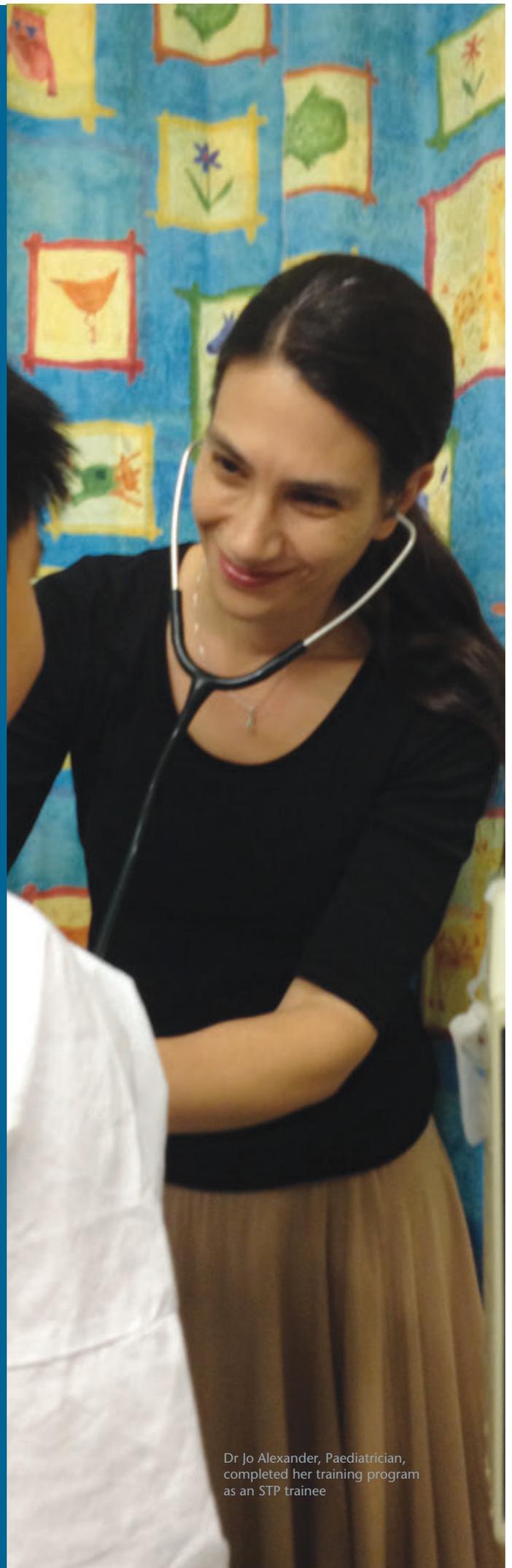
Specialist Training Program funding of eight positions in South Western Sydney has enabled services to be expanded to reach socially disadvantaged children and young people and their carers.

“We have been able to provide outreach paediatric clinics in the isolated rural Wollondilly Shire and in several socially disadvantaged urban communities...”

“The range and mix of clinical services has been expanded. This includes paediatric clinics for Aboriginal children, multi-disciplinary developmental screening clinics at multiple sites, and paediatric clinics for children and adolescents in out-of-home care.”

“The paediatric and public health trainees are of high calibre, and are by and large self-directed learners. Trainees bring enthusiasm and commitment to the team. This has had a positive effect on not only our team, but community child and family clinical services more generally.”

Associate Professor John Eastwood, Area Director of South Western Sydney Local Health District (SWSLHD) Community Paediatrics and Adjunct Associate Professor at the School of Public Health, University of Sydney.



Dr Jo Alexander, Paediatrician, completed her training program as an STP trainee



GOAL 3/ RACP IS A RESPECTED SUPPORTER OF RESEARCH

Left to right: Associate Professor Leslie E Bolitho AM presents Eric Susman Prize recipient Associate Professor Diane Fatkin with her medal at RACP Congress in May

IN 2014, THE BOARD APPROVED THE COLLEGE RESEARCH STRATEGY DEVELOPED BY THE COLLEGE RESEARCH COMMITTEE. THE STRATEGY FOCUSES ON THE EFFECTIVE IMPLEMENTATION OF FIVE KEY RESEARCH AREAS TO PROVIDE MAXIMUM BENEFIT TO FELLOWS AND TRAINEE MEMBERS.

COLLEGE RESEARCH STRATEGY

Following approval of the Research Strategy, the College Research Committee held a Strategy Workshop inviting a wide range of Fellows. The purpose of the workshop being to further develop the areas of strategic focus.

The areas of strategic focus and key objectives for the Research Strategy 2014-2018 are:

01/ CLINICALLY RELEVANT RESEARCH

To encourage and support College Fellows and trainees to conduct high quality research which is relevant to clinical practice throughout their careers.

02/ EARLY CAREER RESEARCHERS

To support and enable early career researchers to establish and develop a sustainable research career and to encourage health services and other employers to creatively resource the role of the clinician-researcher.

03/ EDUCATION METHODOLOGY RESEARCH

To promote and foster research in education methodology that informs the College's educational role which ensures that the College's education and training programs are based on the best possible academic evidence.

04/ HEALTH SERVICES AND HEALTH SYSTEMS RESEARCH

To enhance the capacity of physicians to conduct high quality research in health services, health systems, population health and implementation research that have a positive impact on health systems, and upon patient and community wellbeing.

05/ PLAN IMPLEMENTATION, GOVERNANCE AND COMMUNICATIONS

To provide the necessary implementation planning, governance frameworks and administrative support to ensure that the strategic priorities and initiatives are efficiently and effectively implemented across all the College's activities and with key partners.



Left to right: Dr Farzan Bahin, recipient of the RACP NHMRC JJ Billings Scholarship, Dr Philip Britton, recipient of the RACP PCHD NHMRC Award for Excellence.

SUPPORTING RESEARCH THROUGH THE RACP FOUNDATION

The College, through the RACP Foundation, supports research by providing financial grants, scholarships and fellowships to Fellows and trainees. The financial support for research provided during 2014 increased to over \$2.1 million.

The grants, scholarships and fellowships are primarily targeted at early career researchers in alignment with the College Research Strategy.

Furthermore, the amount of funding announced as available for those applying for research awards during 2014, increased to over \$3 million.

Excellence in research is also recognised by the College through awards such as the Eric Susman Prize and the RACP Trainee Research Awards for Excellence. The latter prizes provide funding for an outstanding trainee representative from each State, Territory or New Zealand to attend Congress and present to the Fellowship.

2014 RACP FOUNDATION AWARDS

IN 2014, THE RACP FOUNDATION PROVIDED FUNDING OF MORE THAN \$2.1 MILLION TO 56 RECIPIENTS. THESE FUNDS WERE USED TO SUPPORT RESEARCH AND EDUCATION IN THE FOLLOWING CATEGORIES:

AWARDS FUNDED IN 2014

| TYPE OF AWARD | NUMBER OF RECIPIENTS |
|-----------------------------|----------------------|
| Research Development | 6 |
| Research Entry Scholarships | 22 |
| Research Establishment | 17 |
| Career Development | 2 |
| Travel Grants | 6 |
| Study Grants | 3 |

More than 265 applications were received from across the Divisions, Faculties and Chapters.

| DIVISION, FACULTY AND CHAPTER | NUMBER OF RECIPIENTS | |
|---|----------------------|---------|
| | TRAINEES | FELLOWS |
| Australasian Faculty of Occupational & Environmental Medicine | | 4 |
| Australasian Faculty of Rehabilitation Medicine | | 2 |
| Australasian Chapter of Palliative Medicine | | 1 |
| Adult Medicine Division | 6 | 34 |
| Paediatric & Child Health Division | 1 | 8 |

| COUNTRY | TRAINEES | FELLOWS |
|-------------|----------|---------|
| Australia | 5 | 43 |
| New Zealand | 2 | 5 |
| Overseas | | 1 |

For a list of recipients please visit the RACP Foundation section of the RACP website: www.racp.edu.au

ACKNOWLEDGMENT OF DONORS

The College gratefully acknowledges the continuing support it receives from its generous donors.

During the year's subscription campaign 5446 Fellows and trainees donated \$552,483.

The College is also most appreciative of the many ongoing corporate and individual donors who support specific awards, or who made major contributions to the College endowment funds. In 2014 these donors provided more than \$750,000 worth of support.

MENTOR & TRAINEE OF THE YEAR

**THE MENTOR OF THE YEAR AWARD
RECOGNISES THE IMPORTANT ROLE
MENTORS PLAY IN TRAINEES' PERSONAL
AND PROFESSIONAL DEVELOPMENT, AS
WELL AS THE SIGNIFICANT CONTRIBUTION
THEY MAKE TO THE COLLEGE.**

The 2014 Mentor of the Year Award was awarded to Dr Peter Roper, the Regional Director of Medical Education in Rockhampton. A dedicated paediatrician, he has devoted almost 30 years of his career to the development of Child Health Services in Rockhampton and Central Queensland.

Although he retired from practice in 2012, Dr Roper has maintained his passion for mentoring and continues to support and train junior doctors throughout this region.

Dr Jim Newcombe received the Trainee of the Year Award, which honours a trainee who has made an outstanding contribution to the College's activities. Dr Newcombe is an Advanced Trainee in Paediatric Infectious Diseases and Clinical Microbiology, who has engaged in a wide variety of services to the College, taking on multiple leadership roles throughout his RACP training. He was also a College Board Member until September 2014.

Dr Newcombe has been a strong voice for trainees, working on their behalf in both official and unofficial capacities.

Recipient of the Trainee of the Year Award, Dr Jim Newcombe

Recipient of the Mentor of the Year Award, Dr Peter Roper



75TH ANNIVERSARY AWARDS



NEW ZEALAND

Over a 40 year career, **Dr Geoffrey Robinson** has sought to improve health for all by advocating for and developing health and social policy, which has contributed to reform in the fields of alcohol and drug abuse, HIV and prisons.

A feature of Dr Robinson's career has been translational research, with its potential to improve clinical practice. He has also made an outstanding contribution to medical research, with more than 90 publications.

NEW SOUTH WALES

Professor Robert Ouvrier, a paediatrician specialising in the field of paediatric neurology.

Professor Ouvrier committed his professional life to his specialty interest, substantiated by his exceptional service in the areas of clinical practice, research, teaching and leadership. He is internationally recognised as a leader in paediatric neurology.

NORTHERN TERRITORY

Professor Bart Currie has made an immense impact on the health and wellbeing of local communities during his many years of clinical service in the Top End.

Professor Currie is Professor of Medicine at Flinders and Charles Darwin universities and is acknowledged as one of the leading authorities on infectious diseases in Australia, with 25 years' experience as an Infectious Diseases and General Physician at Royal Darwin Hospital.

QUEENSLAND

Professor Janet Hardy is Palliative Care Director at Mater Health Services, Brisbane. An internationally respected leader in palliative care, Professor Hardy has been a pioneer in undertaking studies that in the past had been regarded as impossible.

In particular her research with patients with life-limiting diseases that may not help them directly, but will be of benefit to future patients. This will be by improving the evidence base for the optimal management of pain and symptom relief.

TO MARK ITS 75TH YEAR THE COLLEGE ACKNOWLEDGED AN OUTSTANDING FELLOW FROM EACH STATE AND TERRITORY IN AUSTRALIA AND FROM NEW ZEALAND FOR THEIR SIGNIFICANT CONTRIBUTION TO HEALTH THROUGH THEIR PHILANTHROPIC, RESEARCH OR EDUCATIONAL ACTIVITIES. THE RECIPIENTS WERE:



SOUTH AUSTRALIA

Professor Michael Horowitz is Head of the National Health and Medical Research Council Centre of Research Excellence in Translating Nutritional Science to Good Health at the University of Adelaide.

He is also Director of the Endocrine and Metabolic Unit of the Royal Adelaide Hospital. A prolific clinical researcher, Professor Horowitz has made significant contributions to the fields of diabetes, gastroenterology and intensive care medicine.



TASMANIA

Dr Alistair McGregor was the first infectious diseases physician in Hobart and played a key role in the development of the Royal Hobart Hospital's infectious diseases department and infectious disease services throughout Tasmania.

Dr McGregor was also instrumental in establishing refugee health programs in Hobart and State-wide Refugee Health Services. These continue to provide all humanitarian arrivals with free, high-quality healthcare for both adults and children.



VICTORIA

Professor Rinaldo Bellomo is a highly regarded senior clinician who has made exceptional contributions to clinical, teaching and research roles in the field of intensive care medicine.

He has made an outstanding commitment to the Austin Hospital and Warringal Private Hospital Intensive Care and Intensive Care Research Units over the last 16 years. This is evidenced by his commitment and dedication to patient-centred care, exemplified by his renowned diligence, compassion and affability towards each of his patients.



WESTERN AUSTRALIA

Professor Bruce Robinson is a consultant respiratory physician, with interests in clinical science, cancer research, and community and medical education.

Although most widely acknowledged for his research work in mesothelioma, he is recognised by his colleagues and patients as a superb mentor, caring physician and humanitarian. Professor Robinson is internationally recognised for his research into cancer immunology/immunotherapy and asbestos diseases.



GOAL 4/ PROVIDE VALUE FOR MEMBERS

Left to right: President-elect Dr Catherine Yelland and Dr Zoe Raos

FELLOWSHIP RELATIONS SUPPORTS THE NEW ZEALAND AND FIVE STATE OFFICES THAT FUNCTION AS THE 'FRONT DOOR' OF THE COLLEGE FOR ALL MEMBERS. IT ALSO SUPPORTS THE DIVISIONS, FACULTIES AND CHAPTERS, EVENTS, COMMUNICATIONS, MEMBER SERVICES AND FELLOWSHIP RELATIONS' BUSINESS OPERATIONS.

FELLOWSHIP COMMITTEE

The Fellowship Committee, chaired by Associate Professor Mark Lane from June 2014, was established by the Board to oversee the development of a suite of member services and to provide advice and recommendations on improving communication with Fellows.

The Fellowship Committee's five main priorities for 2014 were to:

- identify the changing needs of the membership
- improve effective communication with members
- develop and implement initiatives that yield value to members
- engage with a broad cross section of members to increase participation
- create a positive end-to-end member experience

Several initiatives were developed in 2014 to deliver improved value for members including:

- enhancements in the admission to Fellowship process
- development of a Welcome to Fellowship pack
- launch of the College Contact centre and the 1300 MYRACP number (1300 69 7227 or 0508 69 7227 for New Zealand)
- establishment of a complaints and feedback process
- improved policies, guidelines and processes for meetings, events, gifts and the appointment of members of external bodies

The Fellowship Committee approved the establishment of the International Strategy Working Group in 2014. The International Strategy Working Group will provide recommendations in relation to determining the strategic direction and goals for the College internationally, and will focus on developing a framework for international activities, collaboration, and program of works.

TRAINEES' COMMITTEE

The College Trainees' Committee (CTC) is the peak College body representing the interests of trainees.

The four main priorities of the Committee in 2014 were:

- improving communication with and for trainees across the College
- advocating on behalf of trainees on soft funding for paediatric positions, capacity to train and workforce initiatives
- strengthening collaboration with State, Territory and New Zealand based trainees
- hosting the inaugural Australasian Trainees Day in 2014 and establishing this as an annual event tied to RACP Congress

The Committee made significant progress on these priorities. Achievements included:

- reinstating the CTC Update and improved liaison with relevant College committees
- advocacy for soft funding and capacity to train through regular liaison with relevant key stakeholders and submissions to College committees
- an agreement to introduce a standardised Recognition of Prior Learning (RPL) application assessment fee
- high-level attendance at the inaugural Australasian Trainees' Day held alongside RACP Congress in May in New Zealand
- collaborative development of a standardised orientation for Basic Trainees to roll out in 2015
- advocacy for College Reform



RACP Congress 2014 delegates enjoying the 75th Anniversary Gala Dinner

RACP CONGRESS 2014 – FUTURE DIRECTIONS IN HEALTH

The highly successful RACP Congress, held in the College's 75th year in Auckland, New Zealand, was attended by 831 delegates. In addition to the plenary sessions, there was a parallel informative and thought-provoking program presented in eight streams. The College was delighted to welcome more than 200 new Fellows at the Graduation Ceremony.

NEW CONTACT CENTRE OPENED

The College's Member Services Contact Centre opened in May 2014. On commencement of operations, the Contact Centre was directly resolving 15 per cent of enquiries, which increased to almost 70 per cent by the end of the year. This resulted in speedier issue resolution for members contacting the College. The College also implemented the 1300 MYRACP telephone number to create a single phone number for members to use when contacting the College.

IMPROVED COMMUNICATIONS

The College delivered the first Board approved Communications Strategy 2014-2016 which was established to improve communications with members, stakeholders and the media, and help foster member engagement.

Improvements to date include:

- refreshed member magazine, RACP News
- the first two-way forum(s) on the RACP website
- introduction of the fortnightly President's eBulletin with almost half the membership regularly opening and around 20 per cent regularly reading the content
- redesign of the College's Division, Faculty and Chapters eNewsletters, implemented from December realising significant increases in readership rates amongst members across each eNewsletter
- improved corporate email campaign templates providing clearer information on College events and an easier way to register through strong and clear call to action buttons
- growth in the College Twitter audience to 1045 followers

MEMBER PUBLICATIONS

The following publications were produced for members in 2014:

- six issues of RACP News, featuring improved content and a refreshed appearance
- twelve issues of the Internal Medicine Journal, complemented by a collection, published online, of previously published topical papers in neurology, haemostasis/thrombosis, rheumatology and geriatric medicine
- twelve issues of the Journal of Paediatric & Child Health with high impact and reach in Australasian and internationally

HIGHEST EVER CPD PARTICIPATION

Evolutionary changes to the MyCPD program over the last two years have aimed to improve ease of use and it is now used by most Fellows to report their CPD activity each year. Participation in continuous professional development in 2014 was the highest on record, with 97.2 per cent of 11,104 eligible Fellows reporting activity which met the Program's requirements.

The upgraded MyCPD platform provides better information to users about their regulatory requirements. This is particularly important for New Zealand Fellows, who have specific re-certification requirements. The newest upgrade also includes the first mobile-friendly interface for MyCPD which was developed in response to feedback from the Fellowship. This tool enables Fellows to record their CPD on their smart phones, is immediately accessible with no download requirement, is compatible over multiple devices and is cost-effective for the College to upgrade and maintain.



Requests for support from Fellows using MyCPD during 2014 were down six per cent on 2013, with technical support requests falling by 27 per cent.



RACP Member Services team

FELLOWS' CPD REPORT

A report on Fellows' CPD activities and resources was published online during 2014, detailing Fellows' CPD behaviour and preferences. Other online publications were:

- a learning needs analysis: priority projects to meet Fellows' needs
- a quality and safety telehealth and rehabilitation training project for rural Fellows, with live events recorded
- a wellbeing page to support physicians' health at www.racp.edu.au/page/physiciansupport

LEARNING SUPPORT UNIT ESTABLISHED

The College's first Learning Support Unit opened to develop and deliver learning opportunities for Fellows to meet their professional development needs. The Unit's 2014 activities included:

- working towards the redevelopment of the MyResources portal
- identifying unmet CPD needs and creating resources (podcasts, articles and online communities of practice)
- improving the availability of practice improvement activities such as multisource feedback, practice audit and practice review
- working with the Fellows in Difficulty Working Group on better methods of supporting the health and wellbeing of physicians

CONTACT CENTRE IMPROVES MEMBER SERVICES

The RACP Member Services Contact Centre opened in May 2014, a response to a Board-commissioned member engagement strategy to provide an improved experience for members when interacting with their College. The Contact Centre has made it simpler for members to navigate the College and more readily secure the support they may need.

A centralised point of contact has resulted in a more streamlined service for members, with most of the calls received handled directly by the Contact Centre without the need to transfer to specific business units. Upon opening, the Contact Centre directly resolved 15 per cent of inquiries received. By the end of 2014, the three-person team had been able to increase this to almost 70 per cent.

Coinciding with the opening of the Contact Centre, the 1300 MYRACP number was made available as the first phase in creating a single point of contact for the College. The Contact Centre's services will become available to New Zealand members following implementation of the College's OSCAR integrated online platform.



**GOAL 5/
RACP IS ABLE TO SHAPE THE
HEALTH POLICY AGENDA**

Associate Professor Phillip Mills, external member of the
RACP Aboriginal and Torres Strait Islander Health Committee

THE COLLECTIVE VOICE OF THE COLLEGE'S MEMBERS IS POWERFUL. IT CAN DRIVE CHANGE AND ULTIMATELY PROVIDE BETTER HEALTH OUTCOMES FOR THOSE MOST VULNERABLE IN OUR COMMUNITY.

COLLEGE POLICY AND ADVOCACY

The College developed positions and engaged in the public health policy debate on substantial issues, including alcohol, end of life care, Indigenous health and integrated care. It also quickly responded on topical issues such as health of asylum seekers, medicinal cannabis and e-cigarettes.

More than 400 Fellows joined the Policy Reference Group expressing their interest in contributing to the College's policy and advocacy work. The College Policy & Advocacy Committee (CPAC) working parties are operating in the areas of end of life care, alcohol and asylum seeker and refugee health.

CPAC governance pilot processes were reviewed and the CPAC Council and Advisory Committee membership reconstituted.

END OF LIFE CARE

The College is focusing on improving end of life care for all patients. Activities in 2014 included developing a survey of trainees and Fellows on their attitude, practice and knowledge in end of life care and advance care planning. In addition, the Working Party reviewed the literature on best practice end of life care and developed a set of principles for end of life care.

ALCOHOL

Throughout late 2014 the Alcohol Policy Working Party consulted extensively across the College in Australia and New Zealand to update its Alcohol Policy. Covering highly topical issues, and with a set of clear recommendations, the new policy will be launched mid 2015.

INDIGENOUS HEALTH

The College's Aboriginal and Torres Strait Islander Health Committee is working to improve access to specialist care and its integration with the primary and Aboriginal community controlled health sector. This priority was strongly endorsed by more than 30 leading Indigenous health experts at a roundtable hosted by the College.

Other priorities include continuing to embed cultural competency within the curricula, and working to better support and grow the Indigenous medical workforce. In New Zealand, the Māori Health Committee is leading the development of cultural competence initiatives.



Left to right: RACP CEO Ms Linda Smith, President-Elect and CPAC Chair Dr Catherine Yelland, Director, Policy and Advocacy Ms Caroline Turnour

**THE PURPOSE OF THE COLLEGE
ENGAGING IN POLICY AND ADVOCACY
IS TO HAVE A POSITIVE INFLUENCE
ON THE HEALTH SYSTEM AND HEALTH
OUTCOMES FOR ALL PEOPLE...**

"The purpose of the College engaging in policy and advocacy is to have a positive influence on the health system and health outcomes for all people. Although diverse in their practice, physicians all subscribe to a common set of fundamental values: promoting equity of access to healthcare, recognising the value of individuals and communities, and basing policy and practice on evidence. The College's policy and advocacy function enacts these values by bringing the breadth and diversity of physician perspectives and skills as medical experts into the health policy debate in an effective way."

Dr Catherine Yelland is Chair of the College Policy and Advocacy Committee and President-elect of the RACP.

ASYLUM SEEKERS & REFUGEE HEALTH

The Asylum Seeker and Refugee Health Working Party developed the College's position on the health of refugees and asylum seekers seeking entry into Australia. The President and Chair of the Working Party, Associate Professor Karen Zwi, each had extensive media and stakeholder engagement throughout the year. This related to issues such as children in detention, access to health services for asylum seekers and supporting doctors working in detention facilities. A separate position statement is to be developed for New Zealand where the experience of refugees and asylum seekers is shaped by the New Zealand government regulations and policies.

E-CIGARETTES

A review of the evidence led to the development of (or provided the basis for) interim statements on key issues such as regulation, sales and the need for further research into the role of e-cigarettes in reducing tobacco-related harm or as a smoking cessation device. These were used as the basis of ongoing advocacy on e-cigarette issues.

MEDICAL MARIJUANA

The College has emphasised that more research is required into the risks and benefits associated with medicinal use of marijuana.

MEDICINE LABELLING

The College continued to advocate for initiatives to improve the quality use of medicine. It provided feedback on proposed changes to the Therapeutic Goods Administration's medicine labelling requirements to improve medicine safety.

SHAPING GOVERNMENT'S POLICY AGENDA

The College made a number of submissions to parliamentary enquiries, including to a Senate Health Select Committee's inquiry, advocating for:

- integrated care, including new models of care
- investment in preventive health, including a need to reduce the harms from alcohol
- improving access to care for Aboriginal and Torres Strait Islander people
- health workforce planning
- generalism and the provision of specialist care in community-based settings

MEDICAL ETHICS REVIEW

In early 2014 an international expert in medical ethics, Dr Jeff Blackmer, reviewed the College's approach to ethics. A new Ethics Committee will be established in the first half of 2015.

HEALTH BENEFITS OF WORK

Health Benefits of Work (HBOW) advocates that work, in general, is good for health and wellbeing. In 2014, the Australasian Faculty of Occupational and Environmental Medicine (AFOEM) revitalised the HBOW agenda. Amongst its key achievements were:

- establishing a Signatory Steering Group of stakeholders that includes industry representatives, unions, statutory authorities and medical colleges to further champion integration of the HBOW policy agenda in industry
- presentations of lead AFOEM Fellows to conferences and events (such as the Financial Services Council Conference a Swiss Re event on HBOW)
- recruiting additional signatories to its Consensus Statement

CHILDREN AND YOUNG ADULTS

The President and President-elect of the Paediatrics and Child Health Division met with Australia's National Children's Commissioner to discuss areas of mutual interest including youth mental health, gender dysphoria and children in detention.

The College has been active in the support of asylum seekers, particularly children in detention.

The Division made several submissions, including to the Human Rights Commission on self-harm in children and young people. The College's views featured prominently in the Commission's annual Child Rights Report.

Working with the Adolescent and Young Adult Medicine Committee, the Division furthered efforts to promote young adult health, and gained media exposure highlighting the specific health needs of young people.



RACP Health of Asylum Seekers and Refugees Working Party members Dr Sarah Cherian and Dr Vanessa Johnston

NEW ZEALAND

The College made 15 submissions during 2014. The most notable were:

- Smoke-free Environments Amendment Act (to Health Select Committee)
- Decision criteria and management of hospital devices (to Pharmac)
- Alcohol Advertising and Sponsorship (to Ministry of Health)
- Health and Safety Reform Bill (to Transport and Industrial Relations Select Committee)
- Vulnerable Children's Bill (presentation to the Social Services Select Committee)
- Prescribing rights for nurse practitioners and midwives (to Ministry of Health)
- Letters to political party leaders calling for action on child poverty
- Engagement with the Medical Council of New Zealand about resources on cultural competence
- A briefing for the new Minister of Health, Hon. Dr Jonathan Coleman

STATE ADVOCACY

The College prepared election statements targeted for State Health Ministers and Shadow Health Ministers in the South Australian and Victorian State election campaigns. The College advocated against the Northern Territory Open Speed Limits trial and has partnered with the Colleges of Surgeons and Emergency Medicine to further pursue the issue.

The State and Territory Committees continue to lead the College's responses to submissions in their jurisdiction. This enabled the College to respond to inquiries on diverse topics such as:

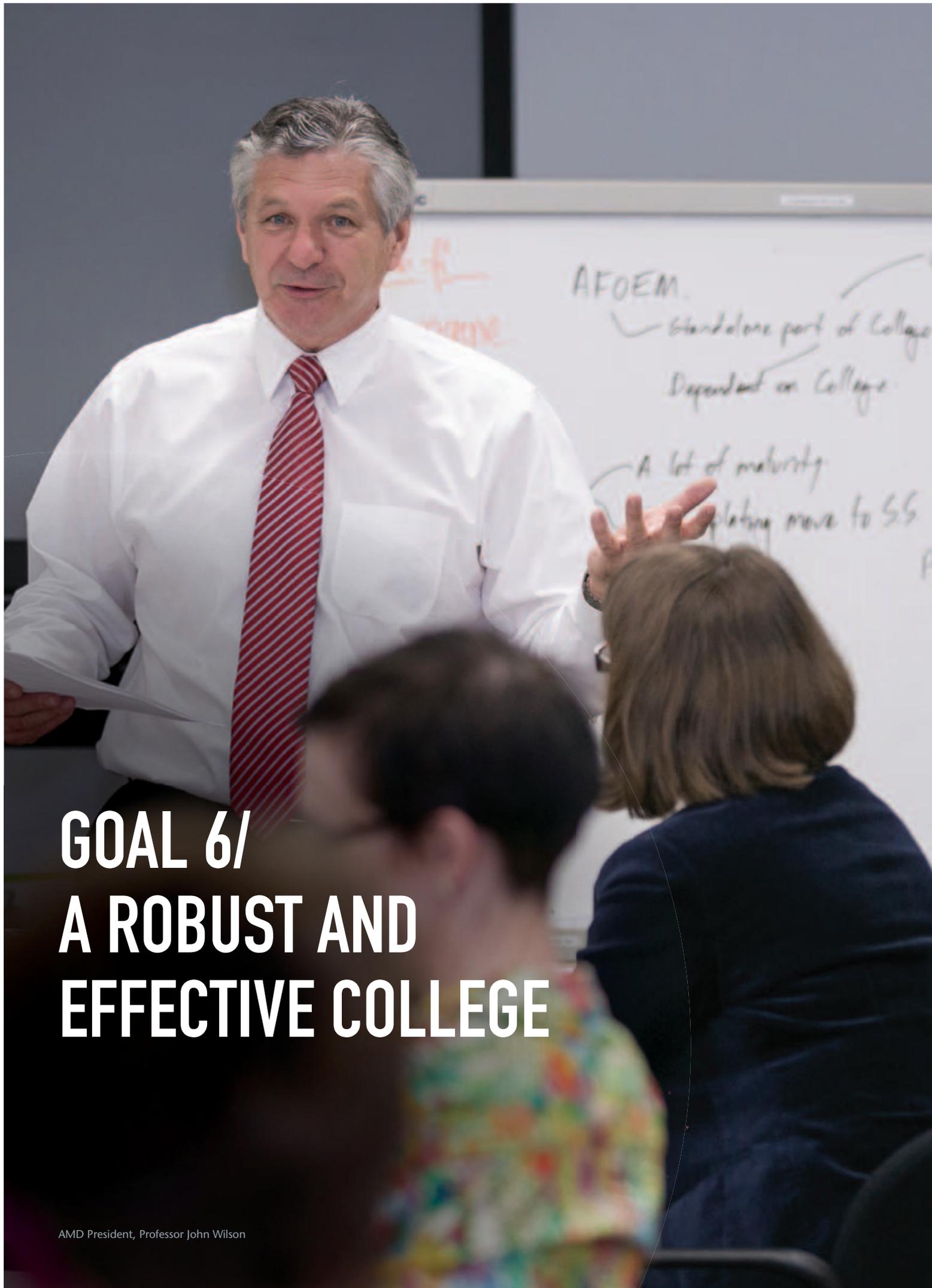
- end of life care and advance care planning (South Australia and Queensland)
- health sector reforms (Tasmania in particular)
- health workforce issues (Queensland and South Australia)
- a range of specific clinical topics covering paediatrics, sexual health and addiction medicine



CHILDREN AND YOUNG PEOPLE AROUND THE WORLD SUFFER INORDINATELY AT THE HANDS OF THOSE WHOSE RESPONSIBILITY IT IS TO CARE FOR AND PROTECT THEM. THAT THEY SUFFER AS A DIRECT RESULT OF AUSTRALIAN IMMIGRATION POLICY IS APPALLING.

"Children and young people around the world suffer inordinately at the hands of those whose responsibility it is to care for and protect them. That they suffer as a direct result of Australian immigration policy is appalling. For children, any medical prescription is a poor substitute for legislative change that would remove them from the trauma of detention and provide them with hope for the future. For this to occur, a radical outpouring of compassion from the Australian public is desperately needed."

Dr Josh Francis is a paediatrician working in the Northern Territory and has witnessed first-hand, the detrimental and devastating effects of children living in immigration detention. Dr Francis is a member of the RACP Health of Asylum Seekers and Refugees Working Party.



GOAL 6/ A ROBUST AND EFFECTIVE COLLEGE

WITH MORE THAN 21,000 MEMBERS, THE COLLEGE IS LARGER AND MORE COMPLEX THAN EVER. IT IS ALSO OPERATING IN AN INCREASINGLY CHANGING ENVIRONMENT. THERE HAS BEEN A HIGH LEVEL OF CONSULTATION WITH MEMBERS AS IT REFORMS TO ADDRESS THESE CHALLENGES.

COLLEGE REFORM CONSULTATION

A strategy meeting of the Board recognised that reforms are necessary for the College to meet significant change in the health system. It regarded the changes as an opportunity for the College to fulfil its commitment to improving patient care and to prepare for the healthcare system of the future.

The College membership has been widely consulted about potential reform. A discussion paper suggested that to adapt successfully to the changing healthcare landscape:

- College structures must reflect the diversity of the College membership
- these must support the delivery of high quality physician education and training programs
- the College must deliver health policy leadership
- the College's governance model must evolve so the RACP can strategically lead and respond to change in a way that reflects members' values and strategic imperatives

There were 13 member consultation forums held in Australia and New Zealand over 2014. Members were also able to post submissions on noticeboards and online forums on the College website.

A survey canvassed members' views on the Board's suggestions. 12.8 per cent of members responded to the survey and the results showed support for a smaller Board and a desire to move from a representative Board to a skills-based Board. More work will be done to provide greater clarification to the membership on the composition of a smaller Board, how Board members will be elected and the make-up of a College Council.



Dr Charles Guest addressing members during a face to face consultation in Sydney.

COLLEGE REFORM

With more than 14,950 Fellows and over 6,530 trainee Members, the College is larger and more complex than ever before. It is also operating in a more highly regulated environment across two national jurisdictions.

The Board recognises its responsibility to continually review governance structures and to evolve the College to keep up with, and anticipate, real and strategic change.

As major organisational and governance reforms are undertaken at the College, members are encouraged to be part of this change and engage with the College as these reforms progress.



COURSE FOR DIRECTORS

In 2014, some newly elected Board members completed an Australian Institute of Company Directors' course. It is designed to give Directors a better understanding of the role and responsibilities of being a Director, the legal framework in which such a role operates and a better appreciation of relevant governance and decision making practices required. Most believed it made them a better director to serve the College and its members.

GOVERNANCE AND SUPPORT SERVICES

The governance and business support functions of the College continued to be enhanced during 2014. Advice was provided on governance and legal matters involving the Board, its Committees and other College Bodies, including the management of conflicts of interest. Training was provided for Committee members and supporting staff on good decision making processes and how to apply procedural fairness.

Advice and training was provided to staff on how to negotiate and document agreements and arrangements. This is to protect the College's interests and to understand its contractual obligations. Standard templates now clearly document all governance related policies, procedures and College Body by-laws.

RISK MANAGEMENT

The College's risk framework, risk management policies and procedures continued to be managed, while increasing responsibility was devolved to manage risks at a business unit level. This work included:

- developing an expanded risk register which has assisted the College to identify, quantify, manage or mitigate its risks
- supporting the oversight work of the College's Risk Management Committee
- introducing across-the-College standardised work, health and safety policies and practices that accord with legislative requirements in both Australia and New Zealand. There was increased first aid training for selected staff in all College offices
- continuing development of a robust quality assurance/ internal audit program to protect the College's credibility and reputation. The program is expected to commence in 2015
- an effective insurance program was managed so that the College's assets and core activities continue to be protected
- an updated Privacy Policy for the College, compliant with amended privacy legislation in Australia and New Zealand. An Information Security Policy was also prepared regarding access to information and proper disposal of redundant information held by the College

HUMAN RESOURCES

A number of initiatives were undertaken this year including:

- establishing required competencies for each staff position to assist staff and their managers understand expected performance
- induction and introductory processes were improved to assist new staff to more quickly settle into the College and their roles
- reviewing the College's human resources policies and practices to ensure they complied with legislative requirements, and are aligned with market practices and with the College's own requirements. A number of amended policies and practices have been adopted
- benchmarking of all roles against relevant external organisations to ensure remuneration practices remain aligned with the market. This is to ensure the College can attract and retain suitably qualified and experienced employees

BUSINESS SERVICES

A number of initiatives were undertaken this year including:

- establishing principles by which the College sets fees for the services it provides to Fellows and trainees
- the introduction of a formal policies for procurement and procedures to ensure College practices are managed legally, at arms-length and with transparency

HONORARY TREASURER'S REPORT



HONORARY TREASURER'S REPORT

The College had another positive year, with the surplus for its operations of \$4.2 million (2013 - \$2.9 million), and a surplus for the RACP Foundation of \$2.6 million (2013 - \$2.07 million). Overall, the consolidated surplus was \$6.7 million (2013 - \$4.97 million), compared to the budgeted surplus of \$1.3 million.

CONSOLIDATED RESULT

Compared to 2013, the surplus from operations of \$4.2 million was driven by increased revenue of \$4 million, offset by increased expenditure of \$2.7 million.

Increased revenue resulted from a rise in training enrolments (both Basic and Advanced Training), greater member numbers, and higher advertising and publication income.

Greater expenditure was caused principally by increased employee costs. Staff costs, at \$29.1 million, represent 60 per cent of total College costs. This compares to \$26.8 million in 2013, a rise of 8.5 per cent. Other expenditure remained in line with last year, with a modest increase of 2.8 per cent.

The College continued to respond through increased staff numbers and up-skilling of staff to respond to higher trainee numbers, more requests from members for support and a greater number of member services.

The surplus leaves the College in a strong financial position. It was the key enabler in maintaining 2015 subscription and Divisional, Chapter and Faculty of Rehabilitation Medicine training fees at 2014 levels.

The College remains committed to using its accumulated reserves to re-invest in an improved website, ongoing development of new trans-Tasman back office administration systems, and delivering new education resources for Fellows through a single Continuing Professional Development Program and mobile applications.

THE SURPLUS LEAVES THE COLLEGE IN A STRONG FINANCIAL POSITION. IT WAS THE KEY ENabler IN MAINTAINING 2015 SUBSCRIPTION AND DIVISIONAL, CHAPTER AND FACULTY OF REHABILITATION MEDICINE TRAINING FEES AT 2014 LEVELS.

FINANCIAL STRENGTH

The financial position as detailed in the Balance Sheet reflects that the College remains financially robust with consolidated net assets growing to \$87.8 million from \$79.5 million.

Both the General and Foundation investment portfolios continue to be successfully managed by UBS Wealth Management, with quarterly performance being reviewed by the Finance Committee.

The College remains debt-free, with minimum long term liabilities. Similar to 2013, it has sufficient liquid funds to cover eight months of operating expenditure.

This 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.

The RACP Foundation's financial position continues to strengthen. Funds offered by the College through the Foundation have increased. In 2014, the College's Foundation offered more than \$3 million in research grants, scholarships and fellowships, and \$120,000 in prizes for meritorious achievement and excellence. The amount awarded was more than \$2.1 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.

APPRECIATION

I am indebted to and appreciative of the work of the Finance Committee. This includes the pro-bono contributions of four dedicated community members with specialist financial knowledge: Ms Loretta Di Mento, Ms Karen Phin, Mr Tony Fitzgerald and Mr Geoffrey Laurence. Valued assistance was also given by Fellow Committee members Dr Greg Stewart, Associate Professor Grant Phelps, Associate Professor Charles Steadman, Dr Stephen Inns, and the dedicated Finance staff of the College in ensuring appropriate governance and management of members' money.

Further, I wish to express my gratitude to those members of the Finance Committee who completed their terms in 2014, including former Treasurer Associate Professor Michael Hooper, Dr Jim Newcombe, Dr Charles Guest and Dr Ross Boswell.



Dr John O'Donnell
Honorary Treasurer

DIRECTORS' REPORT

The Directors present their report, together with the Financial Report to the Members of The Royal Australasian College of Physicians (the College) for the year ended 31 December 2014.

DIRECTORS

The following persons were Directors of the College during the 2014 financial year and up to the date of this report as indicated:

| OUTGOING - RETIRED 19/5/14, UNLESS OTHERWISE STATED | ONGOING (REMAINED IN OFFICE FOR THE WHOLE OF THE FINANCIAL YEAR) | INCOMING - APPOINTED 19/5/14 UNLESS INDICATED OTHERWISE |
|---|--|---|
| Professor Shane (Edward) Houston (resigned 10/1/14) | Laureate Professor Nicholas Talley (President 2014–2016) | Dr Catherine Yelland (President-elect 2014–2016) |
| Associate Professor Leslie E Bolitho AM | Associate Professor Mark Lane | Dr David Beaumont |
| Dr Charles Guest | Dr Nicola Murdock | Associate Professor Nicholas Buckmaster |
| Clinical Associate Professor Michael Hooper | Dr John O'Donnell | Dr Jonathan Christiansen |
| Dr Alasdair MacDonald | Associate Professor Grant Phelps | Professor Paul Colditz |
| Associate Professor Susan Moloney | Dr Helen Rhodes | Dr Stephen De Graaff |
| Associate Professor Christopher Poulos | Professor John Wilson | Dr Alexandra Greig |
| Associate Professor James Ross | | Dr Greg Stewart |
| Dr Simone Ryan | | Dr Evan Jolliffe (from 26/9/14) |
| Dr James Newcombe (resigned 26/9/14) | | Mr Peter Martin (from 5/11/14) |
| | | Ms Susan Tiffin (from 5/11/14) |

SHORT-TERM AND LONG-TERM OBJECTS AND STRATEGY

The College currently has 8 objects as detailed in its Constitution:

- 01/ Promote the highest quality medical care and patient safety through education, training and assessment;
- 02/ Educate and train the next generation of physicians;
- 03/ Maintain professional standards and ethics among physicians through Continuing Professional Development and other activities;
- 04/ Promote the study of the science and art of medicine;
- 05/ Bring together physicians for their common benefit and for scientific discussions;
- 06/ Increase the evidence and knowledge on which the practice of physicians is based through research and dissemination of new knowledge and innovation to the profession and the community;
- 07/ Seek improved health for all people by developing and advocating health and social policy in partnership with health consumers and jurisdictions;
- 08/ Support and develop physicians as clinicians, public health practitioners, teachers and researchers.

In support of the attainment of these objects the College’s Board has approved the following 6 strategic goals, with related performance targets, as detailed in the document ‘RACP Strategic Directions 2012–2015’. This document is available on the College’s website.

STRATEGIC GOALS

- 01/ RACP is the preferred educator and assessor of physician performance
- 02/ RACP shapes the medical workforce agenda
- 03/ RACP is a respected supporter of research
- 04/ RACP provides value for Members
- 05/ RACP is able to shape the health policy agenda
- 06/ RACP is a robust and effective College

Each strategic goal is supported by a number of supporting strategies.

PERFORMANCE TARGETS AND MEASURES

The College has established performance targets for each strategic goal. These targets focus the efforts of the Board, Management and Staff and help to measure success in achieving the strategic goals stated above. The Board also introduced a “balanced scorecard” during the year to report on, and monitor, the performance and health of the College through a number of key indicators.

PRINCIPAL ACTIVITIES

The College’s principal activities during the year were unchanged from the previous year and included training, educating and representing physicians in Australia and New Zealand, and promoting the study of science and art of medicine as well as clinical and scientific research.

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:

| | |
|---|--|
| LAUREATE PROFESSOR NICHOLAS TALLEY | RACP PRESIDENT |
| Qualifications | MBBS (Hons)(NSW), M MedSc (Clin Epi)(Newc), M D (NSW), Ph D (Syd), FRACP, FAFPHM, FRCP (Lond), FRCP (Edin), FACP, FACG, AGAF |
| Experience | Laureate Professor Talley is Pro Vice-Chancellor of the Faculty of Health at the University of Newcastle. |
| Special responsibilities | President RACP (2014 – 2016), Chair, RACP Board (2012 – 2014), Chair, RACP Board Executive (2014 – 2016). |
| DR CATHERINE YELLAND | RACP PRESIDENT-ELECT |
| Qualifications | MBBS, FRACP |
| Experience | Dr Yelland is a Geriatrician and General Physician in full-time practice at Redcliffe Hospital, Brisbane. |
| Special responsibilities | President-elect RACP (2014 – 2016), Member RACP Board (2014 – 2016), Member, RACP Board Executive (2014 – 2016), Chair, College Policy and Advocacy Committee, Member, Risk Committee. |

| | |
|--|---|
| DR DAVID BEAUMONT | AFOEM PRESIDENT |
| Qualifications | FAFOEM |
| Experience | Dr Beaumont is Medical Director and CEO of 'Fit for Work'. He is an Occupational and Environmental Medicine Specialist with a background of 12 years in general practice in the UK and New Zealand. |
| Special responsibilities | President, Australasian Faculty of Occupational and Environmental Medicine (2014 – 2016), Member, RACP Board (2014 – 2016), Member, RACP Board Executive (2014 – 2016). |
| ASSOCIATE PROFESSOR NICHOLAS BUCKMASTER | ADULT MEDICINE DIVISION REPRESENTATIVE |
| Qualifications | MBBS, FRACP |
| Experience | Associate Professor Buckmaster is a General Physician with Gold Coast Health Service and Clinical Lead eHealth and ieMR with the Queensland Health Information Division. |
| Special responsibilities | Member RACP Board (2012 – 2014), Member, College Policy and Advocacy Committee, Member, Adult Medicine Division Council, Member Queensland State Committee. |
| DR JONATHAN CHRISTIANSEN | NEW ZEALAND PRESIDENT-ELECT |
| Qualifications | MB ChB, MD, FRACP, FACC, FCSANZ |
| Experience | Dr Christiansen is an Auckland based general cardiologist with a particular interest in non-invasive imaging of the heart. |
| Special responsibilities | Member RACP Board (2012 – 2014), Chair, College Education Committee. |
| PROFESSOR PAUL COLDITZ | PCHD REPRESENTATIVE |
| Qualifications | MBBS, FRACP, FRCPCH, MBiomedEng, DPhil (Oxford) |
| Experience | Professor Colditz is the Foundation Professor of Perinatal Medicine at the University of Queensland and Director of the Perinatal Research Centre. He is an NHMRC Practitioner Fellow. |
| Special responsibilities | Member RACP Board (2012 – 2014), Member, Paediatrics and Child Health Division Council. |
| DR STEPHEN DE GRAAFF | AFRM PRESIDENT |
| Qualifications | MBBS, FACRM, FAFRM |
| Experience | Dr De Graaff is Director of Pain Services and Senior Rehabilitation Physician at Epworth Healthcare. |
| Special responsibilities | President, Australasian Faculty of Rehabilitation Medicine (2014 – 2016), Member RACP Board (2014 – 2016), Member, Fellowship Committee. |
| DR ALEXANDRA GREIG | TRAINEE REPRESENTATIVE |
| Qualifications | BHB, MBChB, MPH |
| Experience | Dr Greig is an Advanced Trainee in Public Health Medicine and is currently a Public Health Registrar in the Commonwealth Department of Health. |

| | |
|--------------------------------------|--|
| Special responsibilities | Member RACP Board (2014 – 2016), Chair, College Trainees Committee, Member, Fellowship Committee. |
| DR EVAN JOLLIFFE | TRAINEE REPRESENTATIVE |
| Qualifications | MBChB |
| Experience | Dr Jolliffe is an Advanced Trainee in Neurology and General Medicine in Wellington. |
| Special responsibilities | Member RACP Board (2014 – 2016), Deputy Chair, College Trainees Committee. |
| ASSOCIATE PROFESSOR MARK LANE | NEW ZEALAND PRESIDENT |
| Qualifications | MB ChB, FRACP |
| Experience | Associate Professor Lane is currently a senior medical officer in the Department of Gastroenterology and Hepatology at Auckland Hospital. He was Clinical Director of this Department for 17 years before stepping down from the role in 2008. |
| Special responsibilities | President, New Zealand (2014 – 2016), Member, RACP Board (2012 – 2016), Member, RACP Board Executive (2014 – 2016), Member, New Zealand Committee, Chair, Fellowship Committee. |
| MR PETER MARTIN | COMMUNITY (NON-FELLOW) DIRECTOR |
| Qualifications | BBus, MBA, CA, AGIA, MAICD |
| Experience | Peter Martin is Executive Director of Constellation Advisors and is an experienced company director and consultant in strategy and corporate advice. |
| Special responsibilities | Member, RACP Board (2014 – 2016) |
| DR NICOLA MURDOCK | PAEDIATRICS AND CHILD HEALTH PRESIDENT |
| Qualifications | MBBS, FRACP |
| Experience | Dr Murdock is Executive Director/Director Medical Services at Gladstone Hospital. Dr Murdock is also an assessor for the Postgraduate Medical Council of Queensland and sits on the Australian Medical Board, Queensland Committee. |
| Special responsibilities | President, Paediatrics and Child Health Division (2014 – 2016), Member, RACP Board (2012 – 2016), Member, RACP Board Executive (2014 – 2016), Chair, Risk Management Committee. |
| DR JOHN O'DONNELL | HONORARY TREASURER |
| Qualifications | MBChB, Dip Obstet, FRACP, FRCPA, GAICD |
| Experience | Dr O'Donnell is a Clinical and Laboratory Immunologist and General Physician with the Canterbury District Health Board (New Zealand). |
| Special responsibilities | Member, RACP Board (2010 – 2016), Chair, College Finance Committee, Member, New Zealand Committee, Member. |
| DR GRANT PHELPS | ADULT MEDICINE DIVISION PRESIDENT-ELECT |
| Qualifications | MBA, FRACP, FRACMA, GAICD, FAIM, MBBS |

| | |
|------------------------------|--|
| Experience | Dr Phelps is Director of Service Quality and Improvement for the Tasmanian Department of Health and Human Services and Associate Professor of Clinical Leadership at Deakin University. |
| Special responsibilities | President-elect, Adult Medicine Division (2014 – 2016), Member, RACP Board (2012 – 2016), Member, College Finance Committee. |
| DR HELEN RHODES | ADULT MEDICINE DIVISION REPRESENTATIVE |
| Qualifications | MBBS, FRACP |
| Experience | Dr Rhodes is a Renal Physician at Fremantle Hospital and for the past three years has also been Director of Physician Training at the hospital. |
| Special responsibilities | Member, RACP Board (2012 – 2016), Member, Adult Medicine Division Council, Member, Fellowship Committee, Member, Western Australian State Committee. |
| DR GREG STEWART | AFPHM PRESIDENT |
| Qualifications | MBBS, MPH, FRACMA, FAFPHM |
| Experience | Dr Stewart is a Public Health Physician and is currently the Director Ambulatory and Primary Health Care at South Eastern Sydney Local Health District. |
| Special responsibilities | President, Australasian Faculty of Public Health Medicine (2014 – 2016), Member, RACP Board (2014 – 2016), Chair, College Ethics Committee, Member, College Finance Committee. |
| MS SUSAN TIFFIN | COMMUNITY (NON-FELLOW) DIRECTOR |
| Qualifications | BA, MA, PhD |
| Experience | Susan Tiffin is an experienced consultant, largely to not-for-profit and higher education organisations, on governance frameworks, strategic reviews and planning. |
| Special responsibilities | Member, RACP Board (2014 – 2016) |
| PROFESSOR JOHN WILSON | ADULT MEDICINE DIVISION PRESIDENT |
| Qualifications | BSc (Hons), MBBS, PhD, FRACP |
| Experience | Professor Wilson is the Director of Physician Training at the Alfred Hospital, Melbourne. |
| Special responsibilities | President, Adult Medicine Division (2014 – 2016), Member, RACP Board (2012 – 2016), Member, RACP Board Executive (2014 – 2016). |
| MR MICHAEL SMITH | COMPANY SECRETARY |
| Qualifications | BA, FAICD, FCIS |
| Experience | Michael Smith was appointed Company Secretary of the College in October 2011. Prior to this appointment, he has been Company Secretary for a number of major Australian listed public companies including Mirvac Group, Promina Group Limited, Australand Group, National Foods Limited and Macquarie Bank Limited. He has extensive experience in legal, risk management and insurance, corporate governance, compliance, capital raisings and M&A work, and company secretarial practice for over 30 years. He also leads the College's Governance, HR and Business Services Unit. |

INFORMATION ON RETIRED DIRECTORS

The Members of the Board who retired during the year, their qualifications, experience and special responsibilities are set out below:

| | |
|--|--|
| ASSOCIATE PROFESSOR LESLIE E BOLITHO AM | PRESIDENT |
| Qualifications | MBBS, FRACP, FACRRM Member of the Order of Australia |
| Experience | Associate Professor Bolitho, AM, is a Consultant Physician in Internal Medicine in Wangaratta, North East Victoria. |
| Special responsibilities | President of the RACP (2012 – 2014), Chair, RACP Board (2012 – 2014), Chair, RACP Board Executive (2012 – 2014), Ex-Officio Member, Finance Committee. |
| PROFESSOR SHANE HOUSTON | COMMUNITY (NON-FELLOW) DIRECTOR |
| Qualifications | PhD |
| Experience | Professor Houston is Deputy Vice-Chancellor of the Indigenous Strategy and Services Department at the University of Sydney. |
| Special responsibilities | Member, RACP Board (2012 – 2014). |
| DR CHARLES GUEST | AFPHM PRESIDENT (2012 – 2014) |
| Qualifications | MBBS, BA, MPH, PhD, FAFPHM |
| Experience | Dr Guest is a Senior Specialist, Population Health Division, ACT Government Health Directorate; and Adjunct Professor in the College of Medicine, Biology and Environment, Australian National University. |
| Special responsibilities | President, Australasian Faculty of Public Health Medicine (2012 – 2014), Member, RACP Board (2012 – 2014), Member, RACP Board Executive (2012 – 2014). |
| CLINICAL ASSOCIATE PROFESSOR MICHAEL HOOPER | HONORARY TREASURER |
| Qualifications | MBBS, FRACP |
| Experience | Clinical Associate Professor Hooper is in the Department of Medicine at the University of Sydney and an Endocrinologist in Private Practice. |
| Special responsibilities | Honorary Treasurer of the RACP, Chair of the Finance Committee, Member, RACP Board (2008 – 2014), Chair, RACP Remuneration Committee (2012 – 2014). |
| ASSOCIATE PROFESSOR SUSAN MOLONEY | PAEDIATRICS AND CHILD HEALTH DIVISION PRESIDENT (2012 – 2014) |
| Qualifications | MBBS, FRACP |
| Experience | Associate Professor Moloney is a General Paediatrician and currently the Director of Paediatrics at the Gold Coast Hospital. |
| Special responsibilities | President, Paediatrics and Child Health Division (2012 – 2014), Member, RACP Board (2012 – 2014) Member, RACP Board Executive (2012 – 2014). |

| | |
|---|--|
| ASSOCIATE PROFESSOR CHRISTOPHER POULOS | AFRM PRESIDENT (2012 – 2014) |
| Qualifications | MBBS (Hons), MSc, PhD, FAFRM (RACP) |
| Experience | Associate Professor Poulos is a Consultant Physician in Rehabilitation Medicine and Hammond Chair of Positive Ageing and Care, University of NSW. |
| Special responsibilities | President, Australasian Faculty of Rehabilitation Medicine (2012 – 2014), Member, RACP Board (2012 – 2014), Chair, Fellowship Committee. |
| ASSOCIATE PROFESSOR JAMES ROSS | AFOEM PRESIDENT (2012 – 2014) |
| Qualifications | MBBS, MPH, MMED (Sports Med), GCert ehealth, AFACHSM, FAsMA, FAFPHM, FAFOEM, GAICD |
| Experience | Associate Professor Ross is in private practice in Canberra as the Medical Director of a private health services company. |
| Special responsibilities | President, Australasian Faculty of Occupational and Environmental Medicine (2012 – 2014), Member, RACP Board (2012 – 2014), Member, Risk Management Committee. |
| DR SIMONE RYAN | TRAINEE REPRESENTATIVE |
| Qualifications | MBBS, FAFOEM, GradDipOccEnvMed, GradDipPubHlth |
| Experience | Founding Medical Director for 'One Life. Live It.', a company specialising in corporate health and occupational medicine. |
| Special responsibilities | Member, RACP Board (2012 – 2014), Chair, College Trainees Committee, Member, Fellowship Committee, Member, Risk Management Committee. |
| DR JAMES NEWCOMBE | TRAINEE REPRESENTATIVE |
| Qualifications | BMedSci(Hons), MPH(Hons), MBBS |
| Experience | Dr Newcombe is a dual Advanced Trainee in Paediatric Infectious Diseases and Microbiology. |
| Special responsibilities | Member, RACP Board (2012 – 2014), Deputy Chair, College Trainees' Committee, Member, Finance Committee. |

MEETINGS OF DIRECTORS

The number of meetings of the College's Board of Directors and of each Board Committee held during the year ended 31 December 2014, and the numbers of meetings attended by each Director is detailed on page 47.

KEY PERSONNEL

Those persons, in addition to the directors, having authority and responsibility for planning, directing and controlling the activities of the College, directly or indirectly, as at the date of this report are:

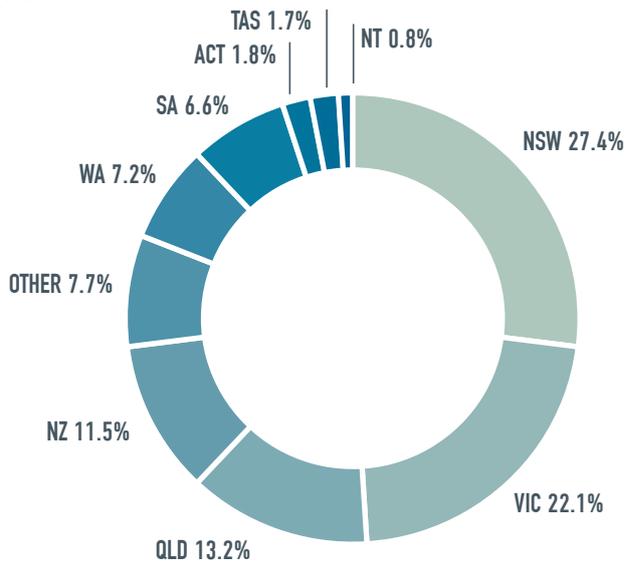
- Ms Linda Smith, Chief Executive Officer
- Professor Richard Doherty, Dean
- Dr Kate More, Interim Director, Fellowship Relations
- Mr Pat Reddy, Interim Director, Finance
- Mr Michael Smith, Director of Governance, Human Resources and Business Services, Company Secretary
- Dr Marie-Louise Stokes, Director of Education
- Ms Caroline Turnour, Director, Policy & Advocacy

MEMBER LIABILITY

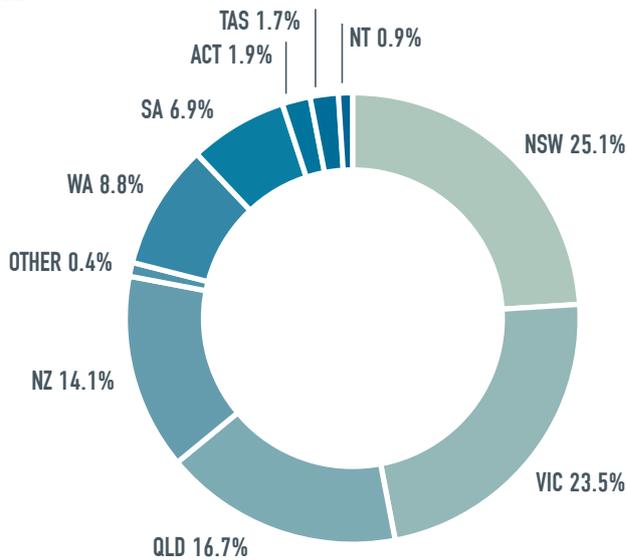
The College was incorporated under the *NSW Companies Act 1936*, on 1 April 1938 as a company limited by guarantee. The College retains that status under the current Australian Corporations Legislation. If the College is wound up, the Constitution provides that each member is required to contribute to a maximum of \$50.00 each towards meeting any outstanding debts and obligations of the College. As at 31 December 2014, the number of Members was 21,483 comprising 14,950 Fellows and 6,533 Trainees.

DISTRIBUTION OF FELLOWS AND TRAINEES BY LOCATION

FELLOWS



TRAINEES



AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 48 of this Annual Report.

INFORMATION ON DIRECTORS' MEETING ATTENDANCE FOR 2014

| ATTENDANCE AT BOARD MEETINGS 2014 | | |
|-----------------------------------|-------------------|--------------------------------|
| NAME | MEETINGS ATTENDED | MEETINGS HELD WHILE A DIRECTOR |
| Bolitho, Leslie | 9 | 9 |
| Talley, Nicholas | 13 | 13 |
| Guest, Charles | 7 | 9 |
| Hooper, Michael | 9 | 9 |
| Lane, Mark | 11 | 13 |
| MacDonald, Alasdair | 9 | 9 |
| Moloney, Susan | 9 | 9 |
| Murdock, Nicola | 7 | 13 |
| Newcombe, Jim | 8 | 12 |
| O'Donnell, John | 13 | 13 |
| Phelps, Grant | 10 | 13 |
| Poulos, Christopher | 8 | 9 |
| Rhodes, Helen | 11 | 13 |
| Ross, James | 7 | 9 |
| Ryan, Simone | 5 | 9 |
| Wilson, John | 10 | 12 |
| Yelland, Catherine | 4 | 4 |
| Beaumont, David | 3 | 4 |
| Buckmaster, Nicholas | 4 | 4 |
| Christiansen, Jonathan | 3 | 4 |
| Colditz, Paul | 4 | 4 |
| De Graaff, Stephen | 4 | 4 |
| Greig, Alexandra | 4 | 4 |
| Stewart, Greg | 3 | 4 |
| Jolliffe, Evan | 1 | 1 |
| Martin, Peter | 1 | 1 |
| Tiffin, Susan | 1 | 1 |

The Board called a number of extraordinary meetings in 2014 at relative short notice.

This report is made in accordance with a resolution of the Directors (Responsible Entities).



Laureate Professor Nicholas Talley
Director
19 March 2015



John O'Donnell
Director
19 March 2015



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W www.grantthornton.com.au

**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 2014, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) 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, 19 March 2015

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FINANCIAL INFORMATION AND REPORTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

| GENERAL FUND | NOTE | 2014 \$ | 2013 \$ |
|---|------|-------------------|-------------------|
| REVENUE | | | |
| Subscriptions & other Fellow receipts | 3(a) | 17,551,556 | 16,020,953 |
| Admissions, training & examination fees | 3(b) | 26,568,826 | 23,526,220 |
| Other | 3 | 6,698,245 | 7,238,113 |
| Total Revenue | | 50,818,627 | 46,785,286 |
| EXPENDITURE | | | |
| Employee benefits | | 29,105,920 | 26,825,106 |
| Travel, accommodation & meetings | | 4,963,274 | 4,808,736 |
| Other | 4 | 12,573,328 | 12,245,058 |
| Total Expenditure | | 46,642,522 | 43,878,900 |
| General fund surplus | | 4,176,105 | 2,906,386 |
| RACP FOUNDATION FUND | | | |
| REVENUE | | | |
| Interest and dividend income | | 2,200,255 | 2,251,353 |
| Donations from Fellows and other grants | | 1,619,202 | 1,699,725 |
| Gain on disposal of financial assets | | 756,091 | 352,133 |
| Other | | 301,114 | 285,859 |
| Total Revenue | | 4,876,662 | 4,589,070 |
| EXPENDITURE | | | |
| Grants paid or payable | | 1,954,955 | 2,022,273 |
| Other | | 363,770 | 496,805 |
| Total Expenditure | | 2,318,725 | 2,519,078 |
| RACP Foundation fund surplus | | 2,557,937 | 2,069,992 |
| TOTAL SURPLUS | | 6,734,042 | 4,976,378 |

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 2014

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| SURPLUS FOR THE YEAR | 6,734,042 | 4,976,378 |
| OTHER COMPREHENSIVE INCOME | | |
| Net gain on revaluation of financial assets | 1,020,157 | 319,827 |
| Foreign currency translation gain | 532,938 | 1,399,206 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 8,287,137 | 6,695,411 |

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 2014

| ASSETS | NOTE | 2014 \$ | 2013 \$ |
|--------------------------------------|------|--------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash & cash equivalents | 6 | 14,885,645 | 14,277,856 |
| Trade & other receivables | 7 | 2,383,484 | 2,277,374 |
| Other current assets | 8 | 455,486 | 493,232 |
| Other financial assets | 9 | 3,091,258 | 4,078,500 |
| Total current assets | | 20,815,873 | 21,126,962 |
| NON-CURRENT ASSETS | | | |
| Other financial assets | 9 | 80,566,760 | 69,064,971 |
| Property, plant & equipment | 10 | 6,926,677 | 8,000,665 |
| Other non-current assets | 11 | 1,449,157 | 1,444,880 |
| Total non-current assets | | 88,942,594 | 78,510,516 |
| Total assets | | 109,758,467 | 99,637,478 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade & other payables | 12 | 20,111,166 | 18,377,002 |
| Provisions | 13 | 1,448,307 | 1,446,620 |
| Total current liabilities | | 21,559,473 | 19,823,622 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 13 | 423,218 | 325,217 |
| Total non-current liabilities | | 423,218 | 325,217 |
| Total liabilities | | 21,982,691 | 20,148,839 |
| NET ASSETS | | 87,775,776 | 79,488,639 |
| FUNDS | | | |
| General funds | 17 | 39,192,202 | 35,016,097 |
| RACP Foundation funds | 17 | 43,568,304 | 41,010,367 |
| Reserves | 17 | 5,015,270 | 3,462,175 |
| TOTAL FUNDS | | 87,775,776 | 79,488,639 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

| | 2014 \$ | 2013 \$ |
|---|-------------------|-------------------|
| GENERAL AND FOUNDATION FUNDS | | |
| Balance, 1 January | 76,026,464 | 71,050,086 |
| General fund surplus | 4,176,105 | 2,906,386 |
| RACP Foundation fund surplus | 2,557,937 | 2,069,992 |
| Balance, 31 December | 82,760,506 | 76,026,464 |
| AVAILABLE FOR SALE RESERVE | | |
| Balance, 1 January | 1,777,449 | 1,457,622 |
| Movement in available for sale financial assets | 1,020,157 | 319,827 |
| Balance, 31 December | 2,797,606 | 1,777,449 |
| FOREIGN CURRENCY TRANSLATION RESERVE | | |
| Balance, 1 January | 1,684,726 | 285,520 |
| Foreign currency translation gain | 532,938 | 1,399,206 |
| Balance, 31 December | 2,217,664 | 1,684,726 |
| TOTAL FUNDS | 87,775,776 | 79,488,639 |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

| | NOTE | 2014 \$ | 2013 \$ |
|---|------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Cash receipts from training fees, memberships and operations | | 56,401,080 | 42,764,563 |
| Cash payments applied in operations | | (48,407,203) | (42,534,146) |
| Payments to Specialist Training Program posts | | (42,686,172) | (28,192,977) |
| Proceeds from Government for Specialist Training Program posts | | 40,202,800 | 33,126,814 |
| Interest received | | 367,833 | 471,527 |
| Proceeds from Government grants | | 339,454 | 1,060,376 |
| Net cash provided by operating activities | 14 | 6,217,792 | 6,696,157 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payments for property, plant and equipment | | (932,254) | (1,313,872) |
| Payments for investments | | (9,159,532) | (9,350,525) |
| Proceeds from disposal of property, plant and equipment | | - | 2,859 |
| Proceeds from investments | | 4,350,913 | 4,057,355 |
| Net cash used in investing activities | | (5,740,873) | (6,604,183) |
| Net increase in Cash & cash equivalents | | 476,919 | 91,974 |
| Cash & cash equivalents at the beginning of the year | | 14,277,856 | 13,623,219 |
| Effects of exchange rate fluctuations on the balance of cash held in denominated foreign currencies | | 130,870 | 562,663 |
| CASH & CASH EQUIVALENTS AT THE END OF THE YEAR | 6 | 14,885,645 | 14,277,856 |

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 2014

01/ 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 2014 was authorised for issue in accordance with a resolution of the directors on 19 March 2015.

02/ STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2014

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 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.

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 judgments

The College has entered into leases of premises and office equipment as disclosed in Note 15 (a). Management has determined that all of the risks and rewards of ownership of these premises and equipment remain with the lessor and has therefore classified the leases as operating leases.

• 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.

C/ Revenue

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

The College recognises membership subscription fees as revenue over the period of the membership, or where members have not notified the College that they have ceased to be members and not paid the subscription, the amount for which they are deemed to be liable.

• 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 company 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

Trade receivables, which comprise amounts due from provision of services are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement are thirty (30) days. The notional amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the College will not be able to collect the debts. Bad debts are written off when identified.

G/ Property, plant and equipment

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 company 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

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

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 & equipment | 10 years | (10%) |
| Furniture & fittings | 10 years | (10%) |
| Computer equipment & software | 3 years – 5 years | (20 – 33.3%) |
| Equipment held under finance lease | life of lease | |

• 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 consists of items of historical, scientific and artistic nature which appreciates in value, therefore no provision for depreciation is required. The College library was valued in 1979 by the Library Committee in conjunction with the College insurers on the basis of minimum resale value. Acquisitions since then in the case of donated volumes have been valued by the Library Committee on the same basis, and purchases at cost. Paintings, antiques and historical objects were independently valued on 30 June 1985 by a licensed valuer and were recorded in the books. Paintings, antiques, historical objects and the library were independently valued in 2009 for insurance purposes by the College's insurers but the changes were not brought to account in accordance with College policy. In 2012, the New Zealand library collection was independently valued and recorded in the books at deemed cost.

I/ Financial assets

The College classifies its financial assets into the following four categories:

- 01/ financial assets at fair value through profit or loss,
- 02/ loans and receivables,
- 03/ held-to-maturity investments, and,
- 04/ available-for-sale financial assets.

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 four 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.
- **Loans and receivables**
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.
- **Held to maturity investments**
Held to maturity investments are assets with fixed or determinable payments and fixed maturities that the College has the positive intention and ability to hold to maturity.
After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.

- **Available-for-sale financial assets**

Financial assets at fair value through equity are those that are designated as available-for-sale financial assets or are not classified in any of the other categories above. This category encompasses investments that the College intends to hold long-term but which may be realised before maturity. After initial recognition available-for sale financial investments are measured at fair value with gains or losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired, being either a significant or prolonged decline in value below cost, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit or loss and other comprehensive income.

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.

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/ Unexpended funds

The liability for unexpended funds is the unutilised amounts of government grants 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 government grant.

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/ Leases

• Finance lease

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the College recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased items or the present value of the minimum lease payments.

The amount recognised as an asset is depreciated over its useful life.

• Operating lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised 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 17):

- General funds
- RACP Foundation funds
- Available for sale reserves
- 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.

03/ REVENUE

| | 2014 \$ | 2013 \$ |
|---|------------------|------------------|
| GENERAL FUND | | |
| Externally funded grants | 3,411,753 | 4,082,028 |
| Registration and workshop fees | 927,817 | 932,316 |
| Interest & dividend income | 1,846,528 | 1,721,588 |
| Loss on disposal of financial assets | (258,267) | (6,970) |
| Advertising & publication income | 480,451 | 263,279 |
| Event management | 1,350 | 7,531 |
| Administrative fees & recoveries | 280,874 | 220,332 |
| Other | 7,739 | 18,009 |
| Total other revenue (General fund) | 6,698,245 | 7,238,113 |

A/ Revenue (Subscriptions)

The College recognises membership subscriptions as revenue over the period of the membership. The College has recognised unpaid amounts totalling \$287,483 in 2014 (2013 – \$392,768) as revenue as the College has a right to enforce the payment and intends to pursue the debt.

B/ Revenue (Training fees)

The College recognises training fees as revenue over the period of the training. The College has recognised unpaid amounts totalling \$643,753 in 2014 (2013 – \$597,775) as revenue as the College has a right to enforce the payment and intends to pursue the debt.

The proportion of training fee outstanding in relation to total training revenue remains at similar levels to 2013 (2014 – 3.29%; 2013 – 3.47%).

04/ EXPENSES

| | 2014 \$ | 2013 \$ |
|--|-------------------|-------------------|
| GENERAL FUND | | |
| Rent & outgoing/occupancy cost | 2,425,812 | 2,127,533 |
| Repairs & maintenance | 126,257 | 125,403 |
| Depreciation & amortisation | 2,055,608 | 2,030,932 |
| Printing, publication & postage | 1,676,172 | 1,794,006 |
| Contract, professional & consulting fees | 2,681,175 | 1,210,229 |
| Bank & investment management fees | 873,140 | 722,304 |
| Web hosting and information technology consumables | 314,602 | 394,667 |
| Insurance expense | 161,339 | 151,424 |
| General office stationery | 271,081 | 301,858 |
| Telephone | 272,362 | 283,667 |
| Training tools, development & delivery | 125,190 | 1,180,995 |
| IT hardware & software maintenance and support | 640,294 | 600,935 |
| Hospital assessment costs (Clinical exams) | 462,676 | 443,766 |
| OTP interview fees paid to Fellows | 113,927 | 109,818 |
| Bad and doubtful debt provision | 197,137 | 493,190 |
| Other expenses | 176,556 | 274,331 |
| Total other expenditure (General fund) | 12,573,328 | 12,245,058 |

05/ AUDITORS' REMUNERATION

| | 2014 \$ | 2013 \$ |
|---|-------------------|-------------------|
| AMOUNTS PAID TO AUDITORS FOR: | | |
| THE AUDIT OF THE FINANCIAL REPORT | | |
| Australia (Grant Thornton) | 50,852 | 44,360 |
| New Zealand (Grant Thornton) | 17,961 | 8,008 |
| | 68,813 | 52,368 |
| OTHER AUDIT SERVICES | | |
| Australia (Pitcher Partners) | 7,650 | 21,375 |
| Australia (Grant Thornton) | 2,600 | - |
| New Zealand (Grant Thornton) | 2,208 | - |
| | 12,458 | 21,375 |
| 06/ CASH AND CASH EQUIVALENTS | | |
| Cash at bank and on hand | 6,528,353 | 6,150,846 |
| Short term deposits with financial institutions | 8,357,292 | 8,127,010 |
| | 14,885,645 | 14,277,856 |

Restricted funds

Cash and cash equivalents includes \$4,634,304 (2013 \$10,507,300) 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 12.

Also included in the balance is RACP Foundation funds of \$819,932 (2013 \$2,152,100) which is not available for general working capital requirements.

07/ TRADE AND OTHER RECEIVABLES

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| TRADE AND OTHER RECEIVABLES | | |
| Trade & other debtors | 2,384,074 | 2,310,264 |
| Less: Allowance for doubtful debts | (1,216,090) | (1,133,128) |
| Other accrued income | 1,215,500 | 1,100,238 |
| | 2,383,484 | 2,277,374 |
| ALLOWANCE FOR DOUBTFUL DEBTS | | |
| Opening balance as at 1 January 2014 | 1,133,128 | |
| Less | | |
| Prior year debts collected | (753,581) | |
| Debts written off against provision | (114,175) | |
| Add provision for 2014 outstanding debts | 950,718 | |
| | 1,216,090 | |
| 08/ OTHER CURRENT ASSETS | | |
| Prepaid expenses | 455,486 | 493,232 |

09/ OTHER FINANCIAL ASSETS

| | 2014 \$ | 2013 \$ |
|-------------------------------------|-------------------|-------------------|
| CURRENT | | |
| Bank bills & term investments | 2,539,429 | 2,416,770 |
| Available-for-sale financial assets | 551,829 | 1,661,730 |
| | 3,091,258 | 4,078,500 |
| NON-CURRENT | | |
| Bank bills & term investments | 165,951 | - |
| Available-for-sale financial assets | 80,400,809 | 69,064,971 |
| | 80,566,760 | 69,064,971 |

Restricted funds

Bank bills and term investments include \$71,688 (2013 \$68,900) for the RACP Foundation. These funds are not available for general working capital requirements.

The current available-for-sale financial assets includes funds for RACP Foundation \$551,829 (2013 \$163,226) and is not available for general working requirements.

In the non-current available-for-sale of financial assets \$214,922 (2013 \$204,924) relates to funds the College manages on behalf of a separate entity. A corresponding Liability is also shown in the accounts in Note 12.

The non-current available-for-sale financial assets also includes funds for RACP Foundation \$44,817,036 (2013 \$41,545,900). These funds are not available for general working capital requirements.

10/ PROPERTY, PLANT AND EQUIPMENT

| COST | LAND & BUILDING \$ | LEASEHOLD IMPROVEMENTS \$ | FURNITURE, FIXTURES & FITTINGS \$ | PLANT & EQUIPMENT \$ | IT HARDWARE \$ | IT SOFTWARE \$ | TOTAL \$ |
|------------------------------------|-----------------------------------|--------------------------------------|--|-------------------------------------|---------------------------|---------------------------|---------------------|
| Balance at 31 December 2013 | 5,632,949 | 1,643,128 | 1,939,725 | 934,731 | 3,216,502 | 2,402,500 | 15,769,535 |
| Additions | - | 629,547 | 37,388 | 79,740 | 486,874 | 361,617 | 1,595,166 |
| Disposals | - | - | - | (13,202) | (252,403) | - | (265,605) |
| Balance at 31 December 2014 | 5,632,949 | 2,272,675 | 1,977,113 | 1,001,269 | 3,450,973 | 2,764,117 | 17,099,096 |

ACCUMULATED DEPRECIATION

| | | | | | | | |
|------------------------------------|------------------|------------------|----------------|----------------|------------------|------------------|-------------------|
| Balance at 31 December 2013 | 2,414,654 | 1,461,779 | 629,510 | 581,874 | 1,978,611 | 1,616,897 | 8,683,325 |
| Depreciation expense | 120,071 | 134,222 | 215,204 | 82,609 | 951,536 | 554,860 | 2,058,502 |
| Disposals | - | - | - | (12,701) | (251,452) | - | (264,153) |
| Forex translation | (26,417) | - | (24,001) | (3,136) | (160) | - | (53,714) |
| Balance at 31 December 2014 | 2,508,308 | 1,596,001 | 820,713 | 648,646 | 2,678,535 | 2,171,757 | 10,423,960 |

NET CARRYING AMOUNT

| | | | | | | | |
|--------------------------------------|-----------|---------|-----------|---------|-----------|---------|------------------|
| at 31 December 2013 | 3,218,295 | 181,349 | 1,310,215 | 352,857 | 1,237,891 | 785,603 | 7,086,209 |
| 2013 Fixed Assets under construction | | | | | | | 914,456 |
| | | | | | | | 8,000,665 |
| at 31 December 2014 | 3,124,641 | 676,675 | 1,156,400 | 352,623 | 772,438 | 592,360 | 6,675,137 |
| 2014 Fixed Assets under construction | | | | | | | 251,540 |
| | | | | | | | 6,926,677 |

11/ OTHER NON-CURRENT ASSETS

| | 2014 \$ | 2013 \$ |
|---|------------------|------------------|
| LIBRARY | | |
| At cost | 1,085,085 | 1,080,808 |
| PAINTINGS, ANTIQUES AND HISTORICAL OBJECTS | | |
| At cost | 364,072 | 364,072 |
| | 1,449,157 | 1,444,880 |

12/ TRADE AND OTHER PAYABLES

| | | |
|--|-------------------|-------------------|
| Trade creditors & other payables | 1,027,041 | 1,310,413 |
| Accruals | 4,011,101 | 3,884,761 |
| Income received in advance for subscriptions and exam fees | 9,517,629 | 2,747,480 |
| Unexpended funds | 5,555,395 | 10,434,348 |
| | 20,111,166 | 18,377,002 |

13/ PROVISIONS

| | | |
|-------------------------------------|------------------|------------------|
| CURRENT | | |
| Employee entitlements | 1,448,307 | 1,446,620 |
| Total current provisions | 1,448,307 | 1,446,620 |
| NON-CURRENT | | |
| Employee entitlements | 423,218 | 325,217 |
| Total non-current provisions | 423,218 | 325,217 |
| | 1,871,525 | 1,771,837 |

14/ RECONCILIATION OF CASH

| | 2014 \$ | 2013 \$ |
|--|------------------|------------------|
| NET SURPLUS FOR THE YEAR | 6,734,042 | 4,976,378 |
| ADD/(SUBTRACT) NON-CASH ITEMS | | |
| Depreciation of property, plant and equipment | 2,058,502 | 2,032,138 |
| Effect of exchange rate differences | - | (11,191) |
| ADD/(SUBTRACT) INVESTING ACTIVITIES | | |
| Loss on disposal of property, plant and equipment | 1,452 | 116,352 |
| Profit on sale of investments | (497,822) | (345,164) |
| Investment distributions re-invested | (3,809,889) | (3,282,267) |
| CHANGES IN ASSETS AND LIABILITIES | | |
| (Increase)/decrease in trade and other debtors | (82,552) | 6,871 |
| Increase in trade and other creditors and accruals | 1,717,389 | 2,976,812 |
| Increase in provisions | 96,670 | 226,228 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 6,217,792 | 6,696,157 |

15/ COMMITMENTS AND CONTINGENCIES

A/ Operating leases

The College has entered into commercial leases of buildings and office equipment. These leases have an average life of between three and five years with some having a renewal option included in the contracts. There are no restrictions placed upon the lessee upon entering into these leases. The College has provided financial guarantees in respect of leased premises amounting to \$680,671 (2013: \$567,357) secured by lease deposits.

| | 2014 | 2013 |
|--|------------------|------------------|
| | \$ | \$ |
| LEASE EXPENDITURE COMMITMENTS | | |
| OPERATING LEASES (NON-CANCELLABLE) | | |
| Not later than one (1) year | 1,201,211 | 1,538,869 |
| Later than one (1) year & not later than two (2) years | 903,850 | 1,137,645 |
| Later than two (2) years & not later than five (5) years | 1,631,817 | 2,364,591 |
| Later than five (5) years | 264,797 | 401,402 |
| | 4,001,675 | 5,442,507 |

B/ Capital expenditure commitments

There is no known capital commitment.

C/ Contingencies

There are no known contingencies.

D/ Events after the Balance Date

There have been no significant events after balance date.

16/ RELATED PARTIES AND RELATED PARTY TRANSACTIONS

A/ Directors

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

B/ Directors' compensation

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.

C/ Related party transactions

The College has accrued charges of \$42,000 in 2014, payable to the President, Laureate Professor Nicholas Talley, for services Laureate Professor Talley has performed as President.

The College paid the University of Newcastle \$1,533 during the year which was 50% of the charges the University paid for the College's President, Laureate Professor Nicholas Talley's telephone/internet charges.

The Past President (tenure ended May 2014), Associate Professor Leslie E Bolitho was reimbursed for services that he provided as the President. During the year the College paid Associate Professor Bolitho \$40,500 (2013: \$50,000).

The College administers the Specialist Training Program funded by the Department of Health. The program subsidises the salary for Trainees in expanded training settings and the Federal Department of Health approved a trainee position to be subsidised in a private practice in which Associate Professor Leslie E Bolitho is a partner. The practice received a payment of \$131,900 (2013:\$77,000) from the funds administered by the College during the year, whilst he was a director.

There is no other amounts payable to or receivable from Directors or Director-related entities at the reporting date.

Professor John Wilson, a Director of the College, was also a director and shareholder of an entity holding shares in Attend Anywhere Pty Ltd, a company in which the College has 10 per cent shareholding. The College's investment in Attend Anywhere Pty Ltd was written down to nil in 2009.

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 \$168,601 (2013:\$167,533) 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.

| | 2014 \$ | 2013 \$ |
|---------------------------|------------------|------------------|
| TOTAL COMPENSATION | 3,297,801 | 2,371,471 |

17/ DETAILS OF FUNDS

General funds

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

| | 2014 | 2013 |
|-----------------------------|-------------------|-------------------|
| | \$ | \$ |
| GENERAL FUNDS | | |
| Balance, 1 January | 35,016,097 | 32,109,711 |
| General Fund surplus | 4,176,105 | 2,906,386 |
| Balance, 31 December | 39,192,202 | 35,016,097 |

RACP Foundation funds

The amounts held in the RACP Foundation funds are used to finance awards and grants in research activities in Australia and New Zealand.

| | 2014 | 2013 |
|------------------------------|-------------------|-------------------|
| | \$ | \$ |
| RACP FOUNDATION FUNDS | | |
| Balance, 1 January | 41,010,367 | 38,940,375 |
| RACP Foundation Fund surplus | 2,557,937 | 2,069,992 |
| Balance, 31 December | 43,568,304 | 41,010,367 |

Reserves

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

18/ LIMITATION OF MEMBERS' LIABILITY

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

19/ FUNDRAISING

The College undertook fundraising appeals throughout the year and holds an authority to fundraise under the Charitable Fundraising Act 1991 (NSW). The College has disclosed the fundraising income statement below in respect 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)

| | 2014 \$ | 2013 \$ |
|-------------------------------------|-----------------|-----------------|
| Gross Income from Fundraising | 1,866 | 13,771 |
| Total Cost of Fundraising | 27,586 | 45,837 |
| NET DEFICIT FROM FUNDRAISING | (25,720) | (32,066) |

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. There were no fundraising initiatives carried out in Australia for 2014. NZ conducted one fundraising activity in 2014; "Tax appeal".

Two fundraising initiatives were carried out in Australia for 2013; "Tax appeal" and "Christmas appeal". Although losses were made in the fundraising appeals, the College is testing the propensity of the broader community to support the work of the RACP Foundation.

20/ OTHER INFORMATION

The registered office and principal place of business is:

145 Macquarie Street
Sydney NSW 2000
AUSTRALIA

RESPONSIBLE ENTITIES' DECLARATION

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

- 01/ 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 2014 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
- 02/ 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.



Nicholas Talley
Director
19 March 2015



John O'Donnell
Director
19 March 2015

DECLARATION BY RESPONSIBLE MEMBER OF THE GOVERNING BODY

I, Linda Smith, 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 2014 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 2014 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.

Linda Smith

Canberra, 19 March 2015



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**Independent Auditor's Report
To the Members of The Royal Australasian College of Physicians**

We have audited the accompanying financial report of The Royal Australasian College of Physicians (the "Company"), which comprises the statement of financial position as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Responsible Entities' declaration of the company .

Responsible Entities' responsibility for the financial report

The Responsible Entities of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012, the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. The Responsible Entities' responsibility also includes such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Responsible Entities, as well as evaluating the overall presentation of the financial report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

Auditor's opinion

In our opinion:

- 1) the financial report of The Royal Australasian College of Physicians is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - a. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the 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;
- 2) the financial report gives a true and fair view of the financial results of fundraising appeals of The Royal Australasian College of Physicians for the year ended 31 December 2014, and the financial statements and associated records of The Royal Australasian College of Physicians have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and regulations; and
- 3) monies received by The Royal Australasian College of Physicians, as a result of fundraising appeals conducted during the year ended 31 December 2014, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations.

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

James Winter

Partner - Audit & Assurance

Sydney, 19 March 2015

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