

ANNUAL REPORT

2016–17





RACGP

Royal Australian College of General Practitioners

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We acknowledge the Traditional Custodians of the lands and seas on which we work and live, and pay our respects to Elders, past, present and future.





**Corporate
governance
statement and
statutory report**

Corporate governance statement

The Royal Australian College of General Practitioners (RACGP) is a public company limited by guarantee, governed by the RACGP's Constitution, regulations and policy.

The Board (Council)

The RACGP's Council is its board of directors. Council is responsible for the RACGP's corporate governance and performance. Its objectives are stipulated in Clause 2 of the Constitution, and its powers in Part 9 of the Constitution. Council is accountable to the RACGP members, with any changes to the Constitution subject to a special majority in general meeting.

Council is structured to maximise member representation (as opposed to skills or diversity). The President represents the general membership, the Censor-in-Chief represents the education committees, the General Practice Registrar Representative represents members enrolled in the Australian General Practice Training (AGPT) Program, and faculty chairs represent their faculty board and, by extension, their faculty.

Councillors are offered the Australian Institute of Company Directors (AICD) Program on commencement.

Council's conduct is self-managed with reference to the RACGP Conflict of Interest Policy, the RACGP Member Code of Conduct and individual engagement agreements.

The President's allowance is approved at the AGM by eligible members.

Directors receive payments from the RACGP, with increases approved by Council on an annual basis, usually aligned with the consumer price index.

Details of key management personnel compensation are included in the notes to the financial statements.

A copy of the RACGP Constitution and other governance information is available on the RACGP website. Council operations are outlined in policy and procedure frameworks.

Council composition

Council consists of at least 11 RACGP members and may co-opt up to five additional individuals (who

need not be members). Council currently has two such co-opted members.

Council members are referred to as 'councillors'. Eight councillors are drawn from the chairs of RACGP Aboriginal and Torres Strait Islander Health, RACGP Rural, RACGP NSW&ACT, RACGP Queensland, RACGP SA&NT, RACGP Tasmania, RACGP Victoria and RACGP WA. The RACGP President, Censor-in-Chief and General Practice Registrar Representative are elected by general ballot, with co-opted councillors appointed by majority Council decision. Council elects its Chair from within. The RACGP Constitution and the RACGP elections policy detail the process for councillor appointment.

The Director's report includes relevant details for the President, Chair, councillors and company secretary, including names and qualifications.

Role of Council

Council is responsible for the RACGP's overall corporate governance and performance. Its role includes setting and periodically reviewing the RACGP's strategy, and monitoring organisational and financial performance. Council focuses on a range of strategies, including summative and formative assessments, as part of its quality improvement activities. It is the ultimate decision-maker on clinical, educational and professional matters, and reserves a number of decisions of this nature for its determination.

Council and the Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by Council and is responsible for the management of the RACGP in accordance with approved strategy, policies and delegated authority framework. Authority is delegated to the CEO in accordance with the Council Delegations of Authority policy. The CEO attends Board and Board Committee meetings; however, the CEO is not a director.

All RACGP staff members, including those in the senior leadership team, are subject to annual performance planning and reviews by their immediate supervisor. The CEO is reviewed by the Chair.

Faculty committees

Part 3 of the RACGP Constitution establishes the RACGP's faculties, and part 7.1 appoints each faculty chair to be a councillor (except for RACGP Specific Interests).

Faculty committees are established by section 59(a) (vii) of the RACGP Constitution. They are advisory bodies representing members' interests, and perform a number of functions delegated by Council or initiated by their Chair.

Faculty committees consist of three member types – elected, ex officio and co-opted. Elected members are on the faculty committee pursuant to faculty elections, which are held each year as approximately half of the elected faculty committee members retire.

Board committees

The RACGP Constitution established the faculty committees for specific regions or subjects. Council established board committees, and clinical, educational and professional committees. All committees perform an advisory role; Council is the ultimate decision-maker on clinical, educational and professional matters, and reserves a number of decisions of this nature for its determination.

Finance, Audit and Risk Management Committee

The Finance, Audit and Risk Management Committee (FARM) is responsible for assisting Council to fulfil its oversight responsibility concerning the effectiveness of the RACGP's risk management identification, and controls and the integrity of the RACGP's financial statements (among other things).

FARM comprises the RACGP President, two RACGP councillors (one of whom must be a faculty chair), an RACGP Fellow with financial, audit and/or risk management experience, and two independent members – one is the FARM Chair with financial, audit and/or risk management experience, and the other with expertise in information systems in a business setting.

RACGP expert committees

There are seven RACGP expert committees (RECs), each responsible for separate portfolios in areas of expertise considered crucial to the RACGP and to general practice. The RECs are General Practice Advocacy and Funding, Quality Care, Research, Standards for General Practices, Pre Fellowship

Education, Post Fellowship Education, and eHealth and Practice Systems.

Each REC is to pursue a number of objectives within its area of expertise, including advising on the implementation of related initiatives; establishing links with relevant state, national and international groups; and increasing the profile of the RACGP. They also provide Council with assistance and advice within their area of expertise.

REC chairs are appointed by Council, with REC members appointed via a combination of expertise and expressions of interest.

Board of Censors

The Board of Censors (BoC) considers standards of clinical practice and competence, and assesses candidate competency concerning Fellowship eligibility. The BoC is ultimately responsible to Council, but reports through the General Manager, Education Services, as the CEO's delegate.

The BoC ensures the RACGP adopts a defensible, sustainable, unified and coordinated approach across all faculties for establishing and maintaining standards relating to assessment of candidates presenting for Fellowship. The BoC comprises the Censor-in-Chief, each faculty censor and up to two additional censors. The censors are employed on recommendation of the Censor-in-Chief and the General Manager, Education Services.

Board of Assessment

The Board of Assessment (BoA) considers standards of clinical practice and competence, and assesses candidate competency concerning Fellowship eligibility. The BoA is ultimately responsible to Council, but reports through the General Manager, Education Services, as the CEO's delegate.

The BoA ensures the RACGP adopts a defensible, sustainable, unified and coordinated approach across all faculties for establishing and maintaining standards relating to assessment of candidates presenting for Fellowship.

The BoA comprises all BoC members, Assessment Panel chairs, national examination coordinators, and a general practice registrar representative. The Assessment Panel chairs and national examination coordinators are employed on recommendation of the Censor-in-Chief and the General Manager, Education Services.

Directors' report

Your directors present this report to the members of the consolidated entity ('the group') consisting of The Royal Australian College of General Practitioners ('the company' or 'RACGP') and its controlled entities at the end of, or during, the financial year ended 30 June 2017.

Principal activities

The RACGP is Australia's largest professional general practice organisation and represents urban, rural, regional and remote general practitioners (GPs). The RACGP is a not-for-profit entity and is endorsed as a deductible gift recipient (DGR) under subdivision 30B of the *Income Tax Assessment Act 1997* for donations made for education or research in medical knowledge or science.

Objectives

The RACGP's objectives are to improve the health and wellbeing of all people in Australia by supporting GPs, general practice registrars and medical students through its principal activities of education, training and research and by assessing doctors' skills and knowledge, advocacy, supplying ongoing professional development activities, developing resources and guidelines, helping GPs with issues that affect their practice, and developing standards that general practices use to ensure high-quality healthcare.

The RACGP has a proud history of achievements, including the development of the *Standards for general practices* and introducing continuing professional development. The RACGP carries out its activities within the following areas of strategic focus:

- Education and training for general practice
- Innovation and policy for general practice
- Advocacy
- Collegiality

Performance measures

The RACGP monitors and reports on performance to the RACGP Council through governance reporting mechanisms during:

- Council meetings
- Finance, Audit and Risk Management (FARM) Committee meetings

- other Council sub-committee and advisory board meetings.

Results of operations

During the financial year ended 30 June 2017, the group recorded a total surplus after tax of \$495,056, compared to \$410,654 in 2016. Over the year, the net assets of the group increased from \$21,957,662 to \$27,753,968. As a result of asset revaluation during the year, an increment of \$5,301,250 was taken to the asset revaluation reserve.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group that occurred during the financial year that are not otherwise disclosed in this report or the financial statements.

Performance in relation to environmental regulation

There was no environmental legislation applicable to the operations of the group with which it has not complied.

Likely developments and future results

The group anticipates that it will maintain its positive financial position in 2017–18. The group is continually updating, reviewing and improving its management and governance practices to ensure that the objectives and obligations of the group and its directors are met.

Dividends

The company is a company limited by guarantee and its Constitution precludes the payment of dividends.

Events subsequent to the end of the financial year

No circumstances have arisen since the end of the year that have significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the group in future financial years.

Directors

The names and details of the company's directors in office at the date of this report are as follows. The company's board of directors is also known as the RACGP Council.

Dr Tim Koh

MBBS, FRACGP

Chair, RACGP Council; Chair, RACGP WA

Dr Tim Koh is Chair of RACGP Council and Chair of RACGP WA. A practising GP in north-metropolitan Perth, Dr Koh is a second-generation GP who is originally from Three Springs, approximately 300 km north of Perth, where his father was a rural GP.

Dr Koh has been involved in general practice training with RACGP WA and Western Australian General Practice Education and Training (WAGPET) since 2002. He served as RACGP WA Assessment Panel Chair for six years and Education Committee Chair for four years.

Dr Koh became RACGP WA Deputy Chair in 2010 and was subsequently named Chair in 2014. He is a co-owner of Currabine and Ocean Keys family practices, where he supervises and mentors general practice registrars, residents and medical students.

Dr Bastian Seidel

MBBS, PhD, MACHI, MRCGP, FRACGP

President

Dr Bastian Seidel is a partner and co-owner of a general practice in Tasmania's Huon Valley, south-west of Hobart. He joined RACGP Tasmania in 2009 and was elected Deputy Chair in 2011, before being named Chair in 2015.

Dr Seidel studied medicine in Germany and South Africa before completing his vocational training as a GP in the United Kingdom in 2006. He has been a general practice supervisor for general practice registrars and an RACGP examiner since 2007, and is a clinical professor at the University of Tasmania and Director of the National Asthma Council.

Dr Edwin Kruys

MD, FRACGP, GAICD, AdDipProjMgt

Vice-President; Chair, RACGP Queensland

Dr Edwin Kruys is a full-time practising GP in Queensland's Sunshine Coast hinterlands, and

is RACGP Vice-President and Chair of RACGP Queensland. After graduating from the University of Amsterdam and finishing his GP training in the Netherlands in 2004, Dr Kruys worked in various rural locations in Australia, including Cooktown and the remote Wujal Wujal and Hopevale Aboriginal communities in Cape York in Queensland, and Halls Creek in the Kimberley region of Western Australia. Dr Kruys is passionate about advocacy for general practice. He writes the popular general practice blog doctorsbag.net, focusing on healthcare politics, eHealth and social media. Dr Kruys is also a member of the Australian Medical Association Queensland Council of General Practice.

Dr Mark Miller

MBBS, DRANZCOG, FRACGP

Censor-in-Chief

Dr Mark Miller is the RACGP Censor-in-Chief and Chair of the RACGP Board of Censors and Board of Assessment. Dr Miller was previously Chair of the SA exam panel from 1997 to 2003 and RACGP SA&NT Censor. He has trained general practice registrars for more than 20 years, is a member of RACGP Rural and has been both a John Flynn and Ramus mentor.

Dr Miller has been a full-time rural GP in Goolwa on South Australia's Fleurieu Peninsula for more than 24 years. He is heavily involved in running the RACGP Fellowship assessments and has been a medical educator and facilitator at RACGP SA&NT-run workshops for many years. Dr Miller was awarded the 2013 RACGP GP of the Year Award in recognition of his outstanding commitment to the profession and was recently awarded a 25-year long-service medal for rural practice in South Australia.

In addition to a full-time clinical role, Dr Miller has been involved with teaching medical students from Flinders University and the University of Adelaide, and for more than 10 years his practice has hosted Parallel Rural Clinical Curriculum students as they completed their third year at Flinders University medical school. He has supervised more than 30 general practice registrars and enjoys the vibrancy they add to clinical practice, teaching, mentoring and learning. Dr Miller has also provided tuition and mentoring to a number of international medical graduates (IMGs) commencing general practice in Australia.

Dr Clare Ballingall

(appointed on 30 September 2016)

MBChB, FRACGP

Chair, RACGP Tasmania

Dr Clare Ballingall is a GP from Newtown in Hobart, Tasmania, where she practises in a large group practice. Dr Ballingall has also worked for the federally funded phone triage service, GP Assist Tasmania, for 13 years, supporting rural GPs after hours.

Dr Ballingall was born in the UK, where she trained and worked in the hospital and primary healthcare sectors in Scotland. Upon relocating to Australia, Dr Ballingall spent two years working in psychiatry in Queensland before settling in Tasmania.

Dr Ballingall's first contact with the RACGP came 10 years ago as she was sitting her Fellowship exam, for which she was awarded the RACGP Tasmania medal for the highest aggregate score across the exam's three segments. She has since been an active examiner with the faculty and joined RACGP Tasmania as the Tasmania Regional Representative for Denison in 2015. Dr Ballingall has met regularly with local parliamentary members and is passionate about increasing awareness of current general practice issues.

Dr Daniel Byrne

MBBS, FRACGP

Chair, RACGP SA&NT; Chair, RACGP Specific Interests

Dr Daniel Byrne is a partner at Chandlers Hill Surgery in outer-metropolitan Adelaide and was elected to the RACGP Council in October 2014. He is Chair of RACGP SA&NT and became Chair of RACGP Specific Interests in 2015.

Dr Byrne has been a strong supporter of the RACGP since his training days in the early 1990s, leading to Fellowship of the RACGP in 1993. He has supported the RACGP by participating in exam preparation workshops for general practice registrars and IMGs, conducting Australian Health Practitioner Regulation Agency (AHPRA) interviews for IMGs wishing to enter Australian general practice and assisting as a quality assurance examiner at the Fellowship of the RACGP (FRACGP) Objective Structured Clinical Examinations (OSCEs). He has been a medical educator and general practice clinical advisor, and been involved in general practice–hospital liaison and eHealth for 20 years.

Dr Byrne believes having the highest regard for quality and standards will guide the RACGP through all in which it is involved, whether it is practice accreditation, practice guidelines, eHealth or general practice training. He believes the RACGP must set the standards and rigorously defend the profession's right to implement them.

Dr Cameron Loy

(appointed on 30 September 2016)

MBBS, BMedSc(Hon), FRACGP, FARGP, DCH,

DRANZCOG, GAICD

Chair, RACGP Victoria

Dr Cameron Loy is a practising GP in Lara, Victoria, and in correctional services. He has worked in south-western Victoria and internationally in Timor Leste.

Dr Loy has held a number of prominent professional roles. He was Chair of the General Practice Registrars Association (GPRA) in 2002, Director of the Remote Vocational Training Scheme in 2006–10, and Director of Greater Green Triangle General Practice Education and Training (GPET) in 2001–03 and Chair in 2011. He has also held a number of roles within the RACGP, including Deputy Chair of RACGP Rural in 2003–14, and Deputy Chair RACGP Victoria in 2014. Dr Loy is an RACGP examiner and quality assurance examiner, was Chair of the RACGP Assessment Panel for six years, and was a member of the RACGP Expert Committee – Standards for General Practice.

Dr Loy was on the advisory groups for the Victorian opioid substitution programs and hepatitis C therapy training programs for six years. He is a trustee of the Shepherd Foundation, providing research grants into prevention and occupational health. Dr Loy remains a committed general practice supervisor and mentor for general practice registrars, residents and medical students. In his spare time, he is a keen amateur astronomer.

Ms Christine Nixon APM

(appointed on 30 September 2016)

Co-opted Council Member

Ms Christine Nixon is a prominent, experienced public speaker and advocate for women, disadvantaged youth, and multi-faith and multicultural communities. She is the Deputy Chancellor at Monash University and Chair of Monash College and the Good Shepherd Microfinance.

As Victoria Police Chief Commissioner from 2001–09, Ms Nixon was the first woman in such a role in any Australian state police service. After leaving Victoria Police, she was appointed Chair of the Victorian Bushfire Reconstruction and Recovery Authority, a position she held from February 2009 to July 2010.

Ms Nixon has extensive experience in policing, organisational reform, risk management, crisis management, corruption prevention, emergency management and human resource management. She is also a published author, having written her memoir, *Fair cop*, with Jo Chandler in 2011 and *Women leading* with Professor Amanda Sinclair in 2017.

Ms Nixon has received numerous accolades for her services and achievements, including the Australia Police Medal in 1997 and Save the Children Foundation's White Flame Award in 2009. She also has four honorary doctorates from multiple Australian universities and a Masters of Public Administration from Harvard University in the US.

Dr Ayman Shenouda

MBBCH, FRACGP, FARGP, DipDerm UK, GAICD Chair, RACGP Rural

Dr Ayman Shenouda was appointed Chair of RACGP Rural in October 2014, after having served as Deputy Chair for six years. He is also a member of RACGP NSW&ACT and was on the RACGP National Standard Committee – Education for several years. He is also current Chair of Wagga Wagga GP After Hours Services. Former roles include Chair of the Remote Vocational Training Scheme (RVTS), Director of Medical Education Coast City Country General Practice Training (CCCGPT) Riverina/Murrumbidgee, and Director on the board of the Riverina Division of General Practice and Primary Health.

Dr Shenouda was named the 2009 RACGP GP of the Year, while his Glenrock Country Practice was named the 2007 NSW&ACT General Practice of the Year and awarded three Australian General Practice Accreditation Limited (AGPAL) awards in 2009 and 2010.

After migrating from Egypt more than 20 years ago, Dr Shenouda commenced his medical career in Australia as a surgical registrar in Tasmania in 1995 and has been a rural GP in Wagga Wagga, New South Wales, for the last 17 years, where he established Glenrock Country Practice. Dr

Shenouda's main special interest is education and training, and he is passionate about developing quality frameworks and systematic management tools to enable and enhance the work undertaken by GPs.

Dr Mary-Therese Wyatt

**(appointed on 30 September 2016)
BSc (Biomedical), DipEd (Maths), MBBS, DCH,
FRACGP, GAICD
General Practice Registrar Representative**

Dr Mary-Therese Wyatt is a recent Fellow of the RACGP who works in a long-established general practice in Perth, Western Australia. Prior to Fellowship, Dr Wyatt undertook general practice registrar training with Western Australian General Practice Education and Training (WAGPET). She was a registrar liaison officer for WAGPET in 2014–16, which included a role on the Advisory Council for GPRA.

Dr Wyatt has continued her association with GPRA in an ex-officio role, representing the RACGP in the advisory council. She was also a GPRA board director in 2009–13.

In her life prior to medical training, Dr Wyatt studied biomedical science and spent several years as a high school mathematics teacher, working in country New South Wales.

Dr Guan Yeo

**FRACGP, MBBS, GAICD
Chair, RACGP NSW&ACT**

Dr Guan Yeo is experienced in matters of corporate and clinical governance, advocacy, and education and assessment. He is a practising GP in outer-metropolitan Sydney and a clinical training consultant in clinical communication, standards, clinical performance assessment, quality use of medicines, and professional regulation.

Dr Yeo is currently the RACGP National Assessment Advisor for the OSCE. In a previous role as Chair of the RACGP NSW&ACT Assessment Panel, Dr Yeo introduced programs to assist IMGs to prepare for RACGP Fellowship exams. He is a board director of Primary and Community Care Services and General Practice Network Northside, and a hearings member of the Medical Council of New South Wales (previously the Medical Board).

Assoc Prof Peter O'Mara
(appointed on 30 September 2016)
FRACGP
Chair, RACGP Aboriginal and
Torres Strait Islander Health

Assoc Prof Peter O'Mara is from the Wiradjuri people of New South Wales. He has worked with the Tobwabba Aboriginal Medical Service since 2002 and describes himself as an Aboriginal man who loves being a doctor.

Assoc Prof O'Mara loves working with his patients in a one-on-one manner and finds satisfaction in the knowledge that, in his own small way, his work contributes toward closing the gap in health outcomes between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians.

Assoc Prof O'Mara began pursuing his other passion – making good doctors – in 2008 and took on the position of Associate Professor, Indigenous Medical Education and Head of Discipline, Indigenous Health at Newcastle University. Assoc Prof O'Mara has been a member of the Australian Indigenous Doctors' Association (AIDA) board for eight years and was AIDA President in 2009–12.

Mr Martin Walsh
FCA, FGIA, GAICD
Chair Finance, Audit and Risk Management
Committee; board member, RACGP Oxygen Pty Ltd
Co-opted Council member

Mr Martin Walsh has been an international partner and advisor in assurance and advisory services at both Ernst & Young and Deloitte. He is currently a director of the IOOF Group Regulated Entities, Hastings Funds Management, and the Compliance Committee of MoneyPlace AFSL. In addition, he is a director of Surf Life Saving Australia and is Chair of its foundation.

Mr Walsh has experience in financial services, infrastructure and consumer products, including due diligence, strategy, risk, compliance and governance. He is a Fellow of the Institute of Chartered Accountants and the Governance Institute, and a graduate member of the Institute of Company Directors.

Ms Lynelle Briggs AO
(resigned on 30 September 2016) BEc, GAICD
Co-opted Council member

Ms Lynelle Briggs is Chair of the NSW Planning Assessment Commission, Chair of the General

Insurance Code Governance Committee, and an independent director of Maritime Super and Goodstart Early Learning. She was also the independent member of the RACGP Council in 2014–16.

Ms Briggs was previously an Australian public servant, serving as the CEO of Medicare Australia and the Australian Public Service Commissioner. She was also a division head in the Department of Health and Ageing and the Department of Social Security, a deputy secretary in the Department of Transport and Regional Services and a branch head in the Department of the Prime Minister and Cabinet.

Ms Briggs has conducted major reviews in the areas of health, safety, workforce and organisational governance, and was the independent project facilitator for the Millers Point Accommodation Project. Ms Briggs is known for her strategic capabilities, expertise in leadership, ethics and governance, and knowledge of practical organisation management.

Adj Assoc Prof Frank R Jones
(resigned on 30 September 2016)
MBBCh, DRCOG, DCH, FRACGP, MAICD
President

Adj Assoc Prof Frank R Jones is a GP in Mandurah in southern Western Australia and was RACGP President in 2014–16. He was also RACGP Vice-President in 2013–14 and Chair of RACGP WA in 2010–14. Adj Assoc Prof Jones has been a member of RACGP WA since 2004 and was the faculty's Deputy Chair in 2006–10.

Adj Assoc Prof Jones has been in full-time general practice for 30 years and was a procedural GP obstetrician for 25 years. He is senior partner at the Murray Medical Centre in Mandurah, a large multidisciplinary practice that encourages GPs to extend their patient care skills within the practice, the local community and the regional hospital. He has also been a general practice supervisor for more than 15 years and is closely involved with the formal teaching program for general practice registrars, and has served as a general practice supervisor liaison officer for WAGPET.

Adj Assoc Prof Jones was previously Chair of the Medical Advisory Committee (MAC) for Murray District Hospital and became Chair of MAC at Peel Health Campus during the transition to the new health facility. He was appointed Adjunct Associate Professor of General Practice at the University of

Notre Dame medical school in Fremantle in 2008, is a clinical lecturer at the University of Western Australia medical school and has an appointment as a visiting medical officer at Peel Health Campus.

Assoc Prof Brad Murphy
(resigned on 30 September 2016) JP(Qual), MBBS, FRACGP, AssocDipAppSc(Amb), CertST&D, FAIES, FAIM, MAICD, MACTM, MACAP, MAITD
Chair, RACGP Aboriginal and Torres Strait Islander Health

Assoc Prof Murphy is a GP in rural Queensland and an Aboriginal man from the Kamilaroi people (of north-west New South Wales). He joined the Royal Australian Navy at the age of 15, opting for a career as a medic. He later joined the NSW Ambulance Service, working as an intensive care paramedic from Sydney to central Australia, ultimately supervising and instructing in clinical paramedicine in New South Wales, the ACT and Queensland.

Assoc Prof Murphy also worked as an intensive care paramedic for the Royal Flying Doctor Service at Uluru. He was a founding trustee of the Jimmy Little Foundation, is a former director of the AIDA and has served as a long-term member of the management committee and executive of the Rural Doctors Association of Queensland.

Building on his work as inaugural Chair of the RACGP National Standing Committee – Aboriginal Health from 2007, Assoc Prof Murphy became founding Chair of RACGP Aboriginal and Torres Strait Islander Health in February 2010. He was also a member of RACGP Queensland in 2010–16. Assoc Prof Murphy represents the RACGP on various groups, including the Australian Indigenous HealthInfoNet Close the Gap Steering Committee and the Australian Medical Association National Taskforce on Indigenous Health. He has represented the RACGP and Committee of Presidents of Medical Colleges (CPMC) on the Australian Medical Council (AMC) Indigenous Planning Advisory Group.

Assoc Prof Murphy was part of the founding board of the Wide Bay Hospital and Health Service in 2012 under the Queensland Health state-wide restructure, and has been the Chair of the Wide Bay Primary Health Network Clinical Council since 2016. He was the inaugural Associate Professor of Aboriginal and Torres Strait Islander Health at Bond University in Queensland from 2011.

Assoc Prof Murphy was proud to be named AIDA's Indigenous Doctor of the Year in 2016 and features in the new publication *Bush doctors* by Annabelle Brayley.

Assoc Prof Morton Rawlin
(resigned on 30 September 2016)
BMed, MMedSc, FRACGP, FARGP, FACRRM, DipPractDerm, DipMedHyp, DipFP, DipBusAdmin, GAICD
Vice-President; Chair, RACGP Victoria

Assoc Prof Morton Rawlin is a practising GP in Melbourne and is the former RACGP Vice-President and Chair of RACGP Victoria. He is currently Chair of the RACGP Specific Interests Dermatology network.

Assoc Prof Rawlin has extensive experience in general practice medical education at all levels, including as a general practice supervisor and medical educator. His past professional appointments include Medical Director of Dianella Community Health, RACGP National Manager of Fellowship Programs and RACGP Director of Education. He is currently Adjunct Associate Professor in General Practice at the University of Sydney, and Medical Director of the Royal Flying Doctor Service in Victoria.

Assoc Prof Rawlin has a long-standing interest in competency assessment and training, and his research and teaching interests lie in standards and teaching in general practice, dermatology and mental health. Assoc Prof Rawlin is Chair of the General Practice Mental Health Standards Collaboration (GPMHSC) and a member of ASPAC.

Dr Nina Robertson
(resigned on 30 September 2016)
BA, CTEFLA, MBBS, FRACGP, GAICD
General Practice Registrar Representative

Dr Nina Robertson is a recent Fellow of the RACGP who works in a long-established general practice clinic in northern New South Wales. Prior to Fellowship, Dr Robertson undertook general practice registrar training with North Coast GP Training (NCGPT), where she was a registrar liaison officer in 2011–13 and which included a role on the Advisory Council for GPRA. As General Practice Registrar Representative on the RACGP Council, Dr Robertson also served on GPRA's Advisory Council in an ex-officio capacity. Dr Robertson was a director of NCGPT in 2013–15, before retiring in order to focus on her director role with the RACGP.

Prior to medical training, Dr Robertson studied a Bachelor of Arts, majoring in ancient history, and travelled extensively, working in varied roles. She spent six months in 2000 volunteering with a humanitarian organisation in Nacala, Mozambique, an experience that inspired her to pursue a career in medicine.

Company Secretary

Dr Zena Burgess

PhD, MBA, MEd, DipEdPsych, BA, FAPS, FAICD
Company Secretary

Dr Burgess is CEO and Company Secretary of the RACGP. She is also a Director of RACGP Oxygen Pty Ltd and Director on the board of Australian Medicines Handbook Pty Ltd.

RACGP member payments and remuneration

Commencing from this year, the Directors have endorsed an increase in the level of reporting of payments made to GP members. The use of members in the capacities listed in the table below is integral to drawing on the appropriate subject matter expertise to maintain the RACGP as the pre-eminent GP organisation in Australia. The table summarises the amounts paid for each category. This level of disclosure is in excess of statutory Australian financial reporting requirements. Senior leadership team remuneration details are included as part of the key management personnel remuneration set out in note 14 of the financial report.

Category	\$
Directors' fees and allowances	815,275
Member professional services payments	3,722,817
Members employed as staff	1,925,746
RACGP Expert Committee Chair and member payments	153,414

This table has been audited.

Notes:

Directors' fees and allowances are paid as salaries and wages and appropriate PAYG tax is remitted to the Australian Taxation Office.

Member professional services payments and RACGP Expert Committee payments are paid as contractor payments.

Members employed as staff are paid as salaries and wages and appropriate PAYG tax is remitted to the Australian Taxation Office (ATO).



Council meetings

The number of meetings of Council (including meetings of committees of Council) held during the year and the numbers of meetings attended by each director were as follows:

	Council meetings		Finance, Audit and Risk Management	
	Maximum ¹ possible	Attended	Maximum ¹ possible	Attended
A Shenouda	7	7	■	■
B Seidel	7	6	5	5
B Murphy	2	2	■	■
C Ballingall	5	4	■	■
C Loy	5	4	■	■
C Nixon	5	3	■	■
D Byrne	7	6	5	4
E Kruys	7	6	■	■
F Jones	2	2	2	1
G Yeo	7	7	5	4
L Briggs	2	2	■	■
M Miller	7	6	■	■
M Walsh	7	6	5	5
M Rawlin	2	2	■	■
M Wyatt	5	5	■	■
N Robertson	2	2	■	■
P O'Mara	5	5	■	■
T Koh	7	7	■	■

■ Not a member of this committee of Council during the year.

¹ Not all directors were appointed to Council or the relevant committee for the entire year. This column shows the number of meetings of Council and relevant committees that were held during each director's tenure on Council and those committees.

Auditor independence

A copy of the auditor's independence declaration is set out on the following page.

Corporate information

The RACGP registered office and principal place of business is:

100 Wellington Parade
East Melbourne VIC 3002

Corporate structure

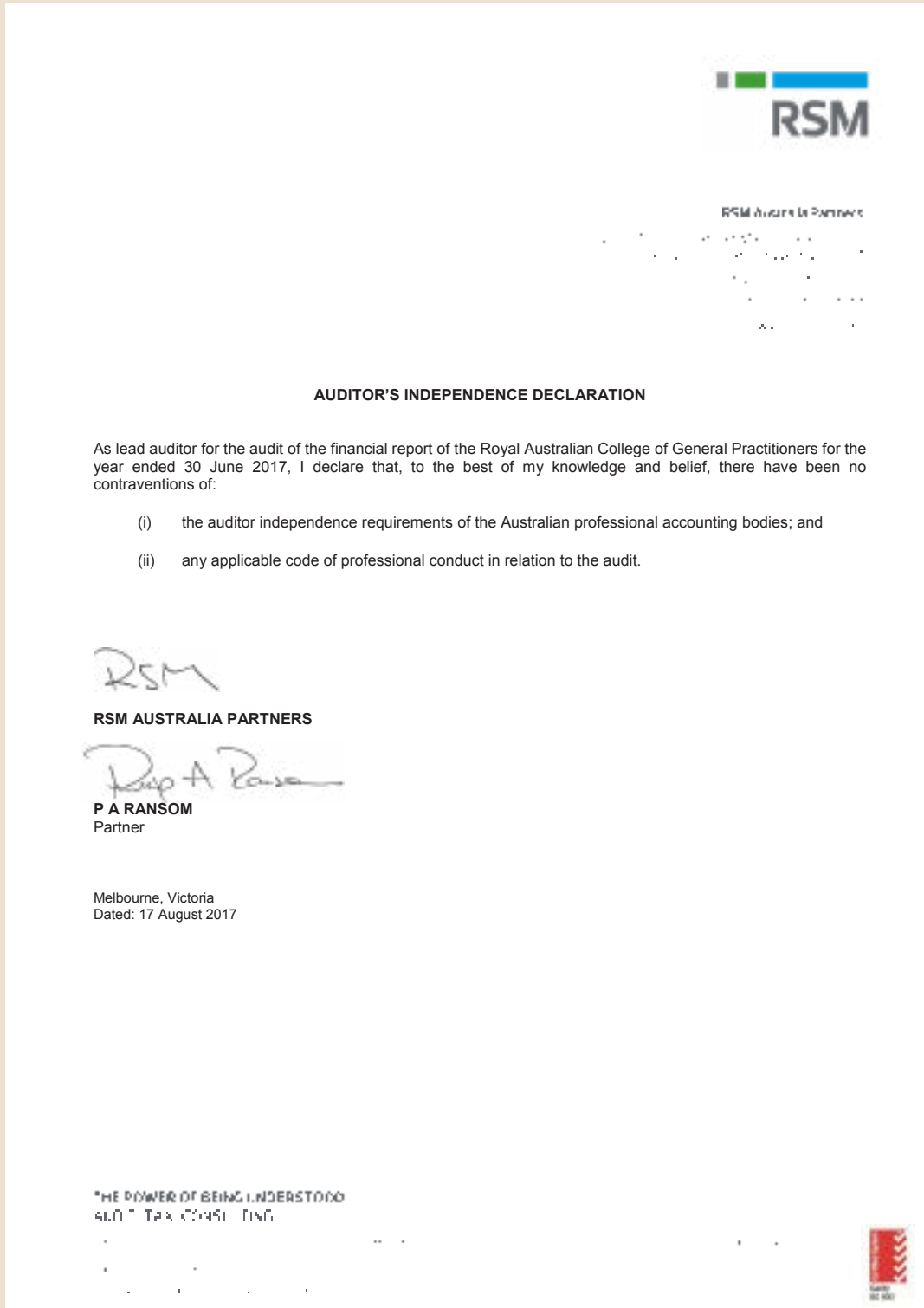
The company is incorporated in New South Wales and domiciled in Australia as a company limited by guarantee with the liability of its members limited to \$20 per member.

Signed in accordance with a resolution of the directors.

Dr Tim Koh, Chair of Council

17 August 2017
Melbourne

Auditor's independence declaration



Independent auditor's report



RSM Accountants & Partners



INDEPENDENT AUDITOR'S REPORT
To the Members of the Royal Australian College of General Practitioners

Opinion

We have audited the financial report of the Royal Australian College of General Practitioners ("RACGP"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

In our opinion, the financial report of the RACGP has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards— Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

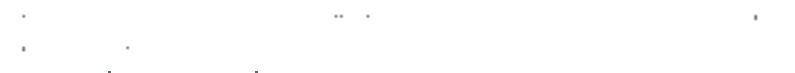
Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the RACGP's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

THE POWER OF BEING UNDERSTOOD
 ABOUT TAX CONSULTING





If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the RACGP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the RACGP or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RACGP Payments and Remuneration

We have audited the RACGP Payments and Remuneration included in the Directors' Report for the year ended 30 June 2017.

In our opinion, the RACGP Payments and Remuneration details included in the Directors' Report for the year ended 30 June 2017 give a true and fair view of the RACGP payments and remuneration which are disclosed.

A handwritten signature in blue ink that reads 'P A Ransom'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'P A Ransom'.

P A RANSOM
Partner

Melbourne, Victoria
Dated: 17 August 2017

Directors' declaration

The directors declare that:

- a. the financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and
 - i. give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group, and
 - ii. comply with Australian Accounting Standards;
- b. in the directors' opinion there are reasonable grounds to believe the consolidated group will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the directors

Dr Tim Koh
Chair of Council

17 August 2017
Melbourne

Consolidated statement of profit or loss and other comprehensive income

The Royal Australian College of General Practitioners

For the year ended 30 June 2017	Notes	2017 (\$)	2016 (\$)
Revenue	2	62,782,188	57,012,832
Total revenue		62,782,188	57,012,832
Expenses			
Employee benefits and on-costs		31,770,781	26,004,354
GP sessional and sitting payments		3,876,231	4,247,157
Cost of publications		719,040	900,608
Consultancy		1,310,950	1,392,999
Professional services		1,287,322	1,992,756
Travel and accommodation		2,011,805	1,817,854
Conference and meeting costs		3,505,047	2,861,758
Office accommodation		1,997,846	1,325,338
IT-related costs		4,243,872	4,602,469
Telecommunications		606,248	541,803
Advertising and media		4,951,292	6,613,897
Printing and stationery		286,311	497,015
Grants and donations		418,961	370,193
Finance costs		742,836	685,775
Depreciation		1,782,887	1,426,910
External grant project administration		1,398,814	154,013
Other expenses		1,708,789	1,406,029
Total expenses	3	62,619,032	56,840,928
Surplus from operating activities		163,156	171,904
Share of net surplus of associates and joint venture accounted for using the equity method	6	129,514	240,956
Net gain on disposal of land and buildings		207,500	–
Total surplus before tax		500,170	412,860
Income tax expense	1.13	5,114	2,206
Total surplus after tax	13	495,056	410,654
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation increment to land and buildings	13	5,301,250	1,670,432
Income tax relating to these items		–	–
Other comprehensive income for the year, net of tax		5,796,306	2,081,086
Total comprehensive income for the year		5,796,306	2,081,086

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

The Royal Australian College of General Practitioners

As at 30 June 2017	Notes	2017 (\$)	2016 (\$)
Current assets			
Cash and cash equivalents	4	32,370,250	19,937,153
Trade and other receivables	5	2,182,560	2,521,688
Total current assets		34,552,810	22,458,841
Non-current assets			
Investments accounted for using the equity method	6	578,578	524,064
Property and office equipment	7	41,088,038	39,052,812
Trade and other receivables	5	93,803	152,146
Investment – at cost	8	–	647,448
Financial assets	9	700,000	700,000
Total non-current assets		42,460,419	41,076,470
Total assets		77,013,229	63,535,311
Current liabilities			
Trade and other payables	10	6,943,099	6,888,617
Current tax liabilities		3,428	(2,215)
Income in advance	11	40,503,747	32,991,630
Provisions	12	1,281,622	1,183,950
Total current liabilities		48,731,896	41,061,982
Non-current liabilities			
Provisions	12	527,365	515,667
Total non-current liabilities		527,365	515,667
Total liabilities		49,259,261	41,577,649
Net assets		27,753,968	21,957,662
Equity			
Reserves	13	13,197,658	10,063,615
Accumulated surplus	13	14,556,310	11,894,047
Total equity		27,753,968	21,957,662

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

The Royal Australian College of General Practitioners

For the year ended 30 June 2017	Notes	Accumulated surplus (\$)	Asset revaluation reserve (\$)	Total (\$)
Balance at 1 July 2015		11,483,393	8,393,183	19,876,576
Total surplus for the year		410,654	–	410,654
Total other comprehensive income for the year		–	1,670,432	1,670,432
Balance at 30 June 2016	13	11,894,047	10,063,615	21,957,662
Total surplus for the year		495,056	–	495,056
Total other comprehensive income for the year		–	5,301,250	5,301,250
Transfer to accumulated surplus		2,167,207	(2,167,207)	–
Balance at 30 June 2017	13	14,556,310	13,197,658	27,753,968

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

The Royal Australian College of General Practitioners

For the year ended 30 June 2017	Notes	2017 (\$)	2016 (\$)
Cash flows from operating activities			
Receipts from membership activities, publications, government and other grants (inclusive of GST)		75,127,725	65,908,760
Payments to suppliers and employees (inclusive of GST)		(64,785,569)	(60,827,328)
Income tax paid		529	(3,043)
Net cash inflow from operating activities		10,342,685	5,078,389
Cash flows from investing activities			
Proceeds on sale of property, plant and equipment		3,600,000	-
Purchase of property and office equipment		(1,909,362)	(1,355,566)
Interest received		324,774	255,468
Dividends received		75,000	150,000
Investment in term deposit		-	(700,000)
Net cash outflow from investing activities		2,090,412	(1,650,098)
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash held		12,433,097	3,428,291
Cash at beginning of financial year		19,937,153	16,508,862
Cash at end of financial year	4	32,370,250	19,937,153

The accompanying notes form part of these financial statements.

Notes to the financial statements

The Royal Australian College of General Practitioners

For the year ended 30 June 2017

Note 1. Statement of significant accounting policies

The consolidated financial statements ('financial statements') and notes represent those of The Royal Australian College of General Practitioners and controlled entities ('the group').

The financial statements were authorised for issue by the directors on 17 August 2017. The directors have the power to amend and reissue the financial statements.

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act). The group is a not-for-profit entity for the purpose of preparing the financial statements. The financial statements of the group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical cost, except for the revaluation of certain non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which

the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the group's functional and presentation currency.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

1.1 Basis of consolidation

The financial statements incorporate the assets, liabilities and results of the subsidiary of The Royal Australian College of General Practitioners as at 30 June 2017, and the results of its subsidiary for the year then ended.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Income and expenses of the subsidiary are included in the 'Consolidated statement of profit or loss and other comprehensive income' from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiary to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the group's ownership interests in its subsidiary that do not result in the group losing control are accounted for as equity transactions. The carrying amounts of the group's interests are adjusted to reflect the changes in their relative interests in the subsidiary.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consolidation received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the group had directly disposed of the relevant assets (ie reclassified to the 'Consolidated statement of profit or loss and other comprehensive income' or transferred directly to accumulated surplus as specified by applicable standards).

1.2 Investments in associates

Associates are entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the group's financial statement using the equity method of accounting, after initially being recognised at cost.

The group's share of its associates' post-acquisition profits or losses is recognised in the 'Consolidated statement of profit or loss and other comprehensive income'. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment (refer to Note 6).

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

1.3 Property and office equipment

Land and buildings are shown at fair value determined by the group and based on annual reviews effective 30 June of each year, which apply standard property valuation techniques, including reference to an independent valuer. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and office equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the 'Consolidated statement of profit or loss and other comprehensive income' during the financial period in which they are incurred.

Any revaluation increases on the revaluation of land and buildings are credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for land and buildings previously recognised as an expense in the 'Consolidated statement of profit or loss and other comprehensive income', in which case the increase is credited to the 'Consolidated statement of profit or loss and other comprehensive income' to the extent of the decrease previously charged. A decrease in the carrying amount arising on revaluation of land and buildings is charged as an expense in the 'Consolidated statement of profit or loss and other comprehensive income' to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of land and buildings.

1.4 Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that a carrying amount may not be recoverable. At a minimum, assets are reviewed for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell

and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.5 Depreciation

Depreciation (except for land, which is not a depreciable item) is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of property, plant and equipment over its expected useful life or, in the case of leasehold improvements, the shorter lease term.

Depreciation rates used are:

Buildings	2.5%
Leasehold improvements	5.0%
Office equipment and training equipment	15.0%
Office furniture	7.5%
Computer equipment	33.3%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.3). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the 'Consolidated statement of profit or loss and other comprehensive income'.

1.6 Leases

Operating lease payments net of incentives received from the lessor are expensed in the 'Consolidated statement of profit or loss and other comprehensive income' on a straight line basis over the period of the lease.

Lease income from operating leases where the group is a lessor is recognised in income on a straight line basis over the lease term. The respective leased assets are included in the 'Consolidated statement of financial position' based on their nature.

1.7 Trade receivables

Trade receivables are recognised initially at fair value less a provision for uncollectible debts.

Trade receivables are generally due for settlement on average within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Debts that are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the group may not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment loss is recognised in the 'Consolidated statement of profit or loss and other comprehensive income' within other expenses.

1.8 Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

1.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All borrowing costs are expenses within the 'Consolidated statement of profit or loss and other comprehensive income'.

1.10 Employee benefits

The group has recognised and brought to account employee benefits as follows:

i. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in trade and other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities

are settled. The liabilities for annual leave and other short-term employee obligations is recognised in trade and other payables.

ii. Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service 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 end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on notional corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the group does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the 'Consolidated statement of financial position'.

1.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the group and specific criteria have been met for each of the group's activities as described below. Revenue is recognised on the following bases:

i. Membership subscriptions

Subscriptions are recorded as revenue in the year to which the subscription relates. Subscriptions received in advance are shown in the 'Consolidated statement of financial position as current liabilities'.

ii. Quality improvement and other fees

Fees are recorded as revenue in the year to which the fees relate. Fees received in advance are shown in the 'Consolidated statement of financial position as current liabilities'.

iii. Revenue from courses, examinations

All revenue and expenditure relating to specific courses/examinations is recognised upon completion of the course/examination.

iv. Specific purpose grants

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Grant monies received for specific purposes are recorded as revenue in the period in which the amounts are expended – that is, the services have been performed or conditions have been fulfilled. Grant monies received but not yet expended – that is, when services have not yet been performed, or conditions have not been fulfilled – are shown in the 'Consolidated statement of financial position' as current liabilities.

v. Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

vi. Dividends

Dividends are recognised as revenue when the right to receive payment is established.

1.13 Income tax

The parent company is endorsed as an income tax exempt charitable entity under subdivision 50-B of the *Income Tax Assessment Act 1997*.

The subsidiary of The Royal Australian College of General Practitioners, RACGP Oxygen Pty Ltd, is not income tax exempt. Therefore, income tax for the period is the tax payable on the current period's taxable income based upon the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Australia. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to use those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where RACGP Oxygen Pty Ltd is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where RACGP Oxygen Pty Ltd has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the 'Consolidated statement of profit or loss and other comprehensive income', except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.14 Goods and services tax

Revenues and expenses from ordinary activities, and assets, are recognised net of the amount of goods and services tax (GST), except where

the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of the item of the expenses from ordinary activities. Receivables and payables are stated with the amount of GST included. Items in the 'Consolidated statement of cash flows' are inclusive of GST where applicable.

1.15 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates that, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. These include:

i. Estimation of fair values of land and buildings
Refer to Note 7.

ii. Provision for employee benefits
Management uses judgement to determine when employees are likely to take annual leave and long service leave. Employee benefits that are expected to be settled within 12 months are measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than 12 months are measured at the present value of the estimated future cash outflows to be made for those benefits. Accordingly, assessments are made on employee wage increases and the probability the employee may not satisfy the vesting requirements. Likewise, these cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of the cash outflow.

1.16 Early adoption of standards

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2016.

1.17 New and amended standards adopted by the group

There are no new and amended standards adopted by the group during this financial year that will have material impact to the financial report.

1.18 Parent entity financial information

The financial information for the parent entity, The Royal Australian College of General Practitioners, disclosed in Note 20, has been prepared on the same basis as the financial statements with the exception of the policy set out below:

i. Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of The Royal Australian College of General Practitioners.

ii. Income tax

The parent company is endorsed as an income tax exempt charitable entity under subdivision 50-B of the *Income Tax Assessment Act 1997*.

1.19 Capital management

The objective of the group is to safeguard its ability to continue as a going concern, so that it can continue to provide benefits to its members.

1.20 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either in the principal market or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Revenue from ordinary activities	2017 (\$)	2016 (\$)
Revenue from operating activities		
Membership, QI&CPD fees	30,609,128	27,498,798
Education, course registration and other fees	22,876,044	21,029,186
Research and other grants and donations	3,909,413	2,958,345
Publications and subscriptions	274,504	426,882
Sponsorship and advertising	1,990,091	1,858,579
Other operating income	1,786,992	1,944,848
Other revenue from ordinary activities		
Interest	324,774	255,468
Rent	1,011,242	1,040,726
	62,782,188	57,012,832
Note 3. Expenses		
2017 (\$)		
2016 (\$)		
Surplus from operating activities includes the following specific expenses:		
Depreciation		
Buildings	508,750	520,283
Computer equipment and software	1,261,574	889,799
Other plant and equipment	12,563	16,827
	1,782,887	1,426,909
Rental expense relating to operating leases	126,039	82,218
Note 4. Cash and cash equivalents		
2017 (\$)		
2016 (\$)		
Cash at bank	14,559,041	6,663,555
	14,559,041	6,663,555
Deposits on call	10,304,733	12,005,651
Proceeds from sale of 201 Logan Road, Woolloongabba, Qld	3,600,000	–
Deposits on call – grant funds held for disbursement	3,906,476	1,267,947
	17,811,209	13,273,598
	32,370,250	19,937,153
Note 5. Trade and other receivables		
2017 (\$)		
2016 (\$)		
Current assets		
Trade receivables	798,686	826,916
Prepayments	1,092,212	1,612,463
Other receivables – lease incentive	291,662	82,309
	2,182,560	2,521,688
Non-current assets		
Other receivables – lease incentive	93,803	152,146

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The carrying amounts of amounts receivable approximate net fair values, as determined by reference to the expected future net cash flows and due to their short-term nature.

Other receivables generally arise from transactions outside the usual operating activities of the group.

Note 6. Investments accounted for using the equity method	2017 (\$)	2016 (\$)
Share in associates (Note 6a)	578,578	524,064
a. Share in associates		
i. The group holds 33.33% of the units in the Australian Medicines Handbook Unit Trust (the Unit Trust). The Unit Trust's principal activity is the production and sale of the <i>Australian medicines handbook</i> . The Unit Trust has a 30 June reporting period. The group's share of the results of its associate's assets and liabilities are as follows:		
Group's share of:		
Assets	970,277	824,127
Liabilities	391,699	300,063
Revenue	1,511,301	1,450,903
Profit/(loss) after tax	129,514	240,956
ii. The movement in equity-accounted associate's investments is as follows:		
Balance at the beginning of the financial year	524,064	433,108
Share of associate's surplus from ordinary activities after income tax	129,514	240,956
Less Dividends received	(75,000)	(150,000)
Balance at the end of the financial year	578,578	524,064
iii. There are no contingent liabilities/assets of the associate		

Note 7. Non-current assets – property and office equipment	2017 (\$)	2016 (\$)
Freehold land and buildings		
Land and building – valuation	38,650,000	37,250,000
Less Accumulated amortisation	–	–
	38,650,000	37,250,000
Computer equipment and software at cost	5,203,783	8,330,212
Less Accumulated depreciation	(2,837,258)	(6,625,884)
	2,366,525	1,704,328
Other plant and equipment at cost	121,986	1,099,844
Less Accumulated depreciation	(50,473)	(1,001,360)
	71,513	98,484
Total written down value	41,088,038	39,052,812
Reconciliations		
Freehold land and buildings		
Opening balance	37,250,000	35,750,000
Additions	–	349,852
Revaluation increment/(decrement) ¹	5,301,250	1,670,432
Disposals	(3,392,500)	–
Depreciation expense	(508,750)	(520,284)
Closing balance	38,650,000	37,250,000
Computer equipment and software		
Opening balance	1,704,328	1,509,942
Additions	1,909,362	1,084,186
Reclassification	14,408	–
Depreciation expense	(1,261,573)	(889,800)
Closing balance	2,366,525	1,704,328
Other plant and equipment		
Opening balance	98,484	109,783
Additions	–	5,528
Reclassification	(14,408)	–
Depreciation expense	(12,563)	(16,827)
Closing balance	71,513	98,484
Total closing balance	41,088,038	39,052,812
The valuation basis of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same locations and conditions.		
¹ Freehold land and buildings were revalued to the amounts shown above as at 30 June 2017. The valuations recorded a net increase in the value of group properties. Under Australian Accounting Standards, \$5,301,250 has been recorded against the asset revaluation reserve in relation to this increase in property values.		
Independent valuations of the group's land and buildings were performed by the independent valuers Savills Pty Ltd in their respective states to determine the market value of the properties for 30 June 2017.		
The Commonwealth Bank of Australia holds a first registered mortgage over the land and buildings at 100 Wellington Parade, East Melbourne. This mortgage secures a credit facility of \$2,000,000 that was not used during the financial year ended 30 June 2017.		

Note 8. Investment – at cost	2017 (\$)	2016 (\$)
Investment – at cost	–	647,448

During the financial year, RACGP Oxygen Pty Ltd, a wholly controlled entity of the company, agreed with Health& Holdings Pty Ltd ('Health&') to terminate the contract to provide specific services to Health&. The contract provided RACGP Oxygen Pty Ltd with a 5% interest in Health& for zero cash consideration in exchange for providing the specific services to Health&. The termination during the financial year releases the company from providing the future services and from the liability related to the delivery of these services. This termination also results in an impairment of the investment in Health& to \$0.

Note 9. Financial assets	2017 (\$)	2016 (\$)
Term deposit	700,000	700,000

During the financial year 2015-16, RACGP received a bequest of \$700,000 from the Lynn Harvey Joseph estate. The Trust deed stipulates that RACGP is to hold the \$700,000 for 50 years while applying the income earned from the fund to research, education and training in general practice medicine. Upon expiry of 50 years, the funds will become available to be applied as RACGP determines appropriate.

Note 10. Trade and other payables	2017 (\$)	2016 (\$)
Trade creditors	1,366,021	2,006,843
Other creditors and accruals	3,685,148	3,255,583
Employee benefits	1,891,930	1,626,191
Total	6,943,099	6,888,617

Net fair values: Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of amounts payable approximate net fair values, as determined by reference to the expected future net cash flows and due to their short-term nature.

Note 11. Income in advance	2017 (\$)	2016 (\$)
Income in advance		
Membership subscriptions and QI&CPD fees	27,119,983	23,519,963
Grants	3,923,277	1,007,152
Exams	7,398,840	7,507,465
Other	2,061,647	957,050
Total	40,503,747	32,991,630

Note 12. Provisions	2017 (\$)	2016 (\$)
Employee benefits – long service leave (current)	1,281,622	1,183,950
Employee benefits – long service leave (non-current)	527,365	515,667

Note 13. Reserves and accumulated surplus	2017 (\$)	2016 (\$)
Asset revaluation reserve		
i. Nature and purpose of reserve The asset revaluation reserve is used to record increments and decrements in the value of those non-current assets measured at fair value.		
ii. Movements in reserve		
Balance at beginning of year	10,063,615	8,393,183
Revaluation of land and buildings	5,301,250	1,670,432
Transfer to accumulated surplus(*)	(2,167,207)	–
Balance at end of year	13,197,658	10,063,615
Movements in accumulated surplus		
Balance at beginning of year	11,894,047	11,483,393
Current year surplus	495,056	410,654
Transfer from asset revaluation reserve(*)	2,167,207	–
Balance at end of year	14,556,310	11,894,047
(*) During the year, 201 Logan Road, Woolloongabba, Qld was sold. Within the asset revaluation reserve was \$2,167,207 relating to this property. In accordance with Australian Accounting Standards, this amount was transferred to accumulated surplus.		

Note 14. Key management personnel compensation	2017 (\$)	2016 (\$)
Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director/councillor (whether executive or otherwise).		
Total compensation paid to key management personnel during the financial year was:		
Key management personnel	3,237,454	2,740,330

Note 15. Commitments	2017 (\$)	2016 (\$)
Operating leases		
The group leases various office equipment under cancellable operating leases expiring within one year. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiable.		
Minimum lease payments		
Within one year	53,391	45,700
Later than one year but not later than five years	16,684	48,556
Total operating leases	70,075	94,256
Capital commitments		
Property and office equipment		
Within 12 months		
Building improvements	–	–
Total property and office equipment	–	–

Note 16. Contingencies

The directors are not aware of any material contingent assets or liabilities as at 30 June 2017.

Note 17. Related party transactions**a. Equity interests in related parties****i. Equity interests in associates**

Details of interest in associates are disclosed in Note 6 to the financial statements.

ii. Equity interests in subsidiaries

Details of interest in subsidiaries are disclosed in Note 21 to the financial statements.

b. Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in Note 14.

c. Key management personnel loans

There are no loans to or from key management personnel.

d. Transactions with key management personnel

The key management personnel have transactions with the group that occur within a normal supplier–customer relationship on terms and conditions no more favourable than those with which it is reasonable to expect the group would have adopted if dealing with the key management personnel at arm's length in similar circumstances. These transactions include the collection of membership dues and subscriptions and the provision of group services.

Note 18. Financial instruments

2017 (\$)

2016 (\$)

Liquidity risk

Liquidity risk refers to the risk that the group will encounter difficulty in meeting obligations concerning its financial liabilities. The group has the following financing arrangements. The group also has financial liabilities to its trade and other creditors and amounts invoiced in advance for services to be rendered, such as the group's membership subscriptions. The group does not expect to settle the amounts invoiced in advance by cash payment; rather, these liabilities will be satisfied with the provision of the services. Liquidity risk is therefore insignificant, as the group's cash reserves significantly exceed the remaining financial liabilities that it expects to settle by cash payment.

Financing arrangements

The group had arranged the following undrawn borrowing facilities at the end of the reporting period:

Variable rate

Facilities:

Overdraft	2,000,000	2,000,000
Total undrawn facilities	2,000,000	2,000,000

Note 19. Events after the reporting period

No circumstances have arisen since the end of the year that have significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the group in future financial years.

Note 20. Parent entity information	2017 (\$)	2016 (\$)
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The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the group.

Financial position		
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Assets		
Current assets	34,513,047	22,458,841
Non-current assets	42,470,419	40,439,022
Total assets	76,983,466	62,897,863
Liabilities		
Current liabilities	48,867,975	40,578,445
Non-current liabilities	527,369	515,668
Total liabilities	49,395,344	41,094,113
Net assets	27,588,122	21,803,750

Equity		
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Reserves	15,364,863	10,063,613
Accumulated surplus	12,223,259	11,740,137
Total equity	27,588,122	21,803,750

Financial performance		
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Total surplus/(deficit)	483,122	405,505
Other comprehensive income for the year	5,301,250	1,670,432
Total comprehensive income for the year	5,784,372	2,075,937

Contingent liabilities of the parent entity		
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The directors are not aware of any material contingent liabilities as at 30 June 2017.

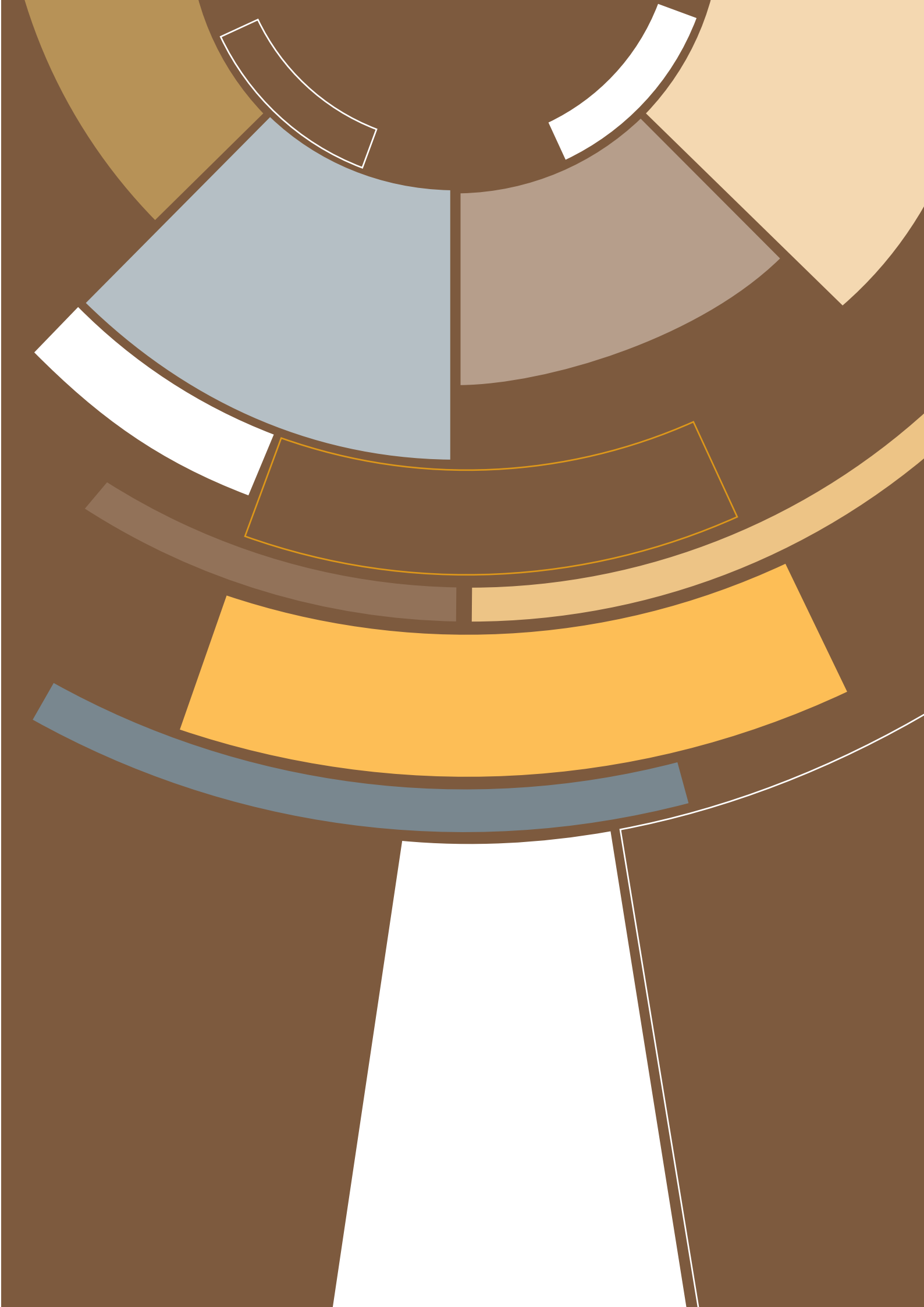
Commitments for the acquisition of property, plant and equipment by the parent entity		
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Property and office equipment		
Within 12 months		
Building improvements	–	–
Total property and office equipment	–	–

Note 21. Subsidiaries				
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The financial statements incorporate the assets, liabilities and results of RACGP Oxygen Pty Ltd in accordance with the accounting policy described in Note 1.1.

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2017	2016
RACGP Oxygen Pty Ltd	Australia	Ordinary	100%	100%





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