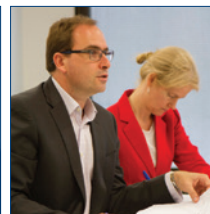
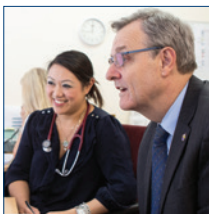
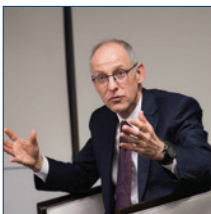
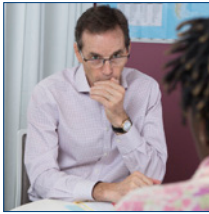
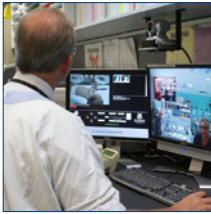




The Royal Australasian
College of Physicians



The Royal Australasian College of Physicians

Annual Report 2015

OUR MOTTO

Hominum Servie Saluti
To serve the health of our people

OUR VISION

Serving for excellence in health
and medical care through
lifelong learning, quality
performance and advocacy

OUR VALUES

Professionalism, Excellence,
Advocacy, Collaboration

THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS (RACP) TRAINS, EDUCATES AND ADVOCATES ON BEHALF OF 15,570 PHYSICIANS AND 7,000 TRAINEE PHYSICIANS ACROSS AUSTRALIA AND NEW ZEALAND.

The College represents a broad range of medical specialties including general medicine, 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.

The College offers 61 training pathways. These lead to the award of one of seven qualifications that align with 45 specialist titles recognised by the Medical Board of Australia or allow for registration in nine vocational scopes with the Medical Council of New Zealand.

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PRESIDENT'S MESSAGE



It's been an honour to lead the College as its President over the past 12 months. It has also been an education as I witnessed first hand the scope of the operations of this remarkable organisation.

The raw numbers illustrate the complexity of our College:

- almost 23,000 members – from experienced Fellows to trainees embarking on their specialist careers
- 33 specialty societies
- 4,585 Fellows providing specialist training
- 61 different training pathways.

But the numbers only tell part of the story.

The College also anchors specialties as we work our way through rapidly changing external environments – from changes in the delivery of health, to advances in education models to the pervasive disruption of technology.

Mediating this interaction between the pressures of the external world and the working lives of our members has defined the work of the Board over the past year.

This work is embodied in the six strategic goals the Board set itself at the beginning of our term and which are now reflected in this Annual Report.

On each of these goals I am pleased to report we have made significant progress.

- **Preferred educator and assessor of physician performance** – After an exhaustive accreditation process, we have secured accreditation as the preferred provider of education for our specialties for six years. This was an unprecedented vote of confidence in the quality of the work of the College and our Fellows in training the next generation of specialists.
- **Shaping the medical workforce of the future** – With a failure in government planning creating a looming crisis in medical workforce capacity in both Australia and New Zealand, the College has been leading projects in all jurisdictions to ensure we have the right mix of physicians and, critically, the capacity to train them. This work, led by our Education team in conjunction with our Fellows and trainees will drive a fundamental rethink of curriculum and eligibility over the coming years.
- **Supporting medical research** – We have supported members with more than \$2.2 million in grants to assist them with projects that will shape their specialties – from understanding how the care and outcomes of Indigenous and non-Indigenous Australians with end-stage kidney disease on renal replacement therapy vary by treatment centre, to refining and validating a new algorithm to predict disability in old age.

- **A better member experience** – Our contact centre has committed to a first contact policy to resolve member issues with a single interaction. In 2015, 19,149 calls were taken and Member Services assisted with issues ranging from training requirements to RACP College member benefits. We also launched a College website that focuses on the needs of users with a new user interface design, user centred navigation and rich content.
- **Speaking out for health** – Finally I am especially proud of our College's work in advocating for a better health system, from participating in reviews into Australia's Medical Benefits Scheme and primary healthcare and the new New Zealand National Health Strategy, to leading the identification and redirection of low value medical practices through our Evolve initiative, or developing positions on contentious issues like newborn screening and end of life care.

Our College has also entered the public debate on issues as diverse as the treatment of asylum seekers, the health impact of climate change and the health of the indigenous populations of Australia and Māori population of New Zealand. We have spoken out for the need for further research into the use of medicinal cannabis, entered the debate on e-cigarettes, and in early 2016 in collaboration with the RANZCP launched our policy on alcohol.

Through this work I have come to appreciate the leadership role we can play as physicians, filling a void

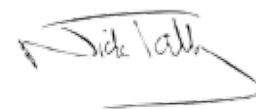
in a public debate where loud words too often are divorced from actual consequences for people.

We have delivered on these goals while finding ways of giving more members a chance to be involved in the College. The creation of the new College Council has ensured that all specialties will maintain a voice in the core strategic decisions the College makes over the coming years.

More fundamentally, this Council is a physical expression of what I have come to see as the core value of this College of ours – the bringing together of such a diverse range of specialties to collaborate and share ideas and insights to ensure we are the best physicians we can possibly be.

Finally, as I come to the end of my term as President and prepare to revert to the most important position in our College, that of a Fellow, I would like to thank my Board, the professional staff of the College and particularly Dr Catherine Yelland who will succeed me as President.

As I hope this report will demonstrate we are building a robust, resilient and forward-looking College that is committed to excellence in training and practice, drives innovation across our specialties and advocates on behalf of the health of our communities.



Laureate Professor Nicholas Talley
President RACP

CHIEF EXECUTIVE OFFICER'S REPORT



The past 12 months have been a year of focused activity as the College has worked to provide leadership in medical education while delivering value for our trainees and Fellows.

This Annual Report shows you in detail how we supported almost 23,000 members during 2015.

With the guidance of our Board we have focused on delivering the goals that the President has outlined in his message – accreditation, workforce planning, public advocacy and a better member experience.

To achieve these outcomes, our professional staff have worked hard to build better College infrastructure to support these important projects in many ways.

- With a core purpose of specialist education, 2015 marked a year of significant progress in the College's ambitious program of education renewal – our next generation learning program. The new competency based curriculum will be progressively implemented across the College's many training programs over coming years, commencing with Basic Training. Investment in the

systems and support required for successful implementation of the new curricula will be a continuing priority for the College over the coming years.

- The College is reinvigorating its peak committees to become leaders in advocacy for quality of care – and has established a new Ethics Committee.
- In response to Fellow and trainee feedback about its importance, we are adopting a ‘Digital First’ strategy – to always consider the impact of new technology when developing educational programs and member materials, and to consider how members want to interact with the college.
- We are taking new approaches to education, including developing our own CPD podcasts, as well as adopting best practice mobile learning solutions.
- The College is on track to deliver a new member database in the second half of 2016 – allowing more effective management of membership for trainees and Fellows.
- We have relaunched the College website, and are continuing to refine and evolve its functionality to make it easier to use for Fellows and trainees.
- Because of the high impact on the College of these types of projects,

we’ve established principles of best practice project management within the organisation.

Based on member feedback in the 2015 member satisfaction survey we are looking ahead to establish how we can provide further value to members who belong to the RACP.

At the direction of the Board we researched and rethought how we structure and run our flagship member event, RACP Congress, to ensure it remains contemporary and relevant for our diverse membership.

In another Board project, we researched possibilities for expanding our international relationships, and how we might spread our sphere of influence throughout the South West Pacific.

Our workforce planning and Capacity to Train projects are already anticipating where future demand for physicians will arise, and how the delivery of their training in the workplace will affect the health system.

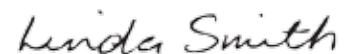
We are also seeking to increase healthcare consumer input into our governance, education and policy programs, through our Consumer Engagement Project.

In all these ways, teams of professional staff work alongside Fellows and trainees to create a College that respects the diverse needs of our members and their specialties.

I think we have come a long way over the past 12 months in delivering this.

I want to thank the Board, my Senior Leadership Group and the College staff for their commitment to achieving the College’s goals.

We look forward to working with the membership throughout 2016 to create the modern, relevant and member-facing College you have told us you want.



Linda Smith
Chief Executive Officer

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 its systems.

This report addresses progress towards this vision against the RACP's six strategic goals.

STRATEGIC GOALS

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

We ensure today's specialists continue to learn for their entire careers; and we educate the specialists of tomorrow.

GOAL 2 THE RACP SHAPES THE MEDICAL WORKFORCE STRATEGY

The healthcare sector is undergoing profound change. Our College is leading preparations for the medical workforce of the future.

GOAL 3 THE RACP IS A RESPECTED SUPPORTER OF RESEARCH

The practice of medicine is built on new knowledge and innovation, and we ensure that process of discovery continues.

GOAL 4 THE RACP PROVIDES VALUE FOR MEMBERS

There are multiple benefits to our members in belonging to one of Australasia's largest and most influential medical colleges.

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

Our specialist expertise doesn't just serve patients; we also drive long-term, positive healthcare outcomes for entire communities and populations.

GOAL 6 THE RACP IS A ROBUST AND EFFECTIVE COLLEGE

We are adapting and changing to ensure we remain relevant and effective for our members, their patients and our communities.



**EDUCATOR AND ASSESSOR
OF CHOICE**

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

Our College began 2015 with a resounding endorsement of our ability to educate and assess physicians and paediatricians.

In March the Australian Medical Council (AMC) and Medical Council of New Zealand (MCNZ) accredited us for six years, the maximum term awarded, as the preferred educator and assessor of physicians across Australia and New Zealand, saying;

“...the College’s significant investment in its educational programs and the expertise supporting them has led to continued evolution of education and training and continuing professional development programs...”

We also signed a Memorandum of Understanding with the MCNZ. It clarifies our respective roles and responsibilities relating to the regulation of physicians in vocational training, those applying for provisional registration, or those who are already registered.

MAINTAINING OUR HIGH PROFESSIONAL STANDARDS

We are strongly focused on improving our standards of excellence and leadership in medical education acknowledged by both the AMC and the MCNZ. To do so the College has begun to renew its entire curriculum to reflect evolving medical knowledge and practice.

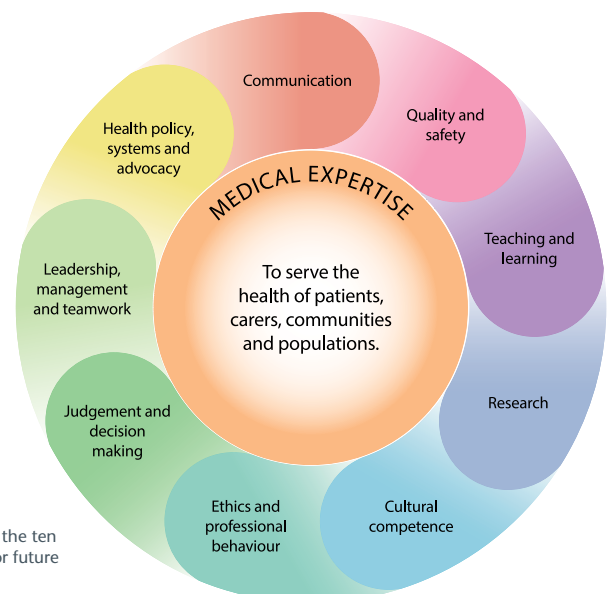
Integral to the College’s approach to maintaining high professional standards is the development of a Fellowship Standards Framework to guide life-long learning from training through to

continuous professional development. The standards framework defines ten domains to cover the breadth of professional practice of physicians. In keeping with contemporary views of a well-rounded physician, the domains of practice are broader than medical expertise and include important areas such as judgement, leadership and management, ethics, professional behaviour, teaching and learning. These professional domains will be used to assist in selection for admission to training programs, as reflected in the new Selection into Training Policy which was approved in 2015. The standards framework will also be used to design the new curricula and to develop programs of assessment which will guide trainees’ progression through their training and

admission to Fellowship of the College. Broad consultation on the Fellowship Standards Framework will take place during 2016.

In 2015 we also piloted new approaches to work-based learning and assessment, aligned with leading medical practice in Australia and New Zealand, as well as the United Kingdom, the United States and Canada.

We have conducted a successful pilot of Entrustable Professional Activities in the Community Child Health Advanced Training Program. The focus is on directing learning and assessment of specific professional tasks that are routinely carried out in Community Child Health practice.



Fellowship Standards framework – the ten domains of professional practice for future trainees and physicians

ENSURING WE HAVE FUTURE CAPACITY TO TRAIN

Over the past decade, the number of physician trainees has increased by 200 per cent in Australia, and 60 per cent in New Zealand.

Conscious that it is vital that we balance quality with volume concerns, in 2015 we began a major project, Capacity to Train, modelling training needs for the future, balancing demand against the healthcare and education systems' capacity, while ensuring our quality of training is not eroded.

In December the College led the public discussion and consultation around this issue. It convened a broad reference group of Government, Education, senior peer College and healthcare stakeholders to map out a modelling approach which is aimed at predicting health and education system wide impacts of increasing trainee numbers.

A final report to the RACP Board is expected in late 2016.



Dr Daryl Ooi, Advanced Trainee, Cardiology

The College has also drafted a number of Entrustable Professional Activities as part of the Basic Training Curriculum renewal and we will consult widely on these in 2016.

SUPERVISION AT THE RACP

Our supervisors provide valuable support to trainees to learn in healthcare settings throughout Australia and New Zealand. We have now rolled out a significant program of professional development to help them to consolidate their medical education skills.

The Supervisor Professional Development Program workshops occur in both local hospitals and specialty Annual Scientific Meetings.

During 2015, two of these workshops were made available online; these courses have proved to be very popular and highly rated by participants.

In 2015, the second round of a successful coaching program was delivered to a group of 30 Fellows. The program allows supervisors to learn coaching skills during a one day workshop, and then practise these skills over a six month period with a peer and also a professional coach.

Supervisors rated the workshop as highly relevant and useful, advising that the skills developed and refined include communication, facilitating others to generate solutions to issues rather than giving advice, and developing and refining plans and goals. This program will be run again in 2016.

IMPROVING THE DELIVERY OF EDUCATION

Training programs on both sides of the Tasman have been aligned and consolidated to reduce duplication. We have established Basic Training Committees in Adult Medicine, and Paediatrics & Child Health, closing a governance gap. The College has also created an Assessment Committee and a College Censor role. The College Assessment Committee and the College Censor will work to ensure that excellence in assessment is maintained for all RACP training programs.

EXPERT ASSESSMENT AND ADVICE

The College's Overseas Trained Physician (OTP) Unit sets the standards of excellence and manages the assessment in Australia for overseas trained specialists wanting to practise in Australia.

In 2015 a total of 157 new specialist assessment applications were evaluated in Australia, 142 applicants were assessed as eligible to progress on the specialist pathway and undertake requirements to obtain specialist recognition in Australia; and 58 OTPs completed specialist assessment and became Fellows of the College in 2015.

We act as an expert advisory body to the Medical Council of New Zealand in assessing Specialist International Medical Graduates (SIMGs) for registration to practise as specialists in New Zealand. In 2015 the College recommended assessment decisions on 28 SIMGs to the MCNZ. A total of 33 SIMGs were approved as Fellows by the New Zealand OTP Committee.

The College is driving additional improvements and refinements to the OTP accreditation process. It is considering reducing the number of interviews conducted, in an effort to streamline the pathway for some applicants, without compromising the high standards required of all candidates.

SUPPORTING PHYSICIANS' PROFESSIONALISM AND PERFORMANCE

In 2015 the SPPP team worked with the College's CPD team to develop and then expand online resource collections based on the contributions and peer review of RACP Fellows and other experts. Each guide presents the most up to date and relevant regional and international key reading, courses, web resources and tools on specific non-clinical topics such as medical leadership and management, quality and safety, communication and decision making.

WORLD LEADING LEARNING TOOLS FOR FELLOWS

Qstream is a proprietary software package originally developed at Harvard Medical School. It is designed to assist memory retention, and proven to improve knowledge acquisition and the ability to self-assess knowledge.

During the second half of 2015 the Qstream course on Modern Ethical Challenges was launched. This course was first run in collaboration with the University of Sydney's (USyd) Workforce Education and Development Group in 2014 as a pilot. Following the positive feedback, the College secured a Qstream licence to run the course again in 2015. The second iteration was solely run by the College, including the online discussion forums hosted on the RACP webpage. The course was well received with over 95 per cent of the 84 participants completing the course.

In collaboration with the NSW Clinical Excellence Commission, the SPPP team is developing a program on Diagnostic Error to be launched on Qstream in the first half of 2016.

READY FOR REVALIDATION

During 2015 in New Zealand, the College trialled multisource 360 degree feedback developed specifically for physicians, to give Fellows further insight into supervisor, peer and patient perceptions of their performance. The trial was in response to a new MCNZ requirement for revalidation for New Zealand physicians.

Assessing how practical tools such as 360 degree feedback are for physicians, will help the College proactively guide the Medical Board of Australia, as it considers whether to introduce revalidation of medical practitioners in Australia.

LEARNING ON THE GO

Qstream participants receive short questions or case scenarios on their mobile device during the day. Depending on whether their answer is correct or not, they will either progress onto a new question, or be shown the correct answer, then receive the same question a few days later. They can also see a statistical sample of their colleagues' performance on the same question so they can rank their own performance against their peer group.



Qstream eLearning platform



**LOOKING
AHEAD**

GOAL 2 RACP SHAPES THE MEDICAL WORKFORCE STRATEGY

Medical workforce planning is an increasingly complex process in which a range of influences need to be considered.



Dr Stephen Conaty with a patient

Not all of these necessarily complement each other and it is readily apparent that short-term fixes are unlikely to produce long-term solutions. Our recent work in understanding the physician workforce and seeking to shape its future has shown that activities need to be developed at a number of different levels.

First, it is very clear that the College needs to gather and analyse much more data about Fellows. Impending IT initiatives will assist in this process, but we will be completely dependent on the willingness of Fellows to contribute data on their practice patterns to this process if we are to be able to provide accurate analysis.

Second, the College has been taking advantage of opportunities to collaborate with academic and government groups on collection and analysis of workforce and training data. This provides a key opportunity to expand our own work and access to modelling capacity not available elsewhere. This process is inevitably quite complex and tangible benefits will accrue in future years.

Third, the College plays a key role in leading health sector planning for future specialist workforce demand and is an active participant in a range of important workforce initiatives led by Health Departments at national and State levels in both Australia and New Zealand. These address issues such as retention rates in regional centres,

planning for future specialist workforce needs by discipline and strategies for developing generalist specialty services across Australian States.

FUTURE SPECIALTY WORKFORCE DEMANDS

In 2015 our Australasian Faculty of Public Health Medicine began the Public Health Physician Workforce Study, following two earlier projects in 2010 and 2013. This study will examine current and future demand for Public Health Physicians who specialise in the healthcare of populations.

During the year the College's Faculty of Occupational and Environmental Medicine completed a study to forecast their future role and practice, as workplaces rapidly adapt to new methods of production and delivery of service, and social patterns of underemployment and unemployment continue to change.

The Adult Medicine Division has worked with specialty societies to understand each party's role in workforce planning, in preparation for workforce data sharing capability in 2016.

To gain further insight and enable more effective future workforce planning, the College's own IT systems workforce profile, which will collect workforce data from Fellows, is currently being developed and is due to go online in 2016.



RACP graduation ceremony 2015 Sydney.

PHYSICIAN OF THE FUTURE

This year the Office of the Dean commissioned an independent report *Physician of the Future* by Deloitte Access Economics, which subsequently validated the strategic education changes we have already begun to make.

As in many occupations, today 70 per cent of a physician trainee's learning and development takes place on the job, with 20 per cent under supervision or learning from peers and colleagues, and just 10 per cent in a traditional classroom or course-based setting.

We are already proactively anticipating how rapidly growing trainee numbers will impact the healthcare workplaces of tomorrow, where our physician trainees will learn as they practise advanced medicine.

Future developments such as an increase in team-based care, changing patterns of disease, evolutions in funding models and advances in medical knowledge are also factors we are considering in determining the workforce strategy needed to provide future physicians.

The College anticipates a future medical environment where ageing populations and a rise in chronic disease will drive a rise in demand for geriatric medicine and end of life care. Future physicians will need greater compassion, improved communication and stronger judgement skills.

More complex, preventive care demands will require increased multi-disciplinary teamwork, leadership and patient advocacy, and a broader, more holistic view of medical practice. Empowerment and treatment by instruction are likely to give way to co-operation with patients about their care.

Increased flexibility in training and work arrangements may be offset by greater demand for services, especially in remote areas. Future physicians will need greater self-awareness to manage stress and their own health.

Continued technological advances may be disruptive. But physicians can also expect to benefit as technology yields greater convenience, innovation and cost-savings in routine care and procedures. Future physicians will require basic skills in data analysis and management, and technological literacy

to maximise their gains from technology.

A separate draft paper *Workforce Horizons* was also considered by the Board in late 2015 prior to further circulation. It contains recommendations on future workforce direction and possible actions for the College. These have been developed to match our short, medium and longer-term training planning horizons.

HARNESSING INTERNATIONAL EXPERTISE TO PLAN FOR TOMORROW'S WORKFORCE

The Tri-nation Alliance encompasses specialist medical colleges from Australia, Canada and New Zealand. It ensures the RACP maintains international currency, relevance and influence in advancing innovation in medical education.

In 2015 the RACP was awarded hosting rights for the 2016 meeting of the Tri-nation Alliance of Colleges, including the International Medical Symposium in Sydney.

Dr John Wood, recipient of a College Indigenous Health Scholarship with President Laureate Professor Nicholas Talley



Physicians and surgeons from Canada's College will join the RACP, the Royal Australasian College of Surgeons, The Australian and New Zealand College of Anaesthetists and the Royal Australian and New Zealand College of Psychiatrists, at the event titled *Future Challenges for the Medical Profession*. They will discuss future roles and responsibilities the of doctors of the future, their performance at work, diversity in the profession and medical practice and how ageing affects physicians and their patients.

FUTURE WORKFORCE CULTURAL COMPETENCE

2015 saw an increasing focus on strengthening the future competence of trainees and Fellows in Māori, Aboriginal and Torres Strait Islander cultures.

In New Zealand the College recognises the need to increase the number of Māori trainees. In January 2015 just 2.9 per cent of doctors in the entire medical workforce identified as Māori, while people identifying as Māori represented around 15 per

cent of the general New Zealand population. At a hui held during November in Palmerston North, the College discussed ways of increasing and supporting the number of Māori selected for physician training, as well as raising physician competence in Pasifika culture through the Pacific Island Working Group.

THE REMOTE WORKFORCE

Filling specialist roles in regional and remote areas is challenging. Funding from the Australian Department of Health's Specialist Training Program is critical in providing assistance to fill 400 positions outside traditional public teaching hospitals, and the College successfully lobbied during the year to preserve it.

In 2015, the College's Victorian Dual Training Working Group helped implement a dual training position in rural Victoria to begin in 2016, rotating between Bendigo and Austin Hospital in Melbourne.

The candidate will continue to work in the region to fill an area of need.

The Group has received in principle support from the Victorian Department of Health and Human Services to fund further positions in General and Acute Care Medicine and an additional specialty to begin in 2017.

We also continue to support the New South Wales Regional Dual Training Program in place at Dubbo and Orange Hospitals to ensure remote communities have access to quality specialist medical care.



**EXPANDING THE BOUNDARIES
OF MEDICAL KNOWLEDGE**

GOAL 3 RACP IS A RESPECTED SUPPORTER OF RESEARCH

Our College supports research by providing scholarships, fellowships and grants to Fellows and trainees through the RACP Foundation.

Clinician scientists around the world are struggling to maintain their research careers, which are so vital to expanding medical knowledge.

For that reason, the Foundation's scholarships, fellowships and grants are primarily directed to supporting early career researchers, although a number of other important awards for achievement are made to mid-career researchers as well.

In 2015, the Foundation maintained funding at previous levels, and made available \$2.6 million in research scholarships, fellowships and grants. Ultimately, more than \$2.2 million was awarded to 55 recipients. In addition, approximately \$108,000 was allocated for awards for meritorious achievement and excellence. The College's Research Strategy to 2018 recognises the importance of a number of areas of priority, in particular, clinical research, education methodology research, and health services and health systems research.

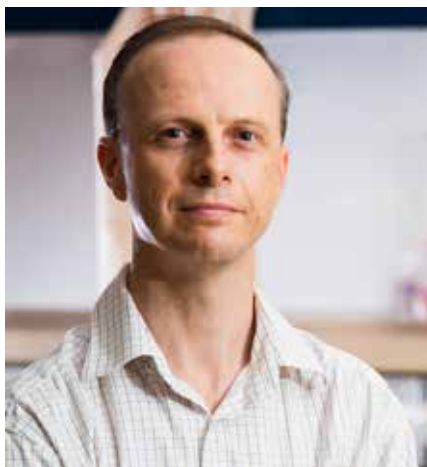
The Foundation provides the College with a hugely important opportunity

to support the careers of trainees (and especially early career Fellows) and to contribute to the Australasian effort in medical research.

The RACP Foundation has established a key alliance with the National Health and Medical Research Council in Australia and as a result, the impact of funding from the RACP Foundation has been significantly amplified. The Foundation is exploring other opportunities for alliances.



RACP President Laureate Professor Nicholas Talley presenting Professor Craig Mellis with the award of RACP Mentor of the Year 2015.



Dr Phillip Good, FRACP

PALLIATIVE CARE DOCTOR EMBRACES DIVERSITY CHALLENGES

With over 100 different cultural groups recognised across Australia, nearly every physician can relate to the challenges of delivering medical care to culturally and linguistically diverse (CALD) communities.

Inspired to improve his own understanding in palliative care, Dr Phillip Good successfully applied for a 2014 Cottrell Research Establishment Fellowship from the RACP Foundation.

Dr Good, based at St Vincent's Private Hospital and Mater Health Services in Brisbane, is still finalising the research but it is already having an impact on him.

“One of the outcomes that really stood out is that there is often no direct translation for the term ‘palliative care.’ Nor do the health systems of some countries provide support for palliative care,” said Dr Good.

Dr Good is also a recipient of a further 2015 RACP Foundation grant. This research will seek to determine optimal use of methadone for cancer-related pain.

“Professionally, it's an exciting time for me and I am very grateful for the support of the RACP Foundation.”

2015 RACP FOUNDATION AWARDS

In 2015, the RACP Foundation awarded funding of more than \$2.2 million to 55 recipients. Applications from 233 applicants were received from across the Divisions, Faculties and Chapters and the funds were used to support research and education in the following categories:

TYPE OF AWARD	NUMBER OF RECIPIENTS
Research Development	3
Research Entry	20
Research Establishment	17
Career Development	2
Travel Grants	5
Study Grants	3
Indigenous Scholarships	4
International Grants	1

DIVISION, FACULTY AND CHAPTER	NUMBER OF RECIPIENTS	
	Trainees	Fellows
Adult Medicine Division	15	21
Paediatric & Child Health Division	7	5
Australasian Faculty of Rehabilitation Medicine	1	3
Australasian Faculty of Public Health Medicine	1	0
Australasian Faculty of Environmental and Occupational Medicine	1	0

COUNTRY	TRAINEES	FELLOWS
Australia	22	27
New Zealand	2	1
Overseas	1	1

For a list of recipients, please visit the RACP Foundation section of the RACP website: www.racp.edu.au/about/racp-foundation-awards

Ian and Zanette Brown,
supporters of the Jacquot Awards



ACKNOWLEDGEMENT OF DONORS

We gratefully acknowledge the continuing support to fund research awards which we receive from our generous donors and recognise the significant contributions made to research by Fellows and trainees.

During the year's subscription campaign, 4,570 Fellows and trainees donated \$464,949.

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 2015, these donors provided support worth more than \$1.8 million.

Donations can be made by emailing foundation@racp.edu.au

ZANETTE AND IAN PROUD TO CONTINUE FAMILY LEGACY

A passion for and commitment to medical research doesn't run deep for doctors alone.

Since 1985, the Jacquot family has been revered for its support of the RACP. The first donation from the family was made by Lorraine Jacquot, who wished to commemorate her late husband Don, who had recently died from renal failure. Sadly, Lorraine passed away in 1992; however, she generously left further funds to the RACP Foundation in her will.

The family's extraordinary support has led to the establishment of the 'Jacquot Awards' which in 2015 provided eight research opportunities to the value of \$540,000. The ongoing commitment by the Jacquot family has ensured the RACP Foundation is a major source of funding for renal research in Australasia.

Since Lorraine's passing, her sister Zanette Brown and her husband Ian have championed the Jacquot family legacy.

"Lorraine was very interested in education and improvement of health and hospital care," explained Zanette. "Following Don's fight with kidney disease, she realised Australia could do more to research and better understand nephrology."

“ Since Lorraine's passing, my family and I have endeavoured to make sure her wishes have been carried out. Personally, through my ongoing involvement with the Foundation, I've also become passionate about improving health care for the benefit of everyone. And what better way to do this than through education and research.”

Zanette Brown



**THE VALUE OF
BELONGING**

GOAL 4 RACP PROVIDE VALUE FOR MEMBERS

One of the RACP's key focus points in 2015 has been to enhance the experience of belonging to one of Australasia's largest medical Colleges.

Whether anticipating and preparing for our members' roles in the future healthcare sector, or ensuring they have the latest digital tools to learn and develop, providing value for Fellows and trainees remains a top priority.

IMPROVING COMMUNICATIONS WITH TRAINEES AND FELLOWS

Following detailed research with members and users in the first six months of 2015, the College's website was redesigned and relaunched with contemporary design, audience-driven navigation and a more streamlined approach to content. The redesign is the first step in a wider digital journey, with further development planned to enhance content and navigation in an agile, evolving environment.

The next stages will improve usability for members across other web portals such as the training portals. Testing that the new design has been optimised will be ongoing.

The Member Services Contact Centre, established in May 2014, has continued to improve communication with members.

At launch, the Contact Centre was able to resolve 25 per cent of calls at the first point of contact. In 2015, this increased to over 75 per cent resulting in an improved experience for members and making it easier and quicker for them to obtain an immediate resolution. In collaboration with Fellows and trainees, College staff also developed a Member Services guide to assist new members in finding relevant services.

Following feedback from member research to reduce frequency and increase quality of communications, improvements in presentation and style were made to Division, Chapter and Faculty electronic bulletins that are sent fortnightly to all members.

Planning is underway for the College's print publication, *RACP News*, to transition from bi-monthly to quarterly release in 2016. This reflects member feedback seeking a decrease in the quantity of communications, while increasing quality.

IMPROVING OUR MEMBERS' ONLINE EXPERIENCE

In February 2015 the College began planning a major upgrade of its member administration software system. Phase one of the project will go live in the second half of the 2016 calendar year. The platform has the potential to significantly improve member online experience, establishing a new member database, the first stage of online access for members, the capability to manage committees and events, processing of fees and other functions such as recording Continuous Professional Development. Member communications will also be improved due to the system's ability to analyse data.

Phase 2 of the project will cover education training administration processes.



Delegates at a session at RACP Congress 2015

LEADING DISCUSSIONS IN MEDICAL AND HEALTH SCIENCE

In Cairns during May, the RACP's Annual Congress was attended by over 800 delegates, providing a valuable opportunity for them to network with, and learn from peers. With a theme of Breaking Boundaries, Creating Connections, they discussed a diverse range of topics from refugee health to infectious disease outbreaks in the workplace. At least 16 specialties from the Adult Medicine Division alone presented at Congress, allowing members to directly benefit from the value of the great diversity of knowledge embraced by the RACP.

In 2015 the College's Australasian Faculty of Environmental Medicine was successful in bidding to host the International Congress on Occupational Health (ICOH) in 2021. ICOH is the world's leading international scientific society in the field of occupational health with a membership of 2,000 professionals from 93 countries.

“ This achievement would not have been possible without the backing of the bid proposal by the RACP and the Board, who continue to show their strong support for the Faculty towards this very important activity.”

Dr David Beaumont
President, Australasian Faculty of Occupational and Environmental Medicine

TEACHING RESOURCES FOR THE 21ST CENTURY

Following member feedback requesting more content to enhance continuing medical education, this year the College developed five additional interactive online learning modules for trainees. Video case studies followed by live online discussion forums were developed for Practical Skills for Supervisors, Tele-supervision, Research Skills for Advanced Trainees and Supervisors and Communications Skills.

Monthly 'Pomegranate' medical podcasts created by physicians for physicians were also introduced in 2015 to further increase the learning resources available to members. A wide range of contemporary medical topics have been covered such as

stem cell therapies, law at the end of life and antibiotic resistance.

MyCPD, the web platform used by specialists to record their continuous professional development points, was also refined during the year. Four CPD systems were combined into a single system reducing cost and complexity for members.

Additional improvements to aid timely completion of reports have increased pre-deadline CPD submissions by 34 per cent this year. Compliance remains steady compared with last year, with 97.4 per cent of members completing CPD.

The College is continuing its transition to computer-based administration of examinations to streamline the exam process, and make the job of developing exams easier for Fellows.

During 2015 we established an exam bank of pre-trialled questions in our divisional written exams – a significant achievement that has been many years in the making. Existing written questions are being migrated to the exam bank. Examiners are now being transitioned to the new exam development software program, which will be used to develop the Divisional written exams for 2017. The transition from paper based to computer based testing is scheduled to commence in 2018.



RACP Member Services staff Marion Avila and Margaret McMenamin

ENHANCING VALUE FOR TRAINEES

In 2015 basic trainee orientation to the College was standardised across Australia in order to streamline the entry process for new members.

Following New Zealand's lead in 2014, the first Australian based trainee's day was launched in Cairns in May with 58 attendees who described the day as a great success.

During the year the College also prepared for the launch of a new Trainee in Difficulty Support Policy in 2016 which mapped out pathways for trainees who were facing professional or personal challenges. In November we enhanced trainee communications with the launch of a new quarterly electronic Bulletin written by trainees for trainees.

SUPPORTING MEMBERS

To provide on the ground support to members, College staff and senior College Fellows attended five annual scientific meetings during the year, the Te Ora Hui in New Zealand during November, and the University of

Wellington Careers Day. Events and Communications staff also supported AFRM and AFPHM, Specialty Society and College Chapter Annual Scientific Meetings, helping them achieve significant profits which will be invested in the RACP Foundation to fund future Faculty and Chapter research in their respective disciplines.

ENSURING MEMBERS' NEEDS ARE MET

To ensure the value of belonging to the College remains a core focus, several significant pieces of member-based research were completed during the year. The second Annual Member Satisfaction Survey was finished in October, with results informing direction and strategy for 2016.

The RACP Annual Congress is the flagship College event for both trainees and Fellows.

During 2015 external research advanced several possible future models for this event to ensure Congress remains a compelling learning, development and networking opportunity for members.

The College also undertook detailed member-based research to develop a series of overarching communications messages to further unify its membership base, and strengthen the value we provide to all members.

IN 2015

Our five Australian based, and one New Zealand based Member Support Officers also provided in-situ support to Designated Providers of Training, hospitals and training supervisors, holding **52** Physician Readiness for Expert Practice workshops for **954** trainees and **97** Supervisor Professional Development Program workshops for **1,543** supervisors across Australia and New Zealand.



**LEADING HEALTHCARE
DISCUSSIONS**

GOAL 5 RACP IS ABLE TO SHAPE THE HEALTH POLICY AGENDA

Our Policy and Advocacy agenda has clearly defined policy priorities enabling physicians and paediatricians to influence Australian and New Zealand health policy.

LEADING REDUCTION OF UNNECESSARY PROCEDURES AND INTERVENTIONS

The College's flagship **Evolve** initiative is focused on driving high quality patient care by identifying and reducing low value medical practices and interventions. Evolve is physician led, using our members' expertise to review the evidence and advise on circumstances which may lead to unnecessary treatments for patients.

In March the College held the first Evolve Forum involving more than 40 Specialties, where a shared set of principles and methodology was developed and agreed. Over 40 per cent of College specialties are now involved and a growing number of physician 'top five' lists are being published (www.evolve.edu.au).

The College continues to work closely with external stakeholders on aligned initiatives such as the Choosing Wisely campaign being coordinated by NPS MedicineWise, where the College is now the largest contributor of lists.

◀ Editor-in-Chief of The Lancet, Dr Richard Horton, speaking at the RACP in Sydney, for the launch of our *Doctors for Climate Action* campaign in October 2015.



ABC medical commentator Dr Norman Swan listens to RACP Fellow Professor Anne Duggan addressing the 2015 Evolve Forum.

OUR EXPERT ADVICE SOUGHT

In New Zealand, the Government sought the College's input into its proposed refresh of the National Health Strategy; 'All New Zealanders live well, stay well, get well.' Our submission highlighted our intention to lead a trans-Tasman College campaign to reduce the impact of childhood obesity.

Following concerns from members about the New Zealand health system's inability to keep pace with new rehabilitation practices which have been proven to be effective, Faculty of Rehabilitation Medicine members also

proactively called for a **New Zealand National Rehabilitation Strategy**.

Our Fellows are leading the call to reduce inequalities in rehabilitation to ensure New Zealanders receive rehabilitative care closer to home that returns people to their own home.

Our members played a key role influencing many other areas of health policy. During the year, in New Zealand they contributed their expertise to 53 separate Government and non-Government submissions on healthcare matters, including Select Committee submissions on financial assistance to organ donors.

SPEAKING OUT ON TOPICAL HEALTH ISSUES

We drew worldwide attention to the health effects of climate change, gaining signatures from over 60 peer health organisations from more than 30 countries to our **Health Effects of Climate Change Consensus Statement**. It called on the UN COP21 convention in Paris to act in combatting the health effects of climate change. In parallel, a high visibility digital campaign Doctors For Climate Action supported by Fellows across Australia and New Zealand, succeeded in being endorsed in one of the world's premier medical journals, *The Lancet*, whose Editor Dr Richard Horton spoke at our launch event.

ADVOCATING FOR THE HEALTH OF ASYLUM SEEKERS

Launched in May, the **Refugee and Asylum Seeker Health Position Statement** continues our work advocating for the mental and physical health of asylum seekers. We coordinated a joint statement from 12 medical colleges and peak healthcare groups, calling for amendments to the Australian Border Force Act which puts constraints on our members' ability to advocate for their patients.

Paediatricians wrote to the Federal Government in support of the Human Rights Commissioner's report calling for children to be released from detention.

The President of the RACP and senior Paediatricians travelled to Canberra to meet with politicians from all political parties, as well as the Department for Immigration and Border Protection Child Protection Panel, highlighting our concerns about the health effects of detention on asylum seekers.



This year the College progressed a position statement on the impact of **e-cigarettes**. We attended roundtables with the NSW Heart Foundation and Cancer Council, as well as publicly supporting a ban in NSW on selling these devices to minors.

The College closely monitored developments in **Medicinal Cannabis** in 2015, urging that access to medicinal cannabis should occur as part of a clinical trial, so that an evidence-based approach regarding its safety and effectiveness could be developed.

Proposed legislation was introduced to the Victorian Parliament to allow cultivation, manufacture and medicinal use of cannabis products, while other State governments committed to clinical trials and further research. The Victorian State Committee conducted a survey of Fellows to inform the College's position, and the College initiated a Medicinal Cannabis Reference Group.

In 2015 we made submissions to the Harper Competition Policy Review on the need to retain constraints on supermarket sales of alcohol, and the Senate Inquiry into Personal Choice and Community Impacts.

The College's **Health Benefits of Good Work** program led by the

Australasian Faculty of Occupational and Environmental Medicine now counts some of Australia and New Zealand's largest and most influential Government and private sector employers as participants.

The program updated its evidence base in 2015. It now distinguishes health benefits of good work where employees have empowering and fair leadership, and decision control, from negative workplaces lacking these characteristics.

CONTRIBUTING TO A SIGNIFICANT HEALTHCARE REVIEW

Our members have told us they want our College to have a strong voice in advocating on issues that affect physicians and their patients. This year, as well as commencing work on a policy priority of Integrated Care, we contributed to a range of health reform debates and reviews. These included the Primary Health Care Review, the RACGP's Vision of a Sustainable Future, the Australian Government's Senate Inquiry into Chronic Disease, and the Medicare Benefits Schedule (MBS) Review.

Following the Government establishing a taskforce in April to lead the MBS Review, we worked with

the specialty societies and were able to provide 77 Fellows and trainees as potential nominees to taskforce committees to support a strong level of physician representation.

ADVOCATING FOR THE HEALTH OF CHILDREN AND ADOLESCENTS

Speaking out on behalf of children and young people was a highlight of our College's policy and advocacy work in 2015.

Protecting Children is Everyone's Business is the Paediatrics & Child Health Division's Children Protection Policy document. Updated in March this year, it outlines the role of Paediatricians working with their primary, secondary and tertiary healthcare partners to identify and treat child abuse across Australia and New Zealand.

Newborn bloodspot and hearing screening can reduce sickness and illness, neo-natal death or disabilities arising from undetected congenital conditions. In May our Paediatric colleagues launched their **Newborn Screening in Australia Position Statement**, specifying the ideal standards for a comprehensive Australia-wide newborn screening program.

The College's Paediatricians and Public Health Physicians also contributed to a Senate Inquiry into the Australian Government's 'No Jab, No Pay' policy in October. They highlighted that while the College supports measures that safely increase vaccination rates such as tools for improved communication and monitoring, withholding benefit payments from parents refusing immunisation further harms children.

In November the College's Australasian Chapter of Sexual Health Medicine

contributed to our **Sexual and Reproductive Health for Young People Position Statement**.

Fellows contributed their expertise on contemporary and challenging issues such as sexually transmitted infection, teenage parenthood, homophobic and transphobic abuse and bullying, and domestic and sexual violence.

ADVOCATING FOR INDIGENOUS HEALTH

In 2015, all Australian Indigenous trainees were contacted to invite them to get involved with our Aboriginal and Torres Strait Islander Health Committee (ATSIHC) and its work.

The ATSIHC Chair attended our November Maori Health Hui to progress collaboration across our Aboriginal and Torres Strait Islander and Maori College Communities, and particularly the shared aim of supporting a culturally safe health system and growing Indigenous physician workforce.

ATSIHC members also attended multiple federal level committee hearings and Indigenous health conferences and meetings. As part of its work advocating for better and more consistent access to specialist care, the College welcomed the launch of the National Aboriginal and Torres Strait Islander Health Plan's Implementation Plan and the inclusion of a priority focusing on this issue.

END OF LIFE CARE

Of great concern and importance to physicians, and the Australian and New Zealand communities, this topic was the subject of a number of College submissions to parliamentary inquiries on end of life choices and improving end of life care.

ADVOCATING AT GRASS ROOTS LEVEL

As well as engaging with policy makers, our Fellows take the initiative to directly influence change themselves. This year paediatricians in New Zealand mounted a successful direct action campaign via their own networks to have New Zealand District Health Boards throughout the country remove sugar sweetened drinks from vending machines. These beverages are a significant contributor to obesity. Their campaign resulted in a complete ban by all DHBs nationwide. Our New Zealand Fellows are now taking the lead in developing a trans-Tasman campaign to highlight the impacts of obesity.

The College's End of Life Working Party conducted a survey of Fellows and trainees on their knowledge, attitudes and practice regarding end of life care and advance care planning. It is developing a position statement on this increasingly important topic, given the ageing of Australian and New Zealand populations.

Encompassing areas such as the key role of all physicians in improving end of life care and advance care planning, the statement is scheduled to be launched as one of the highlights of the 2016 RACP Congress.



**FUTURE
STRENGTH**

GOAL 6 RACP IS A ROBUST AND EFFECTIVE COLLEGE

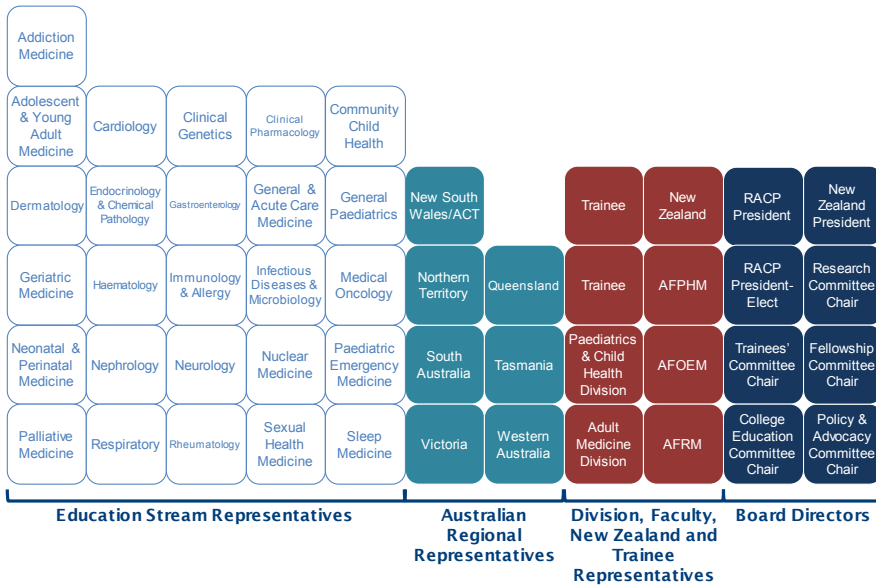
The College Board believes governance changes are needed to ensure our College continues to be a world class education, advocacy and research organisation for physicians in the future.

A new representative College Council, reinvigorated committees and a smaller, expert Board will ensure decision-making agility, consistent with contemporary practices of good governance, is balanced with the representative collegiality appropriate to an academic medical College. During 2015 members were widely consulted and asked to have their say in determining the College's future, and a separate website www.ourcollege.org.au was launched to explain the proposed changes.

The College Board continues to support adopting more contemporary governance arrangements and practices to assist in achieving the College's objectives, including the proposal to move to a smaller, more skills-based Board. Proposed changes to the College's constitution to permit this will be put to members at the Annual General Meeting in May 2016.



College Council meeting, September 2015



College Council composition

A NEW COLLEGE COUNCIL

During 2015 a new representative College Council was established by the Board, to deliver on a commitment to transparency and democracy in the way the College is run.

The 50 member Council brings together representatives from each of the College's 33 specialty education streams, every Australian State and Territory, as well as New Zealand, trainees, and Adult Medicine and Paediatric & Child Health Division Fellows. It enables the diverse College membership to contribute to the development of College strategy and advise the RACP Board.

The Council had its first meeting in Melbourne during September electing Fellow Associate Professor Alasdair MacDonald as Council Chairman. Two Deputy Chairs were also appointed: Dr Matthew Strack from Dermatology (NZ) and Professor Catherine Choong from Paediatrics and Child Health.

EXTRAORDINARY GENERAL MEETING

In July 2015, a requisition signed by approximately 400 members sought changes to the College's constitution.

At an Extraordinary General Meeting of the College in July, 17 per cent of the total College membership participated in a vote on these resolutions. All resolutions were defeated, with votes ranging from 46 per cent to 50 per cent in favour of the respective resolution.

All resolutions fell short of the 75 per cent favourable vote required to change the College constitution.

Even so, reflecting its commitment to democracy, transparency and collegiality, the Board has considered much of the feedback from the Extraordinary General Meeting.

A variety of measures have subsequently been implemented. These range from progressing a prior commitment to establish a College Council, through to a Fellow led Committee to supervise College elections, in an effort to ensure

ETHICS COMMITTEE

The College's new Ethics Committee met for the first time this year, after an external review in 2014 and subsequent Board decision to establish the Committee.

The increasingly complex relationships within the healthcare industry and speed in advancement of medical knowledge can give rise to frequent conflicts of interest or ethical dilemmas.

Chaired by a Board Director, and made up of six Fellows or trainees and a New Zealand member, the Committee's role is to advise the Board on ethical issues encountered by the College in policy and advocacy, education, research and financial investment.

The Committee has now detailed its role, structure are priorities, finalised its guidelines and is scoping a number of future projects.

Associate Professor Alasdair MacDonald,
Chair, College Council and College Company
Secretary, Michael Smith



College governance is seen to be truly representative of our broad and diverse membership.

COLLABORATION WITH FELLOW EXPERTS

Our relationship with our 33 affiliated specialty societies is vital and productive.

Many of the College's training programs depend on our Fellows who are also members of the societies where detailed specialist knowledge is shared and debated. There is further potential for collaboration beyond education and training.

As part of our accreditation, the Australian Medical Council requested we clarify this important relationship.

During 2015 our Adult Medicine Division Council led the development of a non-legally binding agreement which is designed to replace existing memoranda of understanding between AMD-affiliated Specialty Societies and the College, as well as those Australian and New Zealand societies affiliated with Paediatricians, Faculties and Chapters.

The Model of Collaboration is a principles-based document which sets out the respective roles and responsibilities of the College and the Specialty Societies, and is now in consultation, before implementation through negotiation with each specialty society.

It will assist the College in clarifying and working in a mutual partnership with Specialty Societies, to meet their expectations of College support while recognising Specialty Societies' own education and training activities.

HONORARY TREASURER'S REPORT



The College is in a secure financial position. A good financial outcome from 2015 has contributed to our retained members surplus that is the basis of the College being able to fund strong operational performance and awards to members, particularly trainees, supporting research and academic achievement.

CONSOLIDATED RESULT

The College had a positive year, with the surplus for its operations of \$6.2 million (2014 - \$4.2 million), and a surplus for the RACP Foundation of \$0.3 million (2014 - \$2.6 million). Overall, the consolidated surplus was \$6.5 million (2014 - \$6.7 million).

The College income from admissions, training and examinations accounted for a \$1.9million increase in revenue over 2014. While there was a 3 per cent growth in expenditure on members travel, accommodation and meetings costs, along with staff costs, the surplus

this year, in part, was the result of control of other expenditure and some project expenses being carried forward into projects of work over several years.

The College is committed to using its accumulated reserves to invest in improved education, training and on-line services creating better resources for members.

FINANCIAL STRENGTH

The financial position, as detailed in the balance sheet, shows that the College remains financially robust with consolidated net assets growing to \$92.7 million from \$87.8 million.

Management of both the invested general funds and Foundation investment portfolios transferred from UBS to Morgan Stanley (Australia) during the year. This move was initiated following notification from UBS that they would be divesting their Australian Private Funds Management Operations by the end of 2015. Following a review by the Finance Committee, it was decided to transfer management to Morgan Stanley.

The College remains debt-free, with minimal long-term liabilities. Following on from the previous year, the College has sufficient liquid funds to cover at least nine months of operating costs. 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. In 2015, the College's Foundation offered \$2.6 million in research grants, scholarships and fellowships, and a further \$108,000 in prizes for meritorious achievement and excellence.

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. Mr Tony Fitzgerald retired from the Finance Committee at the end of 2015 after making a great contribution over many years.

I thank my fellow Committee members for their valued service during the year. They were Dr Greg Stewart, Associate Professor Grant Phelps and Dr Stephen Inns.

The dedicated support provided by the Finance and Governance staff of

the College, ensuring appropriate governance and management of members' funds, was much appreciated.



Associate Professor Charles Steadman
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 2015.

DIRECTORS

The following persons were Directors of the College during the 2015 financial year and up to the date of this report as indicated:

OUTGOING	ONGOING (REMAINED IN OFFICE FOR THE WHOLE OF THE FINANCIAL YEAR)	INCOMING
Dr John O'Donnell (retired 25 May 2015)	Laureate Professor Nicholas Talley (President 2014–2016)	Associate Professor Charles Steadman (appointed 25 May 2015)
	Dr Catherine Yelland (President-Elect 2014–2016)	
	Dr David Beaumont	
	Associate Professor Nicholas Buckmaster	
	Dr Jonathan Christiansen	
	Professor Paul Colditz	
	Dr Stephen De Graaff	
	Dr Alexandra Greig	
	Dr Evan Jolliffe	
	Associate Professor Mark Lane	
	Mr Peter Martin	
	Dr Nicola Murdock	
	Associate Professor Grant Phelps	
	Dr Helen Rhodes	
	Dr Greg Stewart	
	Ms Susan Tiffin	
	Professor John Wilson	

SHORT-TERM AND LONG-TERM OBJECTS AND STRATEGY

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

- i. Promote the highest quality medical care and patient safety through education, training and assessment;
- ii. Educate and train the next generation of physicians;
- iii. Maintain professional standards and ethics among physicians through Continuing Professional Development and other activities;
- iv. Promote the study of the science and art of medicine;
- v. Bring together physicians for their common benefit and for scientific discussions;
- vi. 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;
- vii. Seek improved health for all people by developing and advocating health and social policy in partnership with health consumers and jurisdictions;
- viii. 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 six 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

1. RACP is the preferred educator and assessor of physician performance
2. RACP shapes the medical workforce agenda
3. RACP is a respected supporter of research
4. RACP provides value for members
5. RACP is able to shape the health policy agenda
6. RACP is a robust and effective College

Each strategic goal is supported by a number of supporting strategies and projects to deliver those 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 continued to utilise the “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), MD (NSW), PhD (Syd), FRACP, FAFPHM, FRCP (Lond), FRCP (Edin), FACP, FACG, AGAF
Experience	Laureate Professor Talley is Pro Vice-Chancellor of Global Research at the University of Newcastle.
Special responsibilities	President RACP (2014–2016), Chair, RACP Board (2014–2016), Chair, RACP Board Executive (2012–2016), Ex-officio member, College Finance Committee
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, Queensland.
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 Management Committee

DR DAVID BEAUMONT	AFOEM PRESIDENT
Qualifications	MBChB (Hons), FAFOEM
Experience	Dr Beaumont is Medical Director and CEO of Fit for Work Ltd. He is an Occupational and Environmental Medicine Specialist with extensive experience of occupational medicine practice in both industrial and public sector settings in both 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 and Director of Internal Medicine with Gold Coast Health Service.
Special responsibilities	Member, RACP Board (2014 - 2016), Deputy Chair, College Policy and Advocacy Committee, Member, Adult Medicine Division Council, Chair, Workforce Working Party, Member, Queensland State Committee.
DR JOHNATHAN CHRISTIANSEN	NEW ZEALAND PRESIDENT-ELECT
Qualifications	MBChB, MD, FRACP, FACC, FCSANZ
Experience	Dr Christiansen is a Cardiologist and Head of Division, Medicine and Health of Older People, Waitemata DHB, Auckland.
Special responsibilities	Member, RACP Board (2012–2016), Chair, College Education Committee, Member, New Zealand 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.
Special responsibilities	Member, RACP Board (2014-2016), Member, Paediatrics & Child Health Division Council, Chair, College Research Committee.
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, Melbourne.
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.
Special responsibilities	Member, RACP Board (2014–2016), Chair, College Trainees' Committee, Member, Fellowship Committee

DR EVAN JOLLIFFE	TRAINEE REPRESENTATIVE
Qualifications	MBChB, FRACP
Experience	Dr Jolliffe gained Fellowship in General Medicine in 2015 and remains an Advanced Trainee in Neurology.
Special responsibilities	Member, RACP Board (2014-2016), Deputy Chair, College Trainees' Committee, Co-chair, New Zealand Trainees Committee.
ASSOCIATE PROFESSOR MARK LANE	NEW ZEALAND PRESIDENT
Qualifications	MBChB, 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), Chair, 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 & CHILD HEALTH PRESIDENT
Qualifications	BM, FRACP, FRACGP, FRCPCH, FRACMA, FAICD, EMBA, DCP, DRCOG
Experience	Dr Murdock is the Chair of Health Leaders of Australia and a Director of Healthy Governance.
Special responsibilities	President, Paediatrics & Child Health Division (2014-2016), Member, RACP Board (2014-2016), Member, RACP Board Executive (2014-2016) Chair, Risk Management Committee.
DR GRANT PHELPS	ADULT MEDICINE DIVISION PRESIDENT-ELECT
Qualifications	BMBS, MBA, FRACP, FRACMA, GAICD, FAIM
Experience	Dr Phelps is a health care consultant 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 Fiona Stanley and SJOG Bunbury Hospitals and Director of Clinical Training and Physician Education at SJOG Murdoch Hospital.
Special responsibilities	Member, RACP Board (2012-2016), Member, Adult Medicine Division Council, Member, Fellowship Committee, Member, Western Australia State Committee.

ASSOCIATE PROFESSOR CHARLES STEADMAN	HONORARY TREASURER
Qualifications	MBBS, MD (UQ), FRACP, AGAF, FAICD
Experience	Associate Professor Steadman is a gastroenterologist in Brisbane and company Director. He is Associate Professor of Medicine with the University of Queensland, a director of the Medical Indemnity Protection Society Ltd and Queensland Gastroenterology Pty Ltd and is a Fellow of the American Gastroenterological Association and the Australian Institute of Company Directors.
Special responsibilities	Member, RACP Board (2015–2016), Honorary Treasurer (2015–2016), Chair, College Finance 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 has been Director of Physician Training and is now Chair Senior Medical Staff at the Alfred Hospital, Melbourne.
Special responsibilities	President, Adult Medicine Division (2014–2016), Member, RACP Board (2010–2016), 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, and company secretarial practice for over 30 years. He also leads the College's Governance, HR and Commercial 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:

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 (2010–2015), Honorary Treasurer (2014–2015), Chair, College Finance Committee (2014–2015), Member, New Zealand 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 2015, and the numbers of meetings attended by each Director are detailed below.

ATTENDANCE AT BOARD MEETINGS 2015		
NAME	MEETINGS ATTENDED	MEETINGS HELD WHILE A DIRECTOR
Talley, Nicholas	7	8
Yelland, Catherine	8	8
Beaumont, David	6	8
Buckmaster, Nicholas	8	8
Christiansen, Jonathan	7	8
Colditz, Paul	8	8
De Graaff, Stephen	6	8
Greig, Alexandra	7	8
Jolliffe, Evan	6	8
Lane, Mark	8	8
Martin, Peter	8	8
Murdock, Nicola	6	8
O'Donnell, John ¹	3	3
Phelps, Grant	7	8
Rhodes, Helen	8	8
Steadman, Charles ²	5	5
Stewart, Greg	7	8
Tiffin, Susan	6	8
Wilson, John	7	8

The Board called a number of extraordinary meetings in 2015 at relatively short notice.

1. Retired from the Board on 25 May 2015
2. Appointed to the Board on 25 May 2015

REMUNERATION COMMITTEE

The Remuneration Committee was initially formed in July 2011 as a subcommittee of the Finance Committee. In 2014 the Committee was reconstituted as a Committee of the Board comprising the President, President-Elect and Honorary Treasurer. The Company Secretary is the secretary of the Remuneration Committee. The Committee operates under a Board approved Terms of Reference. A key role for the Committee continues to be the review and approval of the remuneration of the Chief Executive Officer and the Senior Leadership Group (on the recommendation of the Chief Executive Officer) on an annual basis drawing on independent professional advice to ensure salaries are reasonable.

KEY MANAGEMENT PERSONNEL

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

Mrs Linda Smith, Chief Executive Officer

Professor Richard Doherty, Dean

Mr John McConville, Director, Finance

Dr Kate More, Director, Fellowship Relations

Mr Greg Porter, Chief Information Officer

Mr Michael Smith, Director of Governance, Human Resources and Commercial 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 2015, the number of Members was 22,570 comprising 15,570 Fellows and 7,000 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 42 of this Annual Report.

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



Laureate Professor Nicholas Talley
President
8 April 2016



Associate Professor Charles Steadman
Honorary Treasurer
8 April 2016



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**Auditor's Independence Declaration
To the Responsible Entities of The Royal Australasian College of
Physicians**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit for The Royal Australasian College of Physicians for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink that reads "James Winter".

James Winter
Partner - Audit & Assurance

Sydney, 8 April 2016

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FINANCIAL INFORMATION AND REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

GENERAL FUND	NOTE	2015 \$	2014 \$
REVENUE			
Subscriptions & other Fellow receipts		18,286,576	17,551,556
Admissions, training & examination fees		28,480,285	26,568,826
Other	3	7,637,998	6,698,245
TOTAL REVENUE		54,404,859	50,818,627
EXPENDITURE			
Employee benefits		30,105,367	29,105,920
Travel, accommodation & meetings		6,005,444	4,963,274
Other	4	12,056,993	12,573,328
TOTAL EXPENDITURE		48,167,804	46,642,522
GENERAL FUND SURPLUS		6,237,055	4,176,105
RACP FOUNDATION FUND			
REVENUE			
Interest & dividend income		1,899,868	2,200,255
Donations from Fellows and other grants		723,503	1,619,202
Gain on disposal of financial assets		254,301	756,091
Other		290,729	301,114
TOTAL REVENUE		3,168,401	4,876,662
EXPENDITURE			
Grants paid or payable		2,563,195	1,954,955
Other		350,592	363,770
TOTAL EXPENDITURE		2,913,787	2,318,725
RACP FOUNDATION FUND SURPLUS		254,614	2,557,937
TOTAL SURPLUS		6,491,669	6,734,042

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 2015

	2015 \$	2014 \$
SURPLUS FOR THE YEAR	6,491,669	6,734,042
OTHER COMPREHENSIVE INCOME:		
Net gain / (loss) on revaluation of financial assets	(1,369,168)	1,020,157
Foreign currency translation gain / (loss)	(245,350)	532,938
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,877,151	8,287,137

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 2015

ASSETS	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash & cash equivalents	5	16,871,659	14,885,645
Trade & other receivables	6	3,349,068	2,383,484
Other current assets	7	867,903	455,486
Other financial assets	8	2,826,340	3,091,258
TOTAL CURRENT ASSETS		23,914,970	20,815,873
NON-CURRENT ASSETS			
Other financial assets	8	82,772,927	80,566,760
Property, plant & equipment	9	6,662,491	6,334,317
Intangibles	10	2,232,611	592,360
Other non-current assets	11	1,447,015	1,449,157
TOTAL NON-CURRENT ASSETS		93,115,044	88,942,594
TOTAL ASSETS		117,030,014	109,758,467
LIABILITIES			
CURRENT LIABILITIES			
Trade & other payables	12	22,144,171	20,111,166
Provisions	13	1,684,253	1,448,307
TOTAL CURRENT LIABILITIES		23,828,424	21,559,473
NON-CURRENT LIABILITIES			
Provisions	13	548,663	423,218
TOTAL NON-CURRENT LIABILITIES		548,663	423,218
TOTAL LIABILITIES		24,377,087	21,982,691
NET ASSETS		92,652,927	87,775,776
FUNDS			
General funds	17	45,429,257	39,192,202
RACP Foundation funds	17	43,822,918	43,568,304
Reserves	17	3,400,752	5,015,270
TOTAL FUNDS		92,652,927	87,775,776

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 2015

	2015 \$	2014 \$
GENERAL AND FOUNDATION FUNDS		
Balance, 1 January	82,760,506	76,026,464
General fund surplus	6,237,055	4,176,105
RACP Foundation fund surplus	254,614	2,557,937
BALANCE, 31 DECEMBER	89,252,175	82,760,506
AVAILABLE FOR SALE RESERVE		
Balance, 1 January	2,797,606	1,777,449
Movement in available for sale financial assets	(1,369,168)	1,020,157
BALANCE, 31 DECEMBER	1,428,438	2,797,606
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance, 1 January	2,217,664	1,684,726
Foreign currency translation gain/(loss)	(245,350)	532,938
BALANCE, 31 DECEMBER	1,972,314	2,217,664
TOTAL FUNDS	92,652,927	87,775,776

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from training fees, memberships and operations		49,673,913	55,133,080
Cash payments applied in operations		(49,048,493)	(47,139,203)
Payments to Specialist Training Program posts		(47,222,808)	(42,686,172)
Proceeds from Government for Specialist Training Program posts		50,056,021	40,202,800
Interest received		326,584	367,833
Proceeds from Government grants		544,260	339,454
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	14	4,329,477	6,217,792
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(3,574,817)	(932,254)
Payments for investments		(3,533,446)	(9,159,532)
Proceeds from investments		4,786,503	4,350,913
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(2,321,760)	(5,740,873)
Net increase/(decrease) in Cash & cash equivalents		2,007,717	476,919
Cash & cash equivalents at the beginning of the year		14,885,645	14,277,856
Effects of exchange rate fluctuations on the balance of cash held in denominated foreign currencies		(21,703)	130,870
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	5	16,871,659	14,885,645

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 2015

1. CORPORATE INFORMATION

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

The financial report of the College for the year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 8 April 2016.

2. STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2015

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 judgements, 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 judgements, 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 judgements. 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 judgements

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 and intangibles

Property, plant and equipment including land and buildings is shown at cost, less accumulated depreciation and impairment losses.

Any property, plant and equipment donated to the College is recognised at fair value at the date the 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 (intangibles)

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

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

Depreciation and amortisation

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

Buildings and strata title building units	40 years	(2.5%)
Plant & 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	

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

Impairment

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

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

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

h. Library and College collection

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

i. Financial assets

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

1. financial assets at fair value through profit or loss,
2. loans and receivables,
3. held-to-maturity investments, and,
4. 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.

3. REVENUE

	2015 \$	2014 \$
GENERAL FUND		
Externally funded grants	3,478,861	3,411,753
Registration and workshop fees	675,853	927,817
Interest & dividend income	1,985,203	1,846,528
(Loss)/Gain on disposal of financial assets	717,401	(258,267)
Advertising & publication income	529,617	480,451
Event management	-	1,350
Administrative fees & recoveries	256,551	280,874
Other	(5,488)	7,739
TOTAL OTHER REVENUE (GENERAL FUND)	7,637,998	6,698,245

4. EXPENSES

	2015 \$	2014 \$
GENERAL FUND		
Rent & outgoing/occupancy cost	2,406,760	2,425,812
Repairs & maintenance	386,321	126,257
Depreciation & amortisation	1,574,424	2,055,608
Printing, publication & postage	1,843,524	1,676,172
Contract, professional & consulting fees	2,798,310	2,681,175
Bank & investment management fees	970,849	873,140
Web hosting and information technology consumables	309,117	314,602
Insurance Expense	93,924	161,339
General office stationery	377,234	271,081
Telephone	289,871	272,362
Training tools, development & delivery	174,981	125,190
IT hardware & software maintenance and support	744,543	640,294
Hospital assessment costs (Clinical exams)	472,838	462,676
OTP interview fees paid to Fellows	83,882	113,927
Bad and doubtful debt provision	(654,522)	197,137
Other expenses	184,937	176,556
TOTAL OTHER EXPENDITURE (GENERAL FUND)	12,056,993	12,573,328

5. CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Cash at bank and on hand	8,292,136	6,528,353
Short term deposits with financial institutions	8,579,523	8,357,292
	16,871,659	14,885,645

Restricted funds

Cash and cash equivalents includes \$4,967,019 (2014 \$4,634,304) 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 \$536,384 (2014 \$819,932) which is not available for general working capital requirements.

6. TRADE AND OTHER RECEIVABLES

	2015 \$	2014 \$
Trade & other debtors	2,758,336	2,384,074
Less: Allowance for doubtful debts	(463,368)	(1,216,090)
Other accrued income	1,054,100	1,215,500
	3,349,068	2,383,484

ALLOWANCE FOR DOUBTFUL DEBTS

Opening balance as at 1 January 2014	1,216,090
Less	
Prior year debts collected	(1,007,279)
Debts written off against provision	(97,060)
Add provision for 2015 outstanding debts	351,617
	463,368

7. OTHER CURRENT ASSETS

	2015 \$	2014 \$
Prepaid expenses	867,903	455,486

8. OTHER FINANCIAL ASSETS

	2015 \$	2014 \$
CURRENT		
Bank bills & term investments	2,254,402	2,539,429
Available-for-sale financial assets	571,938	551,829
	2,826,340	3,091,258
NON-CURRENT		
Bank bills & term investments	36,616	165,951
Available-for-sale financial assets	82,736,311	80,400,809
	82,772,927	80,566,760

Restricted funds

Bank bills and term investments include \$70,312 (2014 \$71,688) 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 \$571,938 (2014 \$551,829) and is not available for general working requirements.

The non-current available-for-sale financial assets also includes funds for RACP Foundation \$46,317,957 (2014 \$44,817,036). These funds are not available for general working capital requirements.

9. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED

COST	LAND & BUILDING \$	LEASEHOLD IMPROVEMENTS \$	FURNITURE, FIXTURES & FITTINGS \$	PLANT & EQUIPMENT \$	IT HARDWARE \$	TOTAL \$
Balance at 31 December 2014	5,632,949	2,272,675	1,977,113	1,001,269	3,450,973	14,334,979
Additions	-	986,635	107,133	98,075	304,907	1,496,750
Disposals	-	-	-	(32,471)	(109,970)	(142,411)
Balance at 31 December 2015	5,632,949	3,259,310	2,084,246	1,066,873	3,645,910	15,689,288

ACCUMULATED DEPRECIATION

Balance at 31 December 2014	2,508,308	1,596,001	820,713	648,646	2,678,535	8,252,203
Depreciation expense	120,379	257,435	217,834	95,063	469,234	1,159,945
Disposals	-	-	-	(32,382)	(109,970)	(142,352)
Forex translation	13,462	-	12,827	1,889	812	28,990
Balance at 31 December 2015	2,642,149	1,853,436	1,051,374	713,216	3,038,611	9,298,786

NET CARRYING AMOUNT

at 31 December 2014	3,124,641	676,675	1,156,400	352,623	772,438	6,082,777
2014 Fixed Assets under construction						251,540
						6,334,317
at 31 December 2015	2,990,800	1,405,874	1,032,872	353,657	607,299	6,390,502
2015 Fixed Assets under construction						271,989
						6,662,491

10. INTANGIBLES

	2015 \$	2014 \$
SOFTWARE (INTANGIBLES)	2,232,611	592,360
Balance at the beginning of the year	592,360	785,603
Acquisition	367,094	361,617
Work in progress	1,690,524	-
Amortisation	(417,367)	(554,860)
BALANCE AT THE END OF THE YEAR	2,232,611	592,360

11. OTHER NON-CURRENT ASSETS

	2015 \$	2014 \$
LIBRARY		
At cost	1,082,943	1,085,085
PAINTINGS, ANTIQUES AND HISTORICAL OBJECTS		-
At cost	364,072	364,072
TOTAL OTHER NON-CURRENT ASSETS	1,447,015	1,449,157

12. TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade creditors & other payables	1,424,236	1,027,041
Accruals	4,137,143	4,011,101
Income received in advance for subscriptions and exam fees	11,116,434	9,517,629
Unexpended funds	5,466,358	5,555,395
	22,144,171	20,111,166

13. PROVISIONS

	2015 \$	2014 \$
CURRENT		
Employee entitlements	1,684,253	1,448,307
Total current provisions	1,684,253	1,448,307
NON-CURRENT		
Employee entitlements	548,663	423,218
Total non-current provisions	548,663	423,218
	2,232,916	1,871,525

14. RECONCILIATION OF CASH

	2015 \$	2014 \$
NET SURPLUS FOR THE YEAR	6,491,669	6,734,042
ADD/(SUBTRACT) NON-CASH ITEMS		
Depreciation of property, plant and equipment	1,577,319	2,058,502
ADD/(SUBTRACT) INVESTING ACTIVITIES		
(Profit)/loss on disposal of property, plant and equipment	79	1,452
(Profit)/loss on sale of investments	(971,702)	(497,822)
Investment distributions re-invested	(3,810,053)	(3,809,889)
CHANGES IN ASSETS AND LIABILITIES		
(Increase)/decrease in trade and other debtors	(1,383,256)	(82,552)
Increase/(decrease) in trade and other creditors and accruals	2,062,439	1,717,389
Increase/(decrease) in provisions	362,982	96,670
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	4,329,477	6,217,792

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 secured by lease deposits.

	2015 \$	2014 \$
LEASE EXPENDITURE COMMITMENTS		
Operating leases (non-cancellable)		
Not later than one (1) year	1,403,037	1,201,211
Later than one (1) year & not later than two (2) years	1,316,718	903,850
Later than two (2) year & not later than five (5) years	1,415,359	1,631,817
Not later than five (5) years	127,697	264,797
	4,262,811	4,001,675

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 \$36,363 (2014: \$42,000), payable to the President, Laureate Professor Nicholas Talley, for services Professor Nicholas Talley has performed as President. In 2015, the President was paid \$43,225 for 2014.

During the year, the College paid University of Newcastle \$6,830 (2014: \$1,533) which was 50% of the charges the University paid for Laureate Professor Nicholas Talley's air fare to London and \$149 for hotel related expense in Singapore.

There are 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 \$212,416 (2014:\$168,601) 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.

	2015 \$	2014 \$
Total compensation	2,654,364	3,297,801

17. DETAILS OF FUNDS

General funds

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

	2015 \$	2014 \$
GENERAL FUNDS		
Balance, 1 January	39,192,202	35,016,097
General Fund surplus	6,237,055	4,176,105
BALANCE, 31 DECEMBER	45,429,257	39,192,202

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.

	2015 \$	2014 \$
RACP FOUNDATION FUNDS		
Balance, 1 January	43,568,304	41,010,367
RACP Foundation Fund surplus	254,614	2,557,937
BALANCE AT THE END OF THE YEAR	43,822,918	43,568,304

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 FELLOWS' LIABILITY

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

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 of fundraising activity conducted with non-members. Proceeds from members are not considered to be fundraising activity in accordance with the *Charitable Fundraising Act 1991 (NSW)* and are therefore not included in the information below.

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

	2015 \$	2014 \$
Gross Income from Fundraising	1,875	1,866
Total Cost of Fundraising	(7,058)	(27,586)
Net Deficit from Fundraising	(5,183)	(25,720)

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 and NZ for 2015.

20. OTHER INFORMATION

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

RESPONSIBLE ENTITIES' DECLARATION

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

1. The financial statements and notes of the College are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including;
 - (a) giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the financial year ended on that date;
 - (a) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
2. there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

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

For and on behalf of the Board.



Nicholas Talley
Director
8 April 2016



Charles Steadman
Director
8 April 2016

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 2015 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 2015 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

Sydney, 8 April 2016



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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 2015, and the statement of profit and loss and other 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.

Responsibility Entities' responsibility for the financial report

The Responsible Entities of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profit Commission Act 2012, the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2015. The Responsible Entities' responsibility includes such internal controls as the Responsible Entities determine are necessary to enable the preparation of the financial report to be 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 which 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 and fair presentation of the financial report 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 applicable 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 2015 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 2015, 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 its 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 2015, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

James Winter

James Winter
Partner - Audit & Assurance
Sydney, 8 April 2016

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ABOUT THE ROYAL AUSTRALASIAN COLLEGE OF PHYSICIANS (RACP)

The RACP trains, educates and advocates on behalf of 22,570 members comprising 15,570 physicians and 7,000 trainee physicians across Australia and New Zealand.

The College represents a broad range of medical specialties including general medicine, 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.

The College offers 61 training pathways. These lead to the award of one of seven qualifications that align with 45 specialist titles recognised by the Medical Board of Australia or allow for registration in nine vocational scopes with the Medical Council of New Zealand.

www.racp.edu.au

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