



A STRONG PROFESSIONAL HOME





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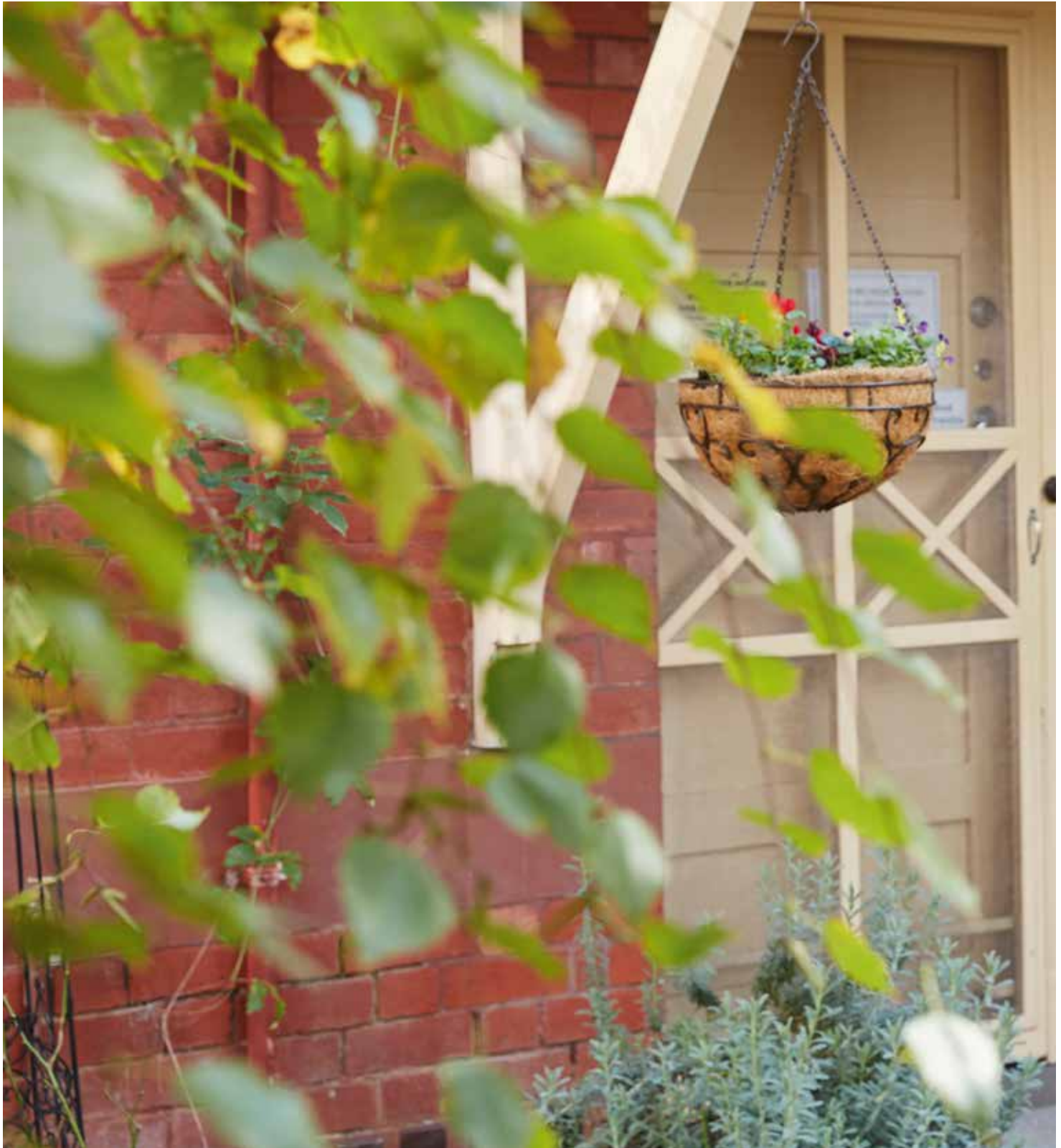
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We recognise the traditional custodians of the land and sea on which we work and live.







I've been an RACGP member for more than 20 years and in that time I've made many valuable connections through working on committees, training and education, and sharing ideas with colleagues. Belonging to an organisation that connects me with other GPs and fosters the sharing of knowledge and experiences is important to me."

Dr Lisa Newton, MBBS, DRCOG, DA, DRANZCOG, DCH, GradDipFamMed
Member – Member since 1992





Message from the Chair

Dr Eleanor Chew

It gives me great pleasure to present The Royal Australian College of General Practitioners' (RACGP) Annual report 2014–15, for which the theme is 'A strong professional home'.

Throughout this year's Annual report, you can read about the key achievements of the RACGP across a range of areas and gain an insight into the lives of some of our members, who work hard every day to care for their patients and communities.

Eight out of 10 GPs across the country are represented by the RACGP and help provide the more than 134 million general practice consultations that take place annually in Australia. The RACGP continuously strives to advocate for a well-resourced and sustainable profession and the RACGP's vision statement, 'Healthy Profession. Healthy Australia', is more relevant than ever.

I would like to acknowledge the hard work and energy of my fellow Councillors and our President, Dr Frank R Jones. I sincerely thank them for developing an effective strategy to ensure the continued success of the RACGP. I would also like to thank all of the RACGP's state and territory and national faculties and the staff who implement the Council's strategic aims and ensure the best possible outcomes for our members.

This is my final term as Chair and I would also like to acknowledge the many other people – RACGP Councillors, members and staff – who have helped me in my role and worked with me to help create a successful RACGP.



Dr Eleanor Chew



This year's theme is
'A strong professional
home'."

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30,000+

MEMBERS

The RACGP is the peak body for GPs in Australia with more than 30,000 members



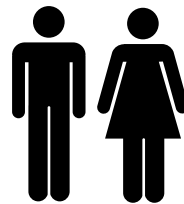
Eight out of 10 GPs in Australia are with the RACGP

134,000,000

More than 134 million general practice consultations take place annually in Australia

80%

Collectively, GPs see more than 80% of Australians each year, but general practice spending represents less than 8% of Government healthcare spending



GPs treat the person, not just the disease



GP care can cost up to 10 times less than similar care in a hospital



The RACGP advocates on behalf of patients and GPs across a range of issues. Over the past 12 months this has included:

- Opposing the Federal Government's proposed co-payment policies
- Opposing the freeze on patient Medicare rebates
- Calling for patient safety to come above any expansion to the role of pharmacists
- Opposing the use of homeopathy treatment
- Helping patients choose wisely when it comes to tests, treatments and procedures as part of Choosing Wisely Australia

About the RACGP



Members of the 57th RACGP Council

The RACGP is governed by the RACGP Council, comprising the President, Censor-in-Chief, General Practice Registrar Representative, the Chair of each state and territory faculty, Chair of the National Rural Faculty, Chair of the National Faculty of Aboriginal and Torres Strait Islander Health, and any additional members co-opted by Council to the extent allowable under the RACGP Constitution.



Dr Eleanor Chew
Chair, RACGP Council;
Chair, Queensland Faculty



Ms Lynelle Briggs AO
Co-opted Council member



Associate Professor Brad Murphy
Chair, National Faculty of Aboriginal
and Torres Strait Islander Health



**Adjunct Associate Professor
Frank R Jones**
RACGP President



Associate Professor Morton Rawlin
RACGP Vice-President; Chair, Victoria
Faculty; Chair, National Faculty of
Specific Interests



Dr Nina Robertson
General Practice Registrar
Representative



Dr Mark Miller
Censor-in-Chief



Dr Ayman Shenouda
Chair, National Rural Faculty



Dr David Knowles
Chair, Tasmania Faculty



Dr Daniel Byrne
Chair, South Australia and Northern
Territory Faculty



Dr Tim Koh
Chair, Western Australia Faculty



Dr Guan Yeo
Chair, New South Wales and
Australian Capital Territory Faculty

Message from the President

Adjunct Associate Professor Frank R Jones



Adjunct Associate Professor Frank R Jones



It has been an incredibly rewarding first year as President and my passion for quality patient care and quality general practice has not diminished.”

At our very core, we are an academic college. However, anything that impacts the quality of care we are able to provide for our patients has to be part of our *modus operandi*.

Advocacy for quality general practice and primary healthcare has therefore assumed increased relevance. The RACGP has more than 30,000 members and reflecting everyone's view is sometimes difficult. However, this year our 'You've Been Targeted' campaign against the Federal Government's proposed co-payment was successful because we focused on the impact the changes would have on our patients.

Launched in January, the campaign saw the RACGP mobilise GPs and patients through an online petition that gained more than 48,500 signatures in fewer than seven days. The number of signatures achieved far outweighed any other campaign during this time and was directly responsible for the Federal Government's reconsideration of Medicare rebates and the establishment of the current review.

This year also saw the launch of the RACGP's primary healthcare funding model, *Vision for a sustainable health system*. The model proposes a new system of funding general practice to enable GPs to care for patients in the

community and consequently reduce hospital presentations. Created with input from members, the model was initially released as a discussion paper in April and was then refined following feedback from key stakeholders and the community. The RACGP's model has positively contributed to the public debate around future funding of primary care and will continue to do so as the Federal Government's review of the Medicare Benefits Schedule and Primary Healthcare Advisory Group continues its work.

GP training has always been a key area of focus for the RACGP and changes announced by the Federal Government earlier this year will see the RACGP play a critical central role in how future GPs are trained. The RACGP has been working with the Federal Government on implementing the changes and we look forward to our critical and central overall governance responsibility of the training program from 2016.

The development of a community awareness campaign has been another important focus of the RACGP. Launched in June, the campaign was developed as a direct response to member feedback requesting the RACGP take a stronger advocacy role for the general practice profession. The campaign aims to highlight the



RACGP Council stand united against secrecy provisions in the Australian Border Force Act 2015.

value of general practice and the importance of education and learning gained throughout a GP's career. A long-term project, the campaign has already seen TV and digital advertising and the delivery of supportive materials to practices around the country and will continue to grow over the coming months.

The RACGP is committed to improving health outcomes for Aboriginal and Torres Strait Islander peoples and it was encouraging to see a record-breaking 12 Aboriginal and Torres Strait Islander GPs achieve Fellowship in 2014. Through its National Faculty of Aboriginal and Torres Strait Islander Health, the RACGP offers the Indigenous Fellowship Excellence Program, designed to assist general practice registrars with exam preparation and peer support. The RACGP also signed a memorandum of understanding with the National Aboriginal Community

Controlled Health Organisation (NACCHO), formalising the partnership between our organisations.

The past year has also seen the RACGP embark on a governance review to assess its ideal governance structure. Member consultation workshops were held around the country. Feedback and Council's recommended direction will be shared with members at GP15.

The RACGP's hard work has received significant media attention both in traditional media and via social media platforms. As President, I have been privileged to represent the RACGP and appeared across a range of media outlets, including on the ABC, Channel 10's *The Project* and Channel 9 News. I have also enjoyed talking to journalists from *The Age*, *The Sydney Morning Herald*, *The Australian*, *The Herald Sun*, *Medical Observer* and *Australian Doctor*.

On the social media front, the RACGP has increased its Twitter followers over the past year from 5300 to more than 8000 and more than doubled the number of Facebook likes to more than 5000. We have actively increased our social media presence and recognise it is a great way for GPs to access information and engage in conversation.

It has been an incredibly rewarding first year as President and my passion for quality patient care and quality general practice has not diminished.

I have been honoured to represent the RACGP in meetings with a range of important stakeholders, including Federal Minister for Health Sussan Ley. I have also had the privilege of representing Australian GPs at the World Organisation of Family Doctors' (WONCA) Asia Pacific regional council meeting in Taiwan in March and at family medicine conferences in Hong Kong and Fiji. From conversations with international colleagues, it is clear that Australia is recognised as a world leader in the provision of quality primary care and the RACGP as a visionary academic institution pursuing excellence in medical education.

The RACGP will continue to play a critical role in advocating for the profession and help create a healthier Australia.



The RACGP's 'You've Been Targeted' campaign.

Message from the Chief Executive Officer

Zena Burgess



Zena Burgess



I am looking forward to the next 12 months and the RACGP continuing to provide members with a strong and relevant professional home.”

In what has been an unsettled 12 months for general practice due to changing government policies, the RACGP has significantly grown and improved services for its members.

Major milestones have been achieved for our record number of members, who now total 30,615, and it is only fitting that this year's annual report theme is 'A strong professional home'.

As the peak body for Australian GPs, the RACGP provides its members with excellence in the development of education, training, quality guidelines and resources. Key to this is the work of the RACGP's national standing committees, whose GP members work closely with our staff to provide benefits to members.

Over the past year, these committees have undertaken a huge amount of work, including developing position statements on issues such as the role of pharmacists in primary healthcare, homeopathy products, and the potential role of private health insurers in general practice. Clinical resources for GPs have also been developed, along with business toolkits for GPs and practices. The committees have

also helped develop general practice research and informed the RACGP's Quality Improvement and Continuing Professional Development (QI&CPD) frameworks.

The past year has also seen the RACGP continue to be outspoken on the health impacts of detention for asylum seekers, with a number of public statements issued calling for an end to mandatory detention. The RACGP has also highlighted the important role GPs play in tackling family violence and we were honoured to have Australian of the Year Rosie Batty speak at the Victorian Faculty's Women in General Practice Committee Conference in June.

Rural GPs have been strongly represented over the past 12 months through the National Rural Faculty, which has seen membership grow and 78 new enrolments in its Fellowship in Advanced Rural General Practice (FARGP) program. Palliative care has been a key area of focus, with research carried out to help identify the specific support rural GPs need.

The RACGP continued to provide members with access to a range of



The RACGP provides members with a range of publications including *Australian Family Physician*.

high-quality monthly publications, including *Australian Family Physician*, Australia's highest-circulating medical journal and a valued resource for GPs internationally. RACGP members also receive *Good Practice* magazine, which highlights the important work of GPs and offers tips for innovation in general practice, and the *check* program, which provides a case-based accredited learning activity available to members through *gplearning*.

The RACGP's annual conference for general practice is always a calendar highlight and GP14 didn't disappoint. Held in Adelaide last October and hosted by the RACGP's South Australia and Northern Territory Faculty, a record 1400 delegates attended. With the theme, 'Lead, Inspire', guest speakers included Dr Andrew Bazemore from the United States, Professor David Weller from the United Kingdom and Dr Jill Benson from Adelaide.

The end of GP14 saw planning begin for GP15, which will be held at the Melbourne Convention and Exhibition Centre from 21–23 September 2015. This year's theme is 'Our future in practice' and will explore ideas and topics that will inspire and encourage



Zena Burgess with delegates at GP14.

delegates to consider their future in practice, and the impact on their patients and communities. Norway's Dr Alessandro Demaio will deliver the opening keynote address to reappraise the role of the medico – and particularly the GP.

The RACGP annual conference for general practice is more than an opportunity to earn QI&CPD points. It provides an environment in which delegates can come together to advocate for the advancement of the profession and the health and wellbeing of patients.

The RACGP continues to achieve success in strengthening the organisation and supporting excellence by capitalising on the diversity and equity of its workforce and implementing strategies to enhance this.

I would like to sincerely thank the staff for their contribution to the ongoing success of the RACGP and, in particular, the senior leadership team: Josephine Raw, Deputy CEO and General Manager, Policy, Practice and Innovation; Mark Klose, General Manager, Member Services and Operations; Mark Rowe, General Manager, Education Services; Greg Price, General Manager, Brand and Communications; and Craig Martin, General Manager, Products.

I would like to extend my thanks to the 57th Council and President Dr Frank R Jones for their work defining the strategic direction of the RACGP.

I am looking forward to the next 12 months and the RACGP continuing to provide members with a strong and relevant professional home.

Message from the Finance, Audit and Risk Management Committee Chair

Dr David Knowles



Dr David Knowles



The RACGP's consolidated operating performance continues to be positive, the balance sheet position remains strong and the organisation maintains a strong cash position."

Members of the Finance, Audit and Risk Management Committee for financial year 2014–15 include:

- Dr David Knowles, (Chair and Chair, Tasmania Faculty)
- Adjunct Associate Professor Frank R Jones (President)
- Dr Guan Yeo (Chair, New South Wales and Australian Capital Territory Faculty)
- Dr Daniel Byrne (Chair, South Australia and Northern Territory Faculty)
- Dr Charlotte Hespe (RACGP Fellow)
- Mr Mark Evans (external representative with IT expertise)
- Mr Tony Monley (external representative with financial control and risk management expertise).

The RACGP's consolidated operating performance continues to be positive, the balance sheet position remains strong and the organisation maintains a strong cash position. During the year, the RACGP has closed all of its debt facilities associated with the purchase of College House in East Melbourne.

The RACGP has appointed independent firm, DFK Kidsons, as its internal auditors for 2015–17. They have started a three-year internal audit plan with a review of the RACGP's risk management framework and in 2015 they will also

review our information technology systems and payroll. Internal auditors are invited to attend the regular committee meetings and external auditors, RSM Bird Cameron, regularly meet with the committee during the audit to report on the audit plan, review progress and any issues identified. Again, the auditors issued an unqualified opinion on the consolidated financial statements.

The RACGP has continued to strengthen and develop its whole-of-organisation risk management approach. RACGP management is committed to ensuring risk management and its awareness is embedded throughout the organisation, particularly now that the general practice environment is in a period of change.

Following my first year as Chair, I would like to express my thanks for the support that has been provided to me by all committee members and RACGP's senior management team, in particular Zena Burgess, CEO; Mark Klose, General Manager, Member Services and operations; and Sherryyna Fung, Finance Manager.

I would also like to personally acknowledge the mentoring provided to me by the previous Chair, Neil Greenaway.

Message from the Censor-in-Chief

Dr Mark Miller

Firstly, I offer my congratulations to the 1276 new Fellows who were successfully admitted to the RACGP in the last year.

Your Fellowship certificate in its physical form is a flat piece of paper, just like a piece of origami paper. The years spent in study and practice to date have allowed you to acquire the skills to fold your Fellowship into something that is both useful and inspiring, not only to your community, but also satisfying to yourself.

However, it is not really just the end result in origami, but the actual art of the folding that brings about true satisfaction and I would encourage all our new Fellows to not stop here but continue learning and refining your skills to develop and gain satisfaction from your ongoing careers in general practice.

There have been some significant projects that continue in evolution this year, including the Curriculum review and the competency profile for general practice. Development is continuing on the current pathways to general practice and strengthening of the

current Practice Based Assessment components and alternative assessment modalities. The enhanced mapping of curriculum-to-assessment to ensure RACGP assessments reflect the evolving competencies required of GPs in Australia has also progressed. Active learning modules (ALMs) are now being trialled to allow examiners to contribute to assessment items as part of Quality Improvement and Continuing Professional Development (QI&CPD).

The dedicated members of the Board of Censors, Board of Assessment, national standing committees and RACGP education and assessment staff continue to support me in my role and I am very thankful for this.

I would also like to convey my gratitude to all those members who dedicate themselves not only to the care of our patients, but also to supporting their peers to achieve the standards we set for ourselves as a college in their roles as mentors, supervisors, exam panel members, educators and the list goes on.



Dr Mark Miller



I would encourage all our new Fellows to not stop here but continue learning and refining your skills.”



RACGP proposes 10 new
ways to fund general practice
6minutes, April 16, 2015



GP fee plan 'to hurt patient
relationship'

The Australian online, December 12, 2014



RACGP joins Choosing Wisely program

Medical Observer, November 11, 2014



The good GP never stops learning.



Over the past 12 months the RACGP has advocated on behalf of its members across a range of issues including the Federal Government's co-payment policies, GP training, mental health funding, closing the gap on Aboriginal and Torres Strait Islander health and the role GPs play in family violence. The RACGP also raised awareness of the important role of GPs via its World Family Doctor Day campaign.

In June this year the RACGP launched 'The Good GP', a major community awareness campaign that included national TV advertisements and the rollout of support materials to practices across the country. The response to the campaign was overwhelmingly positive and provided an opportunity for GPs to have a conversation with their patients and communities about the vital work they do every day.



I've been running my own practice for 23 years and use the RACGP's health record filing system, which I find very useful. I also value the access members have to the Therapeutic Guidelines online and training programs for continuous learning."

Dr Graeme Baro, MBBS

Member – Member since 2003



RACGP national standing committees



National standing committees

National Standing Committee – General Practice Advocacy and Support

Dr Beres Wenck, Chair

The National Standing Committee – General Practice Advocacy and Support (NSC-GPAS) played an integral role in formulating the RACGP's response to the 2014–15 Budget and developing the RACGP's *Vision for a sustainable health system* funding model.

Over the past 12 months, the NSC-GPAS also developed strategic position statements to clarify the RACGP's position on a range of emerging issues facing general practice. These position statements covered:

- new and emerging roles in primary healthcare
- the expanded role of pharmacists in primary healthcare

- the role of PHNs
- the potential role of private health insurers in general practice
- Medicare reform package.

The NSC-GPAS also oversaw the revision, development and release of a range of practice support resources, including:

- *Preparing medical reports: A guide to setting fees and writing reports*
- *Clinical risk management in general practice*
- update of the *General Practice Management Toolkit* (10 modules)
- update of the *MBS fee summary*.



Shadow Minister for Health Catherine King with the RACGP's Dr Evan Ackermann and Dr Beres Wenck.



The RACGP's *Vision for a sustainable health system*.

National Standing Committee – Standards

Dr Michael Civil, Chair

The National Standing Committee – Standards (NSC-Standards) consists of GPs as well as practice management, practice nursing and consumer representatives.

The past 12 months has seen the NSC-Standards focused on developing the 5th edition of the RACGP's *Standards for general practices* (the Standards).

The development of the 5th edition will occur over two and a half years and will be released in October 2017. The new edition is being developed to ensure that the Standards remain relevant and reflect contemporary general practice in Australia.

The initial consultation phase concluded in May and many stakeholders, including GPs, practice managers, practice nurses, Medicare Locals and peak bodies, provided feedback.

The feedback is being used to inform the development of the next edition of the Standards.

National Standing Committee – eHealth

Dr Nathan Pinskiar, Chair

The RACGP National Standing Committee – eHealth (NSC-eHealth) supports the provision of healthcare through technology by providing general practice with guidance and resources that improve practice and communication efficiencies.

The NSC-eHealth has continued to provide advice to the Government and other stakeholders on what elements of eHealth are reasonable, workable and useful for general practice. This includes ongoing consultation and the



Dr Robert Hosking guiding workshop participants in activities at the Health Informatics Conference 2014.

provision of feedback for the Personally Controlled Electronic Health Record (PCEHR), with the NSC-eHealth committing to a shared record that has clear deliverables for general practice, including clinical benefits.

A comprehensive submission for a public interest determination to the Office of the Australian Information Commissioner (OAIC) was successful in gaining an exemption for established primary health initiatives from the direct marketing regulations under the new Australian Privacy Principles.

The NSC-eHealth is also continuing to advocate for the national implementation of the Electronic Recording and Reporting of Controlled Drugs (ERRCD) system for the management of prescription drugs to help reduce the number of deaths from prescription drug overdoses.

Resources developed by NSC-eHealth include:

- the *Digital business kits* to help practices use technologies
- *A guide to social media* to give GPs and practices advice on how they can make the most of these new communication platforms
- *A guide for hardware and software requirements in general practice* to assist practices choose what type of IT requirements are needed.



Dr Evan Ackermann and A/Prof John Litt workshop ideas at a National Standing Committee for Quality Care multimorbidity meeting.

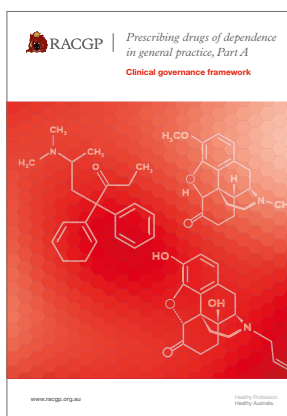
National Standing Committee – Quality Care

Dr Evan Ackermann, Chair

The National Standing Committee – Quality Care (NSC-QC) is responsible for matters of clinical significance to the RACGP and general practice.

Over the past year, the NSC-QC has developed a number of innovative and evidence-based resources that equip GPs and practices to provide high-quality care to their patients and communities. These include the *Handbook of Non Drug Interventions (HANDI)*, *Abuse and violence: Working with our patients in general practice* (the White Book), *Prescribing drugs of dependence in general practice – Part A: Clinical governance framework* and *Part B: Benzodiazepine guide*, and *Smoking, nutrition, alcohol, physical activity (SNAP): A population health guide to behavioural risk factors in general practice*.

The NSC-QC also continues to provide advice and direction on matters of clinical significance for the RACGP, including responding to a large number of government and stakeholder consultations, as well as the ongoing leadership and management of the RACGP's Representative and Endorsement programs.



Some of the evidence-based resources produced for members.



Poster display at GP14 highlighting quality research by GPs.

National Standing Committee – Education

Dr Kaye Atkinson, Chair (previously Dr Peter Maguire)

The National Standing Committee – Education (NSC-Education) was established in 2002 as the overarching education committee within the RACGP, responsible for all aspects of general practice education. The NSC-Education oversees a broad scope of educational activities ranging from undergraduate medicine, prevocational and registrar phases and experienced GPs.

In the past year, the committee has played a key role across RACGP Education Services, providing oversight and recommendations for a number of key items, including:

- development of the 2017–19 QI&CPD Framework
- review of relationships with international colleges
- review of RACGP's general practice experience (GPE) pathway to Fellowship and implementation plans for a pilot program
- Practice Based Assessment (PBA) Review Project – improvement to the current process with clear criteria for entry and suitability in place
- curriculum renewal
- education policy framework – the development and implementation of a comprehensive policy framework for across all pathways and assessments
- Education Vocational Training Standards Development
- Australian General Practice Training engagement with the Department of Health
- competency profile of a GP.

National Standing Committee – Research

Professor Tania Winzenberg, Chair

The National Standing Committee – Research (NSC-Research) aims to establish a positive profile for primary care research and promote a strategic agenda for general practice/primary healthcare research in Australia and within the RACGP.

NSC-Research's activities and achievements in the past year include:

- development of a *gplearning* critical thinking active learning module
- lobbying for an increase in research-related questions in the Fellowship examination
- making a submission to the Curriculum review for increased presence of critical thinking and research aspects in the Curriculum
- investigating possibilities of dual training pathways towards Fellowship and research higher degree
- raising the profile of research at the RACGP conference
- developing and initiating a project on outcomes of RACGP grant and award projects for the past 10 years
- lobbying for continued academic registrar support
- developing plans to coordinate regionalised training sessions on how to teach critical evaluation and evidence-based medicine research training.



I value the RACGP's strong advocacy role as the peak professional body for GPs in Australia and its thought leadership in terms of creating reliable guidelines and standards for general practice, as well as the access it provides to resources like the John Murtagh Library, *check* program and QI&CPD program."

Dr William Ho, MBBS, BMedSc, FRACGP, CertIVAcc, CertIVBkpg
New Fellow – Member since 2013



Member services





Membership overview

With a strong collegiate network of more than 30,000 members, the RACGP is the largest representative body for Australian GPs and is their professional home. By providing excellence in the development of education, training, quality guidelines and resources, including high-quality monthly publications, the RACGP and its members continue to set the professional standards for general practice in Australia.

We support GPs, patients and the profession, ensuring general practice maintains its position as the central pillar of an effective primary healthcare system.

The membership community continuously urges the RACGP to build upon advocacy efforts and provide a strong voice for

grassroots GPs. Member feedback forms the foundation of an inclusive and engaging community for Australian GPs and through regular polls, workshops and surveys, members are offered a platform to have input on key issues affecting the profession.

In 2014–15, RACGP membership saw a significant growth among new members from all stages of the general practice journey, especially within the prevocational segment. This growth is expected to continue next year with the support of new initiatives, including the national community awareness campaign, which aims to enhance the profile of general practice and RACGP members within the community.

FOREVER LEARNING

300

Workshops Australia wide

Dr Frank R Jones,
RACGP President,
member since 1985

MORE SUPPORT

30,000

Members

STRONGER VOICE

44,000+

You've Been Targeted
petition signatures

2015–16 RACGP Membership

Building a strong professional home



2000

NEW STUDENT
MEMBERS

Continued support
from medical school
→ Fellowship



NEW
FELLOWS



Dr Emma Knott, *member since 2014*

50⁺



ADVOCACY
SUBMISSIONS

\$3 MILLION⁺

RAISED FOR GENERAL
PRACTICE RESEARCH

gplearning

300⁺



HOURS
ONLINE
ACTIVITIES

50 new
activities



13,000

RURAL FACULTY
MEMBERS



New South Wales and Australian Capital Territory Faculty

Dr Guan Yeo

New South Wales and Australian Capital Territory Faculty membership grew by 38.8% during 2014–15 as we welcomed an additional 678 GPs, 106 international medical graduates (IMGs), 147 Fellows and 457 students to our community.

The increase in student membership can be attributed to a new face-to-face program and increased representation at medical schools. We also increased the delivery of popular face-to-face education activities and numerous webinars that saw more than 4304 members actively engaged in continuous learning.

A special thank you to the 525 examiners who assisted in the delivery of the Objective Structured Clinical Exam (OSCE). Sixty-seven new examiners trained in Sydney and Canberra and 1110 candidates sat RACGP examinations in New South Wales and the Australian Capital Territory over the past year.

Member meetings were held in Canberra, Dubbo and Broken Hill, providing an opportunity for members in those areas to engage with myself and the Board. The Faculty also held its very successful annual education weekend in Canberra, featuring workshops, a member forum and a cocktail reception.

Thank you to all Faculty members and staff for another successful year. I look forward to working with you all in the year ahead.



Dr Guan Yeo, A/Prof Jennifer Thomson and A/Prof Katrina Anderson.



Dr Amy Ho and Dr Charlotte Hespe.



The increase in student membership can be attributed to a new face-to-face program and increased representation at medical schools.”

Victoria Faculty

Associate Professor Morton Rawlin



Prof Doris Young and Dr Irene Blackberry receiving an award for the 2014 RACGP Diabetes Australia Research Grant with Craig Bennett and A/Prof Morton Rawlin.



Dr Siobhan Bourke presenting at the Women in General Practice conference in August 2014.

Last year was one of our most active from an advocacy perspective and the Victoria Faculty played an important role in supporting members by meeting with key stakeholders and government representatives to ensure members' voices were heard. Victorian GPs strongly supported the 'You've Been Targeted' campaign, resulting in the Federal Government's decision to abandon its proposed changes to level A and B consultations.



We continued to support members by ensuring they meet new Quality Improvement requirements and also through the Women in General Practice mentoring program.”

We delivered 25 educational workshops, including face-to-face and online webinars, and also built a calendar of online education activities to reach any member, regardless of their location. Highlights of 2014–15 include co-hosting the International Medicine in Addiction conference and having 2015 Australian of the Year Rosie Batty open the Women in General Practice conference under the theme of family violence.

We continued to support members by ensuring they meet new Quality Improvement and Continuing Professional Development requirements and also through the Women in General Practice mentoring program.

This year will see the Victoria Faculty host the RACGP annual conference for general practice, GP15, providing a great opportunity to showcase our local membership. The Faculty remains committed to representing its members and ensuring general practice plays a key role in the Victorian community.



2015 clinical update weekend – fractures.

Queensland Faculty

Dr Eleanor Chew

The landscape in which we work has changed enormously in the past 12 months and I am proud the Queensland Faculty has provided constant support and advocacy for all members during this time. As our members' professional home, the Faculty has sought to understand members' views and needs, and focus our advocacy, education and collegiate activities accordingly.

Over the past year, we achieved representation on a number of key committees and networks, including the Queensland Clinical Senate. Our profile continues to grow with increasing numbers of stakeholders recognising the RACGP as the peak representative body for GPs in Queensland.

Now in its 58th year, the Faculty Clinical Update Weekend attracted record attendance in 2015, with more than 240 members registered for the event. Our 2014 Fellowship and Awards ceremony was watched by an audience of more than 600 family members, friends, and peers.

We also established the Faculty Research Support Committee in 2015, led by Associate Professor Nancy Sturman, to promote general practice research and encourage members to become involved in their practices.

This is my last Annual Report as Chair of the Queensland Faculty. It has been a privilege to work with you all over the past five years and I would like to thank all involved in the life and work of the Faculty over that time.



Queensland Faculty New RACGP Fellows for 2014.

Western Australia Faculty

Dr Tim Koh

Western Australia Faculty Board members and staff have continued to work tirelessly to ensure members are well represented by the RACGP, and that they have a 'professional home' at College House in Perth.

The board consists of 29 members, including six rural members, ensuring our community is adequately represented. Board members are actively involved in RACGP strategy and policies and many have been highly engaged with key stakeholder groups, such as state health networks, GP training and workforce bodies.

WA Faculty elections in 2014 were a good barometer of interest and engagement, with both the Chair and Deputy Chair positions contested for the first time in several years.

Faculty board meetings continue to be constructive, with open debate about contemporary general practice issues, resulting in firm recommendations for local and national Council deliberations. A key message to emerge from board

meetings has been the need to play a greater advocacy role, and the Board firmly supports a strong GP presence at stakeholder meetings at both state and national levels.

The last year also saw the re-establishment of the WA Faculty Education Committee, which developed a new and innovative education plan, including a large annual medical symposium, a series of webinars, an online Twitter event and a series of events supporting GP practice owners.



WA Faculty elections in 2014 were a good barometer of interest and engagement, with both the Chair and Deputy Chair positions contested for the first time in several years.”



Left to right: New Fellows take the Oath at the Fellowship and Awards ceremony; Dr Tim Koh at the Fellowship and Awards ceremony; New Fellows take the Oath at the Fellowship and Awards ceremony.

Tasmania Faculty

Dr David Knowles

The Tasmania Faculty has continued to build its profile within Tasmania and further afield with a significant increase in media opportunities, numerous appearances before the Senate Select Committee on Health and a growing list of representative positions and requests for comment. Our social media presence has also increased with members joining Twitter-based educational offerings and regularly engaging online.

Involvement and influence in state health governance has also grown and our work within the Tasmanian General Practice Forum delivered a clear message to the Tasmanian Medicare Local that the RACGP's Tasmania Faculty membership expects recognition and that general practice is at the heart of primary care and should be robustly represented. Our input into the PHN tender document served to reinforce this position.

Our education and collegial activities again served to provide valuable opportunities to enhance skills and network with other GPs. Our members' new professional home in the ABC Centre strategically places us close to students, educators and the University of Tasmania, while also providing a modern hub for members.



Our education and collegial activities again served to provide valuable opportunities to enhance skills and network with other GPs.”



Women in general practice series delegates.



Tasmanian Faculty award winners and Board members.

South Australia and Northern Territory Faculty

Dr Daniel Byrne

The South Australia and Northern Territory Faculty (SA&NT) delivered a series of professional development activities in 2014–15 and supported the expansion of clinical guidelines and business tools to assist GPs and practices.

The RACGP's annual conference for general practice, GP14, was hosted in Adelaide, with a record 1400 GPs attending to upskill and discuss emerging developments. The social program allowed delegates to network and visit Adelaide landmarks, including the new South Australian Health and Medical Research Institute (SAHMRI) for World Mental Health Day and Adelaide Oval for the inaugural gala dinner.

The Faculty increased industry meetings and members continue to hold representative positions on external committees to advocate for local issues. The Faculty was present at more than 25 conferences, including rural, Aboriginal and Torres Strait Islander and student events.

The Faculty also hosted a series of educational sessions with more than 550 participants attending 24 educational events to fulfil Quality Improvement and Continuing Professional Development (QI&CPD) requirements. The CPR/BLS Train the Trainer Project, which enhanced GPs' ability to assess and teach CPR and basic life support, was particularly well attended.

The SA&NT Faculty enjoyed a rewarding year and would like to thank members for their involvement in new initiatives, working groups and stakeholder relationships.



Welcome reception at GP14.



Dr Daniel Byrne (second from right) with Dr Elizabeth Parsime, Kym Bament, Dr Kamrul Islam and Dr Raphael Torome from Barmera Medical Clinic.



As an IMG affiliate, I really value the resources available that allow me to continue learning and build my knowledge of Australian guidelines. Having free access to *gplearning* is a great benefit as I can choose the activities I want to do.”

Dr Diena Said, MBBS

International Medical Graduate – Member since 2014





As an intern member, I value the learning resources and opportunities the RACGP provides, as well as the opportunities to meet other members from different backgrounds and experience levels.”

Dr Patrick O'Neill, MD, BEng (Hons)
Intern – Member since 2011



National Faculty of Aboriginal and Torres Strait Islander Health

Associate Professor Brad Murphy

The National Faculty of Aboriginal and Torres Strait Islander Health focused strongly on education and partnerships in 2014–15. With several new education activities developed for the benefit of all RACGP members, the Faculty continues to advocate for culturally- and clinically-appropriate primary healthcare.

A memorandum of understanding (MoU) was signed with the National Aboriginal Community Controlled Health Organisation (NACCHO), a joint mentoring program with the Australian Indigenous Doctor's Association (AIDA) was launched in early 2015 and collaboration continues with the Indigenous General Practice Registrars Network (IGPRN).

The RACGP's Reconciliation Action Plan (RAP) is now in its implementation phase and the number of Aboriginal and Torres Strait Islander Fellows continues to increase.

The Faculty's Indigenous Fellowship Excellence Program is being offered again in 2015 and we also assisted in the delivery of family violence webinars earlier this year.

The Faculty continues to have a strong presence at the RACGP's annual conference through its 'Have a Yarn' booth. Aboriginal and Torres Strait Islander health will this year be offered as a conference stream and the Faculty will also offer its first active learning module (ALM) at GP15.

We remain a committed member of the Close the Gap Steering Committee and Australian Medical Council Indigenous advisory group and also support the 'Racism. It stops with me' movement and Recognise campaign.

I thank those who have contributed on our Faculty Board, education committee and, of course, the Faculty team.



Associate Professor Brad Murphy, Aislinn Martin, Mary Martin AM, Professor Jenny Reath and Lauren Cordwell at GP14's Have a Yarn Booth.



MoU signing with NACCHO.

National Rural Faculty

Dr Ayman Shenouda



Rural Hospital Forum and Simulation at GP14.



Dr Ayman Shenouda, Dr Sue Page and Dr Tim Francis.

The National Rural Faculty (NRF) prioritised a number of projects to progress key policy and education initiatives in priority skill areas during 2014–15. Facilitating accessible training for rural GPs across the procedural and non-procedural skill areas remains a key strategic goal.

The Fellowship in Advanced Rural General Practice (FARGP) attracted 78 new enrolments and 21 FARGP graduates, bringing the overall number of graduates to 503.

Our new Mental Health Capacity Building Project will see the development of more flexible and accessible education opportunities for rural GPs and the Rural Hospital Forum and Simulation active learning module (ALM) which attracted strong member participation at GP14 and will again be delivered by the Faculty at GP15.

The Faculty has commenced important research into the area of palliative care, which will help inform future service planning and identify the specific supports needed by rural GPs. Building collaborative partnerships with government and key stakeholders to ensure member needs are addressed in policy remains a key priority.

The Faculty released several position statements and expanded its public presence and advocacy efforts through the delivery of 13 presentations at nine conferences throughout the year. NRF membership continues to grow and now has more than 13,000 members. Since becoming Chair, I have been inspired by our members' commitment to the work of the Faculty.

My thanks to all those who have contributed, including our Faculty Board, education committee and the NRF team.



Left to right: Launch of the RACGP's 'White book' at GP14; NFSI Chair A/Prof Morton Rawlin.

National Faculty of Specific Interests

Associate Professor Morton Rawlin

The year for 2014–15 saw the National Faculty of Specific Interests (NFSI) go back to its original brief from the RACGP to recognise and support members with specific skills or interests in general practice and resource education and understanding within the RACGP.

Our networks proactively provided quality educational opportunities through RACGP educational activities and in collaboration with other organisations and specialist colleges.

NFSI membership grew to more than 1000 and saw its first formal representative on a state faculty board. We now represent 22 areas of interest in general practice and supply more than a dozen formal representatives to committees, meetings and groups at the request of RACGP Council.

The Faculty provided advice for a significant number of media releases and position papers and supplied writers and reviewers for the RACGP Curriculum statements.

We welcome development of the first RACGP NFSI Diploma framework, offering members the opportunity to upskill within the RACGP in specific areas of clinical and contextual importance.

The year of 2015–16 will be an exciting time to be a member of the NFSI and I invite you to join us for the journey.



Our networks proactively provided quality educational opportunities through RACGP educational activities and in collaboration with other organisations and specialist colleges.”

The RACGP Foundation – Inspiring a healthier tomorrow

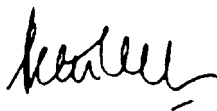
The RACGP Foundation had another busy year, delivering a diverse range of research grants to members while ensuring GP researchers are supported on their journey to build the evidence for improving health outcomes. A highlight was undoubtedly the Foundation's fundraising adventure, 'GPs lead the Way', which saw a group of seven of our members walk along a section of northern Spain's El Camino trek and visit semFYC (the Spanish equivalent of the RACGP), where they learnt about the Spanish healthcare system.

Fundraising events such as this assist the RACGP to support GPs wanting to conduct research in primary healthcare by offering grants, scholarships, fellowships and awards and by developing research career pathways. This work is supplemented by generous donations from our members and arrangements made with funding partners.

Preparations for the next journey are underway and we look forward to another exciting fundraising adventure in 2016 to help raise the profile of general practice research and generate much-needed funds for the RACGP Foundation.

The RACGP Foundation thanks all members, funding partners and community supporters for their generosity and ongoing commitment to this vitally important cause.

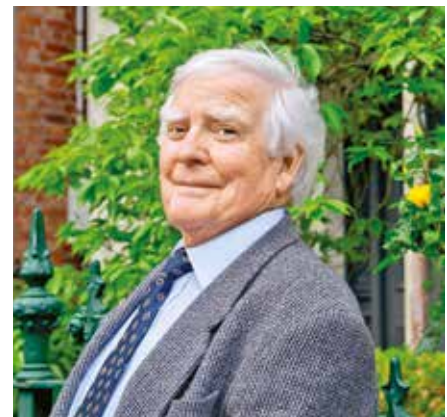
Professor Peter Mudge



Patron, RACGP Foundation



Fundraising events such as this assist the RACGP to support GPs wanting to conduct research in primary healthcare by offering grants, scholarships, fellowships and awards and by developing research career pathways.”



Professor Peter Mudge.



I joined the RACGP in 2004 and found the available resources valuable in promoting understanding of the Australian health system. As a rural GP with a special interest in anaesthetics, the RACGP supports me with pathways to expand knowledge and recognise skills through the FARGP program.”

Dr M Shafiq Mughal, MBBS, DA, MFamMed, FRACGP, FARGP
Fellow – Member since 2004



RACGP awards and GP honours



Award winners

Rose-Hunt Award



Rose-Hunt Award

The Rose-Hunt Award is the RACGP's most prestigious award and recognises outstanding service in promoting the aims and objectives of the RACGP.

Prof Michael Kidd

Rose-Hunt Award 2014

'Professor Kidd is highly respected in primary healthcare circles both nationally and internationally, where he has tirelessly served the profession with integrity and perseverance. He goes above and beyond an already exemplary commitment to the profession through his various roles at the RACGP, extending his time and expertise to areas such as health policy and the promotion of global family medicine.'

Dr Liz Marles

2012–14 RACGP President

GP of the Year awards



General Practitioner of the Year

The GP of the Year awards provide an opportunity to salute the dedication of GPs across Australia and to recognise excellence within general practice.

'General practice has been my lifelong passion and to be recognised as General Practitioner of the Year when I work among so many colleagues passionate about improving the lives of their patients is extremely humbling.'

Dr Reginald Michael Crampton

RACGP General Practitioner
of the Year 2014



General Practice Supervisor of the Year

'I gain such a deep satisfaction from working with junior doctors and seeing their passion for patient care grow over time. I feel very honoured to receive this award in recognition of what I genuinely love doing.'

Dr Linda Mann
RACGP General Practice Supervisor
of the Year 2014



General Practice Registrar of the Year

'To be recognised by the RACGP for doing what I love is incredibly rewarding. I have been extremely fortunate to have received such incredible guidance as a general practice registrar and I thank everyone who has played a role in guiding me to where I am today.'

Dr Sarah Beck
RACGP General Practice Registrar
of the Year 2014



Rural Registrar of the Year

The National Rural Faculty – Rural General Practice Registrar of the Year Award recognises a commitment to rural general practice and education.

'I have always wanted to work in rural and remote general practice. It has its unique challenges but it also provides an experience that is rewarding like no other.'

Dr Samuel Gubicak
RACGP Rural Registrar of the Year 2014

General Practice of the Year awards

National General Practice of the Year

Riverstone Family Medical Practice, NSW

New South Wales General Practice of the Year

Riverstone Family Medical Practice, NSW

Monty Kent-Hughes Memorial Medal

The Monty Kent-Hughes Memorial Medal is awarded to candidates who achieve the highest Objective Structured Clinical Examination (OSCE) score within Australia.

Monty Kent-Hughes Memorial Medal

2014.1 – Dr Daniel Edge, SA

2014.2 – Dr Venetia Whitehead, Qld

National Rural Faculty awards

The Brian Williams Award is the highest accolade awarded by the National Rural Faculty and is awarded to a member of the RACGP who has made a significant contribution to the personal and professional welfare of rural doctors.

Brian Williams Award

Dr Barbara Jones, Qld

The National Rural Faculty's Medical Undergraduate Student Bursary is an essay prize awarded to a medical student who is a member of a rural health student club at an Australian university.

Medical Undergraduate Student Bursary

Michelle Seckington, Vic

National Faculty of Aboriginal and Torres Strait Islander Health – Standing Strong Together Award

This award provides recognition for partnerships between GPs and Aboriginal and Torres Strait Islander peoples in improving the health of Indigenous Australians.

National Faculty of Aboriginal and Torres Strait Islander Health – Standing Strong Together Award

Aboriginal Medical Service Western Sydney Chronic Care Team

2014 Honour board

Honorary Fellowship

Dr Wendy Burton, Dr Steve Hambleton and

Dr Ruby Lee

Australia Day Honours 2015

Medal (OAM) in the General Division

Redelman, Dr Margaret Juliet; OAM

RACGP Associate Member, Bondi Junction, NSW

For service to medicine, particularly in the field of sexual health.

Rose, Dr Alan Thomas; OAM

RACGP Fellow and Life Member, Camberwell, Vic

For service to medicine and to professional organisations.

Queen's Birthday Honours 2015

Member (AM) in the General Division

Ngo, Dr Anh-Tuan; AM

RACGP Associate Member, Mansfield Park, SA

For significant service to veterans and their families, and as a supporter of ex-service groups and the Vietnamese community of South Australia.

Medal (OAM) in the General Division

Asaid, Dr Adel; OAM

RACGP Fellow, Bendigo, Vic

For service to medicine as a general practitioner, and to the community of Bendigo.

Hollands, Dr David George; OAM

RACGP Fellow and Life Member, Bete Balong, Vic

For service to medicine as a general practitioner, and to the field of ornithology.

Howe, Dr David; OAM

Orange, NSW

For service to children's health, and to the community of Orange.

Godden, Dr Philip Kingsley; OAM

RACGP Fellow, Wamberal, NSW

For service to medicine and to community health.

Prakash, Dr Shiva; OAM

RACGP Fellow, Kingswood, NSW

For service to medicine as a general practitioner.

Soo, Dr Tuck Meng; OAM

RACGP Fellow, Ainslie, ACT

For service to the community of the Australian Capital Territory as a medical practitioner.

2014 RACGP research grants, scholarships and award winners

Family Medical Care, Education and Research (FMCER) Grant

Dr Gillian Gould

Exploration of Aboriginal pregnant women's attitudes and experiences of behavioural counselling and NRT using a qualitative narrative inquiry.

Dr Jeffrey Hall

An investigation into the management by a general practice of medications in an older population with renal impairment, with an evaluation of strategies employed to enhance management.

RACGP/Primary Care Collaborative Cancer Clinical Trials Group (PC4) Research Grant

Dr Lawrence Tan

Patient perspectives on shared care following colorectal cancer surgery.

RACGP/Diabetes Australia Research Grant

Dr Jo-Anne Manski-Nankervis

Tracking the impact of insulin in people with T2D in general practice: The stepping up cohort study.

HCF Research Foundation/RACGP Research Grant

Dr Joel Rhee

A pilot study of a systematic patient-centred and practice nurse coordinated model of ACP in Australian general practice.

Dr Victoria Wade

Turning recipients into participants: A pilot study of the feasibility, acceptability and impact of introducing an online software system into a general practice to increase patient engagement with chronic disease and risk factor management.

RACGP/Osteoporosis Australia Bone Health Research Grant

Dr Simon Vanlint

Improving the bone health of cancer survivors – a pilot study of patient activation and resource provision to improve bone health management after breast and prostate cancer.

RACGP/Therapeutic Guidelines Ltd (TGL) Research Grant

Professor Tania Winzenberg

Making guidelines meet the challenge of multimorbidity in general practice: Development of an evidence-based approach to integration of disease specific guidelines to better manage multimorbidity.

The RACGP/Australian Primary Health Care Research Institute (APHCRI) Indigenous Health Award

Dr Aleeta Fejo

Funding for resources for Aboriginal and Torres Strait Islander medical graduates.

Mr Hassan Ahboo

Financial support to help facilitate a clinical elective experience in Papua New Guinea.

The RACGP PWH Grieve Memorial Award

Dr Nicola Holmes

What potential influence on anger and mood does the use of an overnight weighted blanket have with adolescents presenting to Headspace Coffs Harbour.

Peter Mudge Medal

Dr Alan Leeb

GP14 Presentation title: Improving paediatric vaccine safety monitoring systems in general practice.

The RACGP/Independent Practitioner Network (IPN) Research Grant

Dr Hilton Koppe

Strengthening community palliative care: does access to GP registrar home visits reduce hospitalisation of palliative care patients?

RACGP Chris Silagy Research Scholarship

Dr Gillian Gould

Exploration of the knowledge, attitudes and practices of clinicians in providing behaviour change counselling and prescribing NRT for women who smoke in pregnancy.

Alan Chancellor Award

Dr Pamela Douglas

GP14 Presentation title: Preliminary evaluation of a primary care intervention for cry-fuss behaviours in the first 3-4 months of life ('The Possums Approach'): effects on cry-fuss behaviours and maternal mood.

Best General Practice Research Article in the *Australian Family Physician* (AFP) Journal Award

Professor Jemina Napier and Professor Michael Kidd AM

English literacy as a barrier to healthcare information for deaf people who use Auslan. *Australian Family Physician*, Volume 42, No.12, December 2013, pages 896–99.

Iris and Edward Gawthorn Award

Dr Venetia Whitehead

The GP registrar who achieved the highest score in the Cardiovascular and Respiratory components of the uncoupled Fellowship Exam (based on the ICPC system) over the 2014 calendar year.



For me, Fellowship qualifications level the playing field with my colleagues. My RACGP colleagues listen and consider what I have to say to them. Together we have been able to create some of the changes that needed to happen for our Indigenous registrars, resulting in some wonderful outcomes. My role in establishing and leading the Indigenous General Practice Registrars Network was particularly rewarding.”

Dr Aleeta Fejo, BSc, BMBS, FRACGP

Fellow – Member since 2007



Corporate Governance Statement and Statutory report



Corporate Governance Statement

The Royal Australian College of General Practitioners (RACGP) is a public company limited by guarantee and subject to the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*. The RACGP is a not-for-profit entity with income tax exempt status. It is also a deductible gift recipient (DGR) for donations made specifically for education or research in medical knowledge or science. The RACGP was founded in 1958. Its stated aim was to improve the health and wellbeing of all Australians by supporting general practitioners (GPs), as well as the 'medical education of the undergraduate, recent graduate, and those already in practice'. The primary mission of the RACGP remains the improvement of the health and wellbeing of all Australians by supporting GPs.

Governance at the RACGP

The RACGP is a member-based organisation and is committed to implementing the highest standards of corporate governance. This Corporate Governance Statement is presented in terms of the *Corporate Governance Principles and Recommendations with 2010 Amendments* by the Australian Stock Exchange Corporate Governance Council. While the RACGP is not required to report against these principles, application to them demonstrates the RACGP's commitment to preserving stakeholder confidence.

A copy of the RACGP Constitution and other governance information is available on the RACGP website www.racgp.org.au

Principle 1: Lay solid foundations for management and oversight

Board of Directors – Role and responsibilities

The Board of Directors (Council) is responsible for the overall corporate governance of the RACGP, its performance and is accountable to the members.

The Board (Council) must also ensure that the RACGP complies with all of its contractual, statutory and other legal obligations, including the requirements of all applicable regulatory bodies. The Board (Council) has the overall responsibility for the successful operations of the RACGP.

The powers and duties of the Board (Council) are specified in the Constitution of the RACGP, the *Corporations Act 2001*, *ACNC Act* and other relevant legislation and law.

Key accountabilities and matters reserved for the Board (Council) include:

- setting and reviewing objectives, goals and strategic direction, and assessing performance against these benchmarks
- ensuring the RACGP is financially sound, meets prudential requirements and has appropriate financial reporting practices
- ensuring a process is in place for the maintenance of the integrity of internal controls, risk management, delegations of authority and financial and management information systems
- appointing, supporting, evaluating and rewarding the Chief Executive Officer
- monitoring the executive succession plan and ensuring a process of evaluating and rewarding key executives
- ensuring high business standards, ethical conduct and fostering a culture of compliance and accountability
- reporting to members on the Board (Council)'s stewardship of the company and monitoring the achievement of the RACGP's strategic plans.

While the Board (Council) has overall governance responsibility for the RACGP, it has delegated a range of its powers, duties and responsibilities to its committees, office bearers and management. The Board (Council) reviews each delegation at least annually.

Management

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

All staff including the Senior Leadership Team (SLT) are subject to annual performance planning and reviews by their immediate supervisor. The RACGP learning and development policy supports the RACGP performance management system framework, which recognises and includes the identification of the development and training needs of an employee in order for them to acquire and use new skills, experience and knowledge within their position at the RACGP.

Principle 2: Structure the board to add value

Board (Council) Composition

The Board (Council) of the RACGP comprises 12 directors including one co-opted director.

Details of the Chair, directors and the Company Secretary, including names, qualifications, and any changes, are included in the Directors' report.

Directors are appointed in accordance with the RACGP Constitution, generally for a term of two years except for co-opted directors who are appointed by the Board (Council) for one year.

Chair

The Chair leads the Board (Council) and manages the meetings. The Chair has responsibility for ensuring the Board (Council) receives accurate, timely and clear information to enable the directors to analyse and constructively critique the performance of management and the RACGP as a whole. The Chair is elected by the Board (Council) from Board (Council) members for a term of one year.

President

The President is elected by the members for a term of two years and is responsible for representing the Board (Council) to members and external stakeholders.

Company Secretary

The Company Secretary is appointed by the Board (Council) and reports directly to the Chair in respect to that role. The Company Secretary is responsible for developing and maintaining information systems that are appropriate for Board (Council) to fulfil its role. The Company Secretary is also responsible for ensuring compliance with Board procedures and provides advice to the Board, via the Chair, on governance matters.

Director induction and education

The RACGP has an induction program for new directors, which is reviewed periodically by the Board (Council). Directors are provided with detailed briefings by management on corporate strategy and current issues affecting the RACGP.

In order to achieve continuing improvement in Board performance, all directors are encouraged to undergo continual professional development. Specifically, directors are provided with the resources and training to address skills

gaps where they are identified. All directors have completed the Australian Institute of Company Directors Course.

Conflicts of interest

All directors formally declare personal interests and potential conflicts with those of the RACGP and must keep the Board (Council) advised on an ongoing basis of any such interests. Each director is obliged to notify the other directors of any material personal interest that he or she may have in a matter that relates to the affairs of the RACGP. Directors who may have, or may be perceived to have, a material personal interest in a matter before the Council, where appropriate leave the meeting, do not participate in discussions and abstain from voting on that matter.

Independent professional advice and access to company information

The Board (Council) and its committees may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chair, individual directors may seek independent professional advice at the expense of the RACGP on any matter connected with the discharge of their responsibilities.

Each director has the right of access to all relevant RACGP information and to the RACGP's management.

Board (Council) meetings

The Board (Council) meets in regular session at least seven times per year. Agendas for Board (Council) meetings are prepared in conjunction with the Chair, the President and the CEO. Board (Council) reports are circulated in advance of Board (Council) meetings. Management are regularly involved in Board (Council) discussions.

Meetings are conducted in accordance with Council Standing Orders.

Board (Council) performance

The Board (Council) has review processes in place to assess its effectiveness. These include a discussion and

review after each meeting, and the completion of an annual questionnaire by each director as part of its continuous improvement program.

Board (Council) committees

To assist in the performance of its responsibilities, the Board (Council) has established a number of Board (Council) committees. Each committee operates under terms of reference approved by the Board (Council), which are reviewed periodically.

Board (Council) committees monitor and facilitate detailed discussion on particular issues and other matters as delegated by the Board (Council). They have no delegated authority, but make recommendations and report to Board (Council) on the delegated matters.

Details of committee membership and attendance are included in the Directors' report.

Principle 3: Promote ethical and responsible decision making

Ethical standards

The RACGP has documented key governance policies and procedures. These include the RACGP's vision, core strategic objectives, college principles, as well as workplace values and behaviours. Council approved policies also cover code of conduct, equity and diversity, whistleblower and occupational health and safety.

These Board (Council) approved policies aim to clearly articulate the ethical standards expected of all directors and staff when dealing with members, stakeholders, suppliers and each other. Any action or omission that contravenes these policies is subject to counselling or disciplinary action appropriate to the circumstances.

All directors and staff must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the company.

The reporting of fraud and other inappropriate activity is encouraged by the Board (Council) and management via a

policy framework, which includes a confidential reporting system and other internal processes.

Principle 4: Safeguard integrity in financial reporting

Finance, Audit and Risk Management Committee of Council

The role of the Finance, Audit and Risk Management Committee is to assist the Board (Council) in relation to financial performance and the reporting of financial information, risk management, audit and compliance. The Finance Audit & Risk Management Committee comprises four directors, two co-opted external members, an RACGP Fellow, and the CEO attends meetings by invitation. The Chair of the Committee is on the Board (Council).

The internal and external auditors met with the committee during the year and were invited to meet the members without management being present.

External audit

In accordance with the *ACNC Act*, RSM Bird Cameron audits the records and financial statements of the RACGP. The Finance, Audit and Risk Management Committee regularly review the independence of the external audit function.

Internal audit

DFK Kidsons provides the internal audit function for the RACGP. The Finance, Audit and Risk Management Committee regularly review the independence of the internal audit function.

Internal control framework

The Board (Council) is responsible for the overall internal control framework and for reviewing its effectiveness but recognises that no cost-effective internal control system will preclude all errors and irregularities. The key features of the control environment for the RACGP include the Board (Council) standing orders, terms of reference for

each committee, a clear organisational structure with documented delegation of authority from the Board (Council) to office holders and management with defined procedures for the approval of major transactions and capital expenditure.

Principle 5: Make timely and balanced disclosure

Member communication

The RACGP is committed to open and transparent disclosure to its members of matters affecting the college and the profession. This is achieved by direct communication with our members through newsletters, emails, website notifications, social media, publications and faculty correspondence. In particular, a Board (Council) outcomes report is produced after each meeting and disseminated by each faculty members.

Principle 6: Respect the rights of members

The rights and obligations of our members are detailed in our constitution, which can be found at www.racgp.org.au

Member information

The RACGP is committed to the complete protection of our member information through the RACGP privacy and personal information policy and RACGP information and records management policy.

Member engagement

RACGP faculties promote engagement with members through regular communication, hosting events and encouraging member participation across all facets of the college. The Annual General Meeting (AGM) of members is held each year during the RACGP Annual Conference. Formal reports are presented to members who then have the opportunity to ask questions of directors or raise issues on current or future strategy or direction. Outcomes from previous AGMs are available on the RACGP website.

Principle 7: Recognise and manage risk

Business risk management

The RACGP has in place a system of business risk management that forms part of the business planning and monitoring process across all faculties and business units. Each business unit is responsible for assessing and updating its risk profiles, including related mitigation programs.

The Finance, Audit and Risk Management Committee reports on the status of business risks. Each year a full risk assessment and mitigation plan is prepared and endorsed by the Board (Council). The risk assessment process includes input from the Board, executive and management across the business. The risk management methodology in place is based on Australian and New Zealand risk management standards. The committee receives regular updates on the status of key business risks, insurance and outcomes from internal and external audits.

Principle 8: Remunerate fairly and responsibly

Director and executive remuneration

The President's allowance is approved by eligible members at the AGM. Directors receive payments for professional and technical services provided to the RACGP. Increases are approved by the Board (Council) on an annual basis, which are usually set in accordance with the consumer price index (CPI). Details of key management personnel compensation are included in the 'Notes to the financial statements'.

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 'the RACGP') and its controlled entities at the end of, or during, the financial year ended 30 June 2015.

Principal activities

The RACGP is Australia's largest professional general practice organisation and represents urban, rural, regional and remote GPs. The RACGP is a not-for-profit entity.

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:

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

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 Committee of Council meetings
- other Council sub-committee and advisory board meetings.

Results of operations

During the financial year ended 30 June 2015, the group recorded a total surplus from operating activities of \$248,960 compared to \$131,837 in 2014. Over the year, the net assets of the group increased from \$16,380,604 to \$19,876,576. As a result of asset revaluation during the year, an increment of \$3,102,892 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, which has not been complied with.

Likely developments and future results

The group anticipates that it will maintain in 2015–16 its positive financial position. 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 which 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 Eleanor Chew

MBBS, FRACGP, MMed (GP), GAICD
Chair, Council, Chair, Queensland Faculty

Dr Chew is a GP in Brisbane. A graduate of the University of Queensland, she has practised over 28 years in Darwin, Perth, Canberra and Brisbane and has worked in a variety of general practice settings. She has been on RACGP Council, as the Chair of the Queensland Faculty, since 2010. Dr Chew has held the position of RACGP Vice-President and is the current Chair of Council. She has been involved in RACGP assessment processes for many years and was previously the Queensland Censor. She has served on the RACGP Board of Censors, Board of Assessment and National Standing Committee – Education sub-committees. Dr Chew has had a long involvement in medical education and has been a clinical tutor and examiner of medical students at the Australian National University and the University of Queensland. Her special interests include quality and standards in medical education, the development of the next generation of GPs

and ensuring that general practice remains the focal point in primary healthcare.

Adjunct Associate Professor Frank R Jones

MBBCh, DRCOG, DCH, FRACGP, MAICD
President

A/Prof Jones is a GP in Mandurah, Western Australia, and is the RACGP President. He was Vice-President from 2013–14, Chair of the Western Australia Faculty from 2010–14 and has been a member of the Western Australia Faculty Board since 2004, serving as Deputy Chair from 2006–10. A/Prof Jones has been in full-time general practice for 30 years and was a procedural general practice 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. A/Prof Jones has been a general practice supervisor for more than 15 years and is closely involved with the formal teaching program for registrars. He has previously served as a general practice supervisor liaison officer for West Australian General Practice Education and Training (WAGPET). He was Chair of the Medical Advisory Committee (MAC) for Murray District Hospital for a number of years and assumed the MAC Chair at Peel Health Campus during the transition to the new health facility. In 2008, A/Prof Jones was appointed Adjunct Associate Professor of General Practice at the University of Notre Dame Medical School in Fremantle. He is also a clinical lecturer at the University of Western Australia Medical School and has an appointment as a visiting medical officer at Peel Health Campus.

Associate Professor Morton Rawlin

BMed, MMedSc, FRACGP, FACRRM, DipPractDerm, DipMedHyp, DipFP, DipBusAdmin, GAICD
Vice-President, Chair, Victoria Faculty, Chair, National Faculty of Specific Interests

A/Prof Rawlin is a GP practising in Melbourne. He is the RACGP Vice-President, and Chair of the Victoria Faculty and the National Faculty of Specific Interests. He has extensive experience in all levels of general practice medical

education, 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. He is also Medical Director of the Royal Flying Doctor Service (RFDS) in Victoria. A/Prof Rawlin has a long-standing interest in competency assessment and training. His research and teaching interests are in standards and teaching in general practice, dermatology and mental health. A/Prof Rawlin is Chair of the General Practice Mental Health Standards Collaboration (GPMHSC) and a member of ASPAC.

Ms Lynelle Briggs AO

BEC, GAICD
Co-opted Council member

Ms Lynelle Briggs is the Chair of the New South Wales Planning Assessment Commission, Chair of the General Insurance Code Governance Committee, Chair of the Australian Security Intelligence Organisation's (ASIO) Audit and Risk Committee, and an Independent Director of Maritime Super. She also serves on the headspace evaluation steering committee, is a member of the Therapeutic Goods Administration Advisory Council, and is a founding member of the Centre for Strategy and Governance. She is the Independent Member of the Council of the RACGP.

Ms Briggs was previously an Australian public servant, during which time she served as the CEO of Medicare Australia and the Australian Public Service Commissioner. She was also a division head in the departments of Health and Aging and 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. She was also 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.

Dr Daniel Byrne

MBBS, FRACGP
Chair, South Australia and Northern Territory Faculty

Dr Byrne is a partner at Chandlers Hill Surgery in outer metropolitan Adelaide and was elected to the RACGP Council in October 2014. He has been a strong supporter of the RACGP since his training days in the early 1990s, leading to RACGP Fellowship in 1993. Dr Byrne has supported the RACGP by participating in exam preparation workshops for registrars and international medical graduates (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 FRACGP Objective Structured Clinical Examinations (OSCEs). He is a medical educator with Sturt Fleurieu, a general practice clinical advisor to Southern Adelaide-Fleurieu-Kangaroo Island Medical Local (SAFKIML) and has been involved in GP-hospital liaison and eHealth for 20 years. Dr Byrne believes having the highest regard for quality and standards will guide the RACGP in all it is involved in, whether it is practice accreditation, practice guidelines, eHealth or general practice training. He believes the RACGP must set the standards and rigorously defend the right of the profession to implement them.

Dr David Knowles

MBBS, FRACGP, DCH, MAICD
Chair, Tasmania Faculty, Chair, Finance Audit and Risk Management

Dr Knowles is a general practice supervisor in Lauderdale, southern Tasmania. He completed his undergraduate training in Tasmania but began his general practice career in Perth. During this period, Dr Knowles worked as a medical educator for General Practice Education Australia and became involved in providing supervisor and international medical graduate (IMG) support to the regional training provider Western Australia General Practice Education and Training (WAGPET). He also served a two-year term as Examination Panel Chair (EPC) for the RACGP Western Australia Faculty. Dr Knowles relocated to Tasmania in 2005, taking the role as EPC and, in 2008,

accepted the role of Deputy Chair of the Tasmania Faculty Board and became Chair in 2009. He has been an RACGP nominee on the Board of General Practice Education and Training (GPET) and a member on the RACGP Finance Audit and Risk Management Committee (FARM) since 2011, and Chair of the FARM committee in 2014–15. Dr Knowles was Chair of the RACGP Council from 2012–13.

Dr Tim Koh

MBBS, FRACGP

Chair, Western Australia Faculty

Dr Koh is Chair of the RACGP Western Australia Faculty and a practising GP in Currumbine and Clarkson (North Metropolitan Perth WA). He is a second generation GP, originally from Three Springs WA where his father was a rural GP. Dr Koh has been involved in general practice training with the RACGP Western Australia Faculty and regional training provider WAGPET since 2002. He has served as RACGP Western Australia Faculty Assessment Panel Chair for six years and Education Committee Chair for four years. Dr Koh became Western Australia Faculty Deputy Chair in 2010 and was subsequently nominated Faculty Chair in 2014. He is a co-owner of Currumbine and Ocean Keys Family Practices where he supervises and mentors general practice registrars, PGPPP residents and medical students.

Dr Mark Miller

MBBS, DRANZCOG, FRACGP

Censor-in-Chief

Dr Miller is the RACGP Censor-in-Chief, SA&NT Faculty Censor, Chair of the RACGP's Board of Censors and was South Australia Exam Panel Chair from 1997–2003. He has trained general practice registrars for more than 15 years, is a member of the National Rural Faculty and has been both a John Flynn and Ramus mentor. Dr Miller is heavily involved with the running of the RACGP Fellowship Exam and has been a medical educator and facilitator at the SA&NT Faculty-run workshops for many years. Dr Miller was also awarded the 2013 RACGP GP of the Year Award in recognition of his outstanding commitment to the profession. Dr Miller has been a full-time rural GP in Goolwa,

South Australia, for more than 21 years. In addition to a full-time clinical role, Dr Miller teaches medical students from the University of Adelaide and Flinders University and has supervised more than 30 general practice registrars. Dr Miller provides tuition and mentoring to international medical graduates (IMGs) and has been instrumental in facilitating the assessment process for IMGs through the development of the Pre-Employment Structured Clinical Interview (PESCI) and Fit for Intended Clinical Practice Interview (FICPI) assessment tools.

Associate Professor Brad Murphy

JP(Qual), MBBS, FRACGP, AssocDipAppSc(Amb), CertST&D, MAIES, FAIM, MAICD, MACTM, MACAP, MAITD
Chair, National Faculty of Aboriginal and Torres Strait Islander Health

A/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 age 15, opting for a career as a medic. He later joined the New South Wales Ambulance Service, working from Sydney to central Australia as an intensive care paramedic, before ultimately supervising and instructing in clinical paramedicine in New South Wales, ACT and Queensland. A/Prof Murphy also worked as an intensive care paramedic for the Royal Flying Doctor Service at Uluru. He is a founding trustee of the Jimmy Little Foundation and has served as a long-term member of the management committee and executive of the Rural Doctors Association of Queensland and is a former director of the Australian Indigenous Doctors' Association. Building on the work as inaugural Chair of the RACGP National Standing Committee – Aboriginal Health from 2007, he became the founding Chair of the RACGP National Faculty of Aboriginal and Torres Strait Islander Health in February 2010 and continues in this position today. He has also been a member of the RACGP Queensland Faculty Board since 2010. A/Prof Murphy represents the RACGP on various groups, including the National Closing the Gap Steering Committee and the Australian Medical Association (AMA) National Taskforce on Indigenous Health. He currently represents the RACGP and Committee of Presidents of

Medical Colleges (CPMC) on the Australian Medical Council (AMC) Indigenous Planning Advisory Group. He was part of the founding board of the Wide Bay Hospital and Health Service in 2012 under Queensland Health's state-wide restructure. He is the inaugural Associate Professor of Aboriginal and Torres Strait Islander Health at Bond University in Queensland and a member of the Leaders in Indigenous Medical Education (LIME) reference group.

Dr Nina Robertson

BA, CTEFLA, MBBS, FRACGP, GAICD
General practice registrar representative

Dr Robertson is a recent Fellow of the RACGP working in a long-established general practice clinic in northern New South Wales. Prior to Fellowship, she undertook registrar training with North Coast GP Training (NCGPT) and was a Registrar Liaison Officer for NCGPT from 2011–13, which included a role on the Advisory Council for General Practice Registrars Australia (GPRA). As registrar representative on the RACGP Council, she continues to serve on GPRA's Advisory Council in an ex-officio capacity. From 2013 until January 2015 she was a director of NCGPT, 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 the world working in varied roles. In 2000, she spent six months volunteering with a humanitarian organisation in Nacala, Mozambique, an experience which inspired her to pursue a career in medicine.

Dr Ayman Shenouda

FRACGP, MBBCH
Chair, National Rural Faculty

Dr Shenouda is a rural GP in Wagga Wagga, New South Wales, and migrated to Australia from Egypt 22 years ago. He commenced his medical career in Australia as a surgical registrar in Tasmania in 1995 and moved to Wagga Wagga in 2000, where he is currently principal of Glenrock Country Practice. He was awarded the RACGP GP of the Year in 2009 and his practice was named NSW&ACT General Practice of the Year in 2007. Dr Shenouda became the

Chair of the RACGP National Rural Faculty in October 2014 and his main areas of interest include establishing systems in general practice to deal with chronic disease management and education and training. He is a Fellow of the RACGP and has a Diploma of Dermatology from the University of Wales, UK. Dr Shenouda is also Chair of the Remote Vocational Training Scheme, former Director of Medical Education CCCT Riverina/Murrumbidgee, former Chair of Wagga Wagga GP After Hour Services and former Director on the Board of the Riverina Division of General Practice and Primary Health. He is also a member of the RACGP NSW&ACT Faculty Board Executive.

Dr Guan Yeo

FRACGP, MBBS, GAICD
Chair, New South Wales and Australian Capital Territory Faculty

Dr Yeo is Chair of the NSW&ACT Faculty. He has experience in 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 Clinical Exam (OSCE). Previously, as RACGP Assessment Panel Chair in New South Wales, he introduced programs to assist IMGs prepare for the FRACGP exam. He is a board member of Primary and Community Care Services and Deputy Chair of the General Practice Network Northside and a hearings member of the Medical Council of NSW (previously Medical Board).

Company Secretary

Zena Burgess

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

Dr Burgess is CEO and Company Secretary of the RACGP. She is also an Executive Director of RACGP Oxygen and company representative on the Board of Australian Medicines Handbook.

Council meetings

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

	Council meetings		Finance, Audit and Risk Management	
	Maximum ¹ possible	Attended	Maximum ¹ possible	Attended
E Chew	10	9	■	■
F Jones	10	10	9	7
M Rawlin	10	10	■	■
L Briggs	5	5	■	■
D Byrne	6	6	6	5
D Knowles	10	8	9	9
T Koh	6	5	■	■
M Miller	6	4	■	■
B Murphy	10	8	■	■
N Robertson	6	6	■	■
A Shenouda	6	6	■	■
G Yeo	10	10	6	5
E Farrell	4	3	■	■
N Greenaway	4	4	3	3
J Kendrick	4	4	■	■
K Kirkpatrick	4	4	■	■
E Marles	4	4	3	1
N Stocks	4	4	■	■

■ 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.

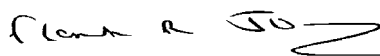
Corporate information

The RACGP registered office and principal place of business is 100 Wellington Parade, East Melbourne Victoria 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.



Adjunct Associate Professor Frank R Jones, President
6 August 2015 – Melbourne

Declaration of auditor independence



RSM Bird Cameron Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Royal Australian College of General Practitioners for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

REM Bxd General Partner

RSM BIRD CAMERON PARTNERS

Paul A. Rouse

P A RANSOM
Partner

6 August 2015
Melbourne

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Professional Standards
Legislation

Major Offices in:
Perth, Sydney, Melbourne,
Adelaide and Canberra
089 36 965 100 036

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Independent auditor's report



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE ROYAL AUSTRALIAN COLLEGE OF GENERAL PRACTITIONERS

We have audited the accompanying financial report of The Royal Australian College of General Practitioners, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

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In our opinion the financial report of The Royal Australian College of General Practitioners and controlled entities is in accordance with the *ACNC Act*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirement and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

A handwritten signature in blue ink that reads "RSM Bird Cameron Partners".

RSM BIRD CAMERON PARTNERS

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

P A RANSOM
Partner

6 August 2015
Melbourne

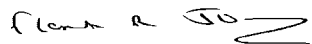
Directors' declaration

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 2015 and of the performance for the year ended on that date of the consolidated group, and
 - i. 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 a resolution of the directors.

On behalf of the Directors



**Adjunct Associate Professor Frank R Jones,
President**

6 August 2015
Melbourne

Consolidated statement of profit or loss and other comprehensive income

The Royal Australian College of General Practitioners

For the year ended 30 June 2015	Notes	2015 \$	2014 \$
Revenue	2	49,840,260	45,116,517
Total revenue		49,840,260	45,116,517
Expenses			
Employee benefits and on-costs		23,285,984	21,918,684
GP sessional and sitting payments		4,357,476	4,493,201
Cost of publications		778,436	1,319,581
Consultancy		1,460,200	949,647
Professional services		1,959,730	2,271,614
Travel and accommodation		1,824,815	1,803,155
Conference and meeting costs		3,101,839	3,024,394
Office accommodation		1,580,640	1,207,787
IT related costs		2,063,440	1,257,648
Telecommunications		526,567	676,836
Advertising and media		2,578,122	365,750
Printing and stationery		584,959	511,034
Grants and donations		478,762	378,918
Finance costs		811,371	929,712
Depreciation		1,724,638	1,547,295
External grant project administration		228,170	648,972
Other expenses		2,246,151	1,680,452
Total expenses	3	49,591,300	44,984,680
Surplus from operating activities		248,960	131,837
Share of net surplus/(deficit) of associates and joint venture accounted for using the equity method	6 (c)	150,146	(10,279)
Surplus before non-operating activities		399,106	121,558
Non-operating activities			
Revaluation increment/(decrement) to land and buildings		-	(259,380)
Profit/(loss) on sale of assets held for sale		-	(30,000)
Total surplus/(deficit) before tax		399,106	(167,822)
Income tax expense	1.14	6,026	34,979
Total surplus/(deficit) after tax	11	393,080	(202,801)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation increment to land and buildings	11	3,102,892	316,260
Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		3,495,972	113,459
Total comprehensive income for the year		3,495,972	113,459

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 2015	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	4	16,508,862	16,096,534
Trade and other receivables	5	2,155,920	1,227,441
Total current assets		18,664,782	17,323,975
Non current assets			
Investments accounted for using the equity method	6	433,108	286,471
Property and office equipment	7	37,369,725	35,640,387
Trade and other receivables	5	170,973	99,289
Total non current assets		37,973,806	36,026,147
Total assets		56,638,588	53,350,122
Current liabilities			
Trade and other payables	8	35,079,689	28,880,933
Current tax liabilities		(1,378)	36,110
Provisions	10	1,192,318	948,657
Total current liabilities		36,270,629	29,865,700
Non current liabilities			
Borrowings	9	-	6,500,000
Provisions	10	491,383	603,818
Total non current liabilities		491,383	7,103,818
Total liabilities		36,762,012	36,969,518
Net assets		19,876,576	16,380,604
Equity			
Other reserves	11	8,393,183	5,290,291
Accumulated surplus	11	11,483,393	11,090,313
Total equity		19,876,576	16,380,604

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 2015	Notes	Accumulated surplus \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2013		10,775,668	5,491,477	16,267,145
Total deficit for the year		(202,801)	-	(202,801)
Total other comprehensive income for the year		-	316,260	316,260
Transfer to accumulated surplus		517,446	(517,446)	-
Balance at 30 June 2014	11	11,090,313	5,290,291	16,380,604
Total surplus for the year		393,080	-	393,080
Total other comprehensive income for the year		-	3,102,892	3,102,892
Balance at 30 June 2015	11	11,483,393	8,393,183	19,876,576

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 2015	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from membership activities, publications, government and other grants (inclusive of GST)		55,434,815	49,717,711
Payments to suppliers and employees (inclusive of GST)		(47,872,668)	(44,771,061)
Income tax paid		(43,405)	(6,510)
Net cash inflow from operating activities		7,518,742	4,940,140
Cash flows from investing activities			
Proceeds from sales of property and office equipment		-	850,000
Purchase of property and office equipment		(771,492)	(2,159,282)
Interest received		165,078	197,410
Net cash outflow from investing activities		(606,414)	(1,111,872)
Cash flows from financing activities			
Repayment of borrowings		(6,500,000)	(500,000)
Net cash inflow/(outflow) from financing activities		(6,500,000)	(500,000)
Net increase/(decrease) in cash held		412,328	3,328,268
Cash at beginning of financial year		16,096,534	12,768,266
Cash at end of financial year	4	16,508,862	16,096,534

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 2015

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 6 August 2015. 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 *ACNC Act*. The group is a not-for-profit entity for the purpose of preparing the financial statements. This is a change from 2013–2014 when the group was a for-profit entity for the purpose of preparing the financial statements. The change has had no material impact on 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 and liabilities and results of the subsidiary of the RACGP as at 30 June 2015 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.

Note 1. Statement of significant accounting policies (cont.)

Income and expenses of the subsidiary is 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 Joint venture entities

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. As set out in Note 6, the RACGP has an interest in a joint venture.

The interest in a joint venture is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the joint venture is recognised in the 'Consolidated statement of profit or loss and other comprehensive income', and the share of post-acquisition movements in reserves is recognised in other comprehensive income (refer to Note 6).

Profits or losses on transactions establishing the joint venture and transactions with the joint venture are eliminated to the extent of the group's ownership interest until such time as they are realised by the joint venture on

consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

1.4 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.

1.5 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).

1.6 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 1.4). 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'.

1.7 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.

Note 1. Statement of significant accounting policies (cont.)

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

1.8 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 which 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.

1.9 Trade payables

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

1.10 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'.

1.11 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 liability for annual leave and other short-term employee obligations are 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.

1.12 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'.

1.13 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, ie the services have been performed or conditions have been fulfilled. Grant monies received but not yet expended, ie 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.

1.14 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 utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and

Note 1. Statement of significant accounting policies (cont.)

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.

1.15 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.

1.16 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, 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 one year are measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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.

1.17 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 2014.

1.18 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.

1.19 Parent entity financial information

The financial information for the parent entity (the RACGP as disclosed in Note 18) has been prepared on the same basis as the financial statements, with the exception of the policy set out as follows:

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*.

1.20 Capital management

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

1.21 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	2015 \$	2014 \$
Revenue from operating activities		
Membership, QI&CPD fees	23,392,305	20,543,130
Education, course registration and other fees	18,201,649	14,997,717
Research and other grants and donations	2,996,825	4,877,687
Publications and subscriptions	478,273	536,347
Sponsorship and advertising	2,209,928	1,754,805
Other operating income	1,560,863	1,603,772
Other revenue from ordinary activities		
Interest	165,078	207,782
Rent	835,339	595,277
	49,840,260	45,116,517

Note 3. Expenses	2015 \$	2014 \$
Profit before income tax includes the following specific expenses		
Depreciation		
Buildings	494,028	463,259
Computer equipment and software	1,185,083	1,026,595
Other plant and equipment	45,527	57,442
	1,724,638	1,547,295
Rental expense relating to operating leases	159,085	226,736

Note 4. Cash and cash equivalents	2015 \$	2014 \$
Cash at bank	2,167,339	2,607,742
	2,167,339	2,607,742
Deposits on call	13,258,561	11,871,023
Deposits on call – grant funds held for disbursement	1,082,962	1,617,769
	14,341,523	13,488,792
	16,508,862	16,096,534

Note 5. Trade and other receivables	2015 \$	2014 \$
Current assets		
Trade receivables	1,321,883	802,578
Prepayments	759,347	271,609
Accrued income	-	112,169
Other receivables – lease incentive	74,690	41,085
	2,155,920	1,227,441
Non-current assets		
Other receivables – lease incentive	170,973	99,289
<p>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.</p> <p>Other receivables generally arise from transactions outside the usual operating activities of the group.</p>		

Note 6. Investments accounted for using the equity method	2015 \$	2014 \$
Share in associates (Note 6(a))	433,108	283,479
Interest in joint venture (Note 6(b))	-	2,992
	433,108	286,471

(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 *Australian Medicines Handbook*. The Unit Trust has a 30 June reporting period. The group's share of the results of its associates assets and liabilities are as follows:

Group's share of:		
Assets	504,412	503,237
Liabilities	216,451	211,220
Revenue	1,216,987	1,108,051
Profit/(loss) after tax	149,629	(9,980)

- ii. The movement in equity accounted associates investments is as follows:

Balance at the beginning of the financial year	283,479	293,459
Share of associate's surplus/(deficit) from ordinary activities after income tax	149,629	(9,980)
Balance at the end of the financial year	433,108	286,479

- iii. There are no contingent liabilities/assets of the associate.

(b) Interest in joint venture

RACGP Oxygen Pty Ltd, a wholly controlled entity of the company, has a 50% interest in Oxygen Services Pty Ltd, which is resident in Australia. Oxygen Services Pty Ltd principal activity is the production and sale of eHealth related products. Oxygen Services Pty Ltd was de-registered on 22 October 2014.

During the financial year, an amount of \$517 (2014: (\$299)) was recognised as share of joint venture's surplus/(deficit). As Oxygen Services Pty Ltd was deregistered on 22 October 2014, the interest in joint venture was written-off to nil.

(c) Share of net surplus/(deficit) of associates and joint venture accredited for using the equity method

Share in associates surplus/(deficit)	149,629	(9,980)
Interest in joint venture surplus/(deficit)	517	(299)
	150,146	(10,279)

There are no contingent liabilities incurred jointly with other investors (2014:\$nil).

Note 7. Non-current assets – property and office equipment		2015 \$	2014 \$
Freehold land and buildings			
Land and building – valuation		35,750,000	32,750,000
Less accumulated amortisation		-	-
		35,750,000	32,750,000
Computer equipment and software at cost		7,246,026	7,429,363
Less accumulated depreciation		(5,736,083)	(4,869,655)
		1,509,943	2,559,708
Other plant and equipment at cost		1,094,316	1,417,187
Less accumulated depreciation		(984,534)	(1,086,508)
		109,782	330,679
Total written down value		37,369,725	35,640,387
Reconciliations			
Freehold land and buildings			
Opening balance		32,750,000	33,025,000
Additions		391,135	131,379
Revaluation increment/(decrement) ⁽ⁱ⁾		3,102,893	56,880
Depreciation expense		(494,028)	(463,259)
Closing balance		35,750,000	32,750,000
Computer equipment and software			
Opening balance		2,559,708	1,587,106
Additions		348,902	2,020,520
Disposal		(213,585)	(21,323)
Depreciation expense		(1,185,083)	(1,026,595)
Closing balance		1,509,942	2,559,708
Other plant and equipment			
Opening balance		330,679	405,039
Additions		31,455	7,385
Disposal		(206,824)	(24,303)
Depreciation expense		(45,527)	(57,442)
Closing balance		109,783	330,679
Total closing balance		37,369,725	35,640,387

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.

(i) Freehold land and buildings were revalued to the amounts shown above as at 30 June 2015. The valuations recorded a net increase in the value of group properties. Under Australian accounting standards, \$3,102,892 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 2015.

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 2015.

Note 8. Trade and other payables	2015 \$	2014 \$
Trade creditors	3,069,199	1,192,346
Other creditors and accruals	2,786,015	2,498,496
Employee benefits	1,462,610	1,577,020
Owing to related entities	-	1,000
Amounts invoiced in advance		
Membership subscriptions and QI&CPD fees	19,335,945	16,837,643
Grants	1,021,857	876,971
Exams	6,185,150	4,947,608
Other	1,218,913	949,849
Total	35,079,689	28,880,933

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 9. Borrowings	2015 \$	2014 \$
Non-current liabilities		
Secured borrowings	-	6,500,000

The purpose of these facilities was to assist with the purchase of 100 Wellington Parade, East Melbourne. The borrowing was fully paid during the financial year ended 30 June 2015.

Note 10. Provisions	2015 \$	2014 \$
Employee benefits – long service leave (current)	1,192,318	948,657
Employee benefits – long service leave (non-current)	491,383	603,818

Note 11. Reserves and accumulated surplus	2015 \$	2014 \$
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	5,290,291	5,491,477
Revaluation of land and buildings	3,102,892	316,260
Transfer to accumulated surplus(*)	-	(517,446)
Balance at end of year	8,393,183	5,290,291
Movements in accumulated surplus		
Balance at beginning of year	11,090,313	10,775,668
Current year surplus	393,080	(202,801)
Transfer from Asset Revaluation Reserve(*)	-	517,446
Balance at end of year	11,483,393	11,090,313
(*) During the financial year 2013–14, 206 New Town Road, New Town, Tasmania, was sold. Within the Asset Revaluation Reserve was \$517,446 relating to this property. In accordance with accounting standards, this amount was transferred to accumulated surplus.		

Note 12. Key management personnel compensation		2015 \$	2014 \$
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	1,232,858	1,195,390	

Note 13. Commitments		2015 \$	2014 \$
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	45,700	15,137	
later than one year but not later than five years	82,831	-	
Total operating leases	128,531	15,137	
Capital commitments			
Property and office equipment within 12 months			
Computer equipment and software	-	500,000	
Building improvements	277,200	-	
Total property and office equipment	277,200	500,000	

Note 14. Contingencies

The directors are not aware of any material contingent assets or liabilities as at 30 June 2015.

Note 15. 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 6 to the financial statements.

(b) Key management personnel compensation

Disclosures relating to key management personnel compensation are set out in Note 12.

(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 favorable than those with which it is reasonable to expect the group would have adopted if dealing with the key management personnel at arms length in similar circumstances. These transactions include the collection of membership dues and subscriptions and the provision of group services.

Note 16. Financial instruments**2015 \$****2014 \$****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:

Bill facility – C	-	6,300,000
Bill facility – D	-	6,500,000
Overdraft	2,000,000	-
	2,000,000	12,800,000
Drawn facilities:		
Bill facility – D	-	(6,500,000)
Total undrawn facilities	2,000,000	6,300,000

The purpose of facilities C and D were to assist with the purchase of 100 Wellington Parade, East Melbourne. These facilities were fully paid and closed during financial year ended 30 June 2015.

Note 17. Events after the reporting period

No circumstances have arisen since the end of the year, which 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 18. Parent entity information**2015 \$****2014 \$**

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**Assets**

Current assets	18,664,783	17,323,975
Non-current assets	37,983,805	36,033,155
Total assets	56,648,588	53,357,130

Liabilities

Current liabilities	36,429,391	30,006,892
Non-current liabilities	491,382	7,103,818
Total liabilities	36,920,773	37,110,710
Net assets	19,727,815	16,246,420

Equity

Reserves	8,393,183	5,290,291
Accumulated surplus	11,334,632	10,956,129
Total equity	19,727,815	16,246,420

Financial performance

Total surplus/(deficit)	378,503	(314,652)
Other comprehensive income for the year	3,102,892	316,260
Total comprehensive income for the year	3,481,395	1,608

Contingent liabilities of the parent entity

The directors are not aware of any material contingent liabilities as at 30 June 2015.

Commitments for the acquisition of property, plant and equipment by the parent entity**Property and office equipment**

Within 12 months		
Computer equipment and software	-	500,000
Building improvements	227,200	-
Total property and office equipment	227,200	500,000

Note 19. Subsidiaries

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	Name of entity	Class of shares	Equity holding	
			2015	2014
RACGP Oxygen Pty Ltd	Australia	Ordinary	100%	100%

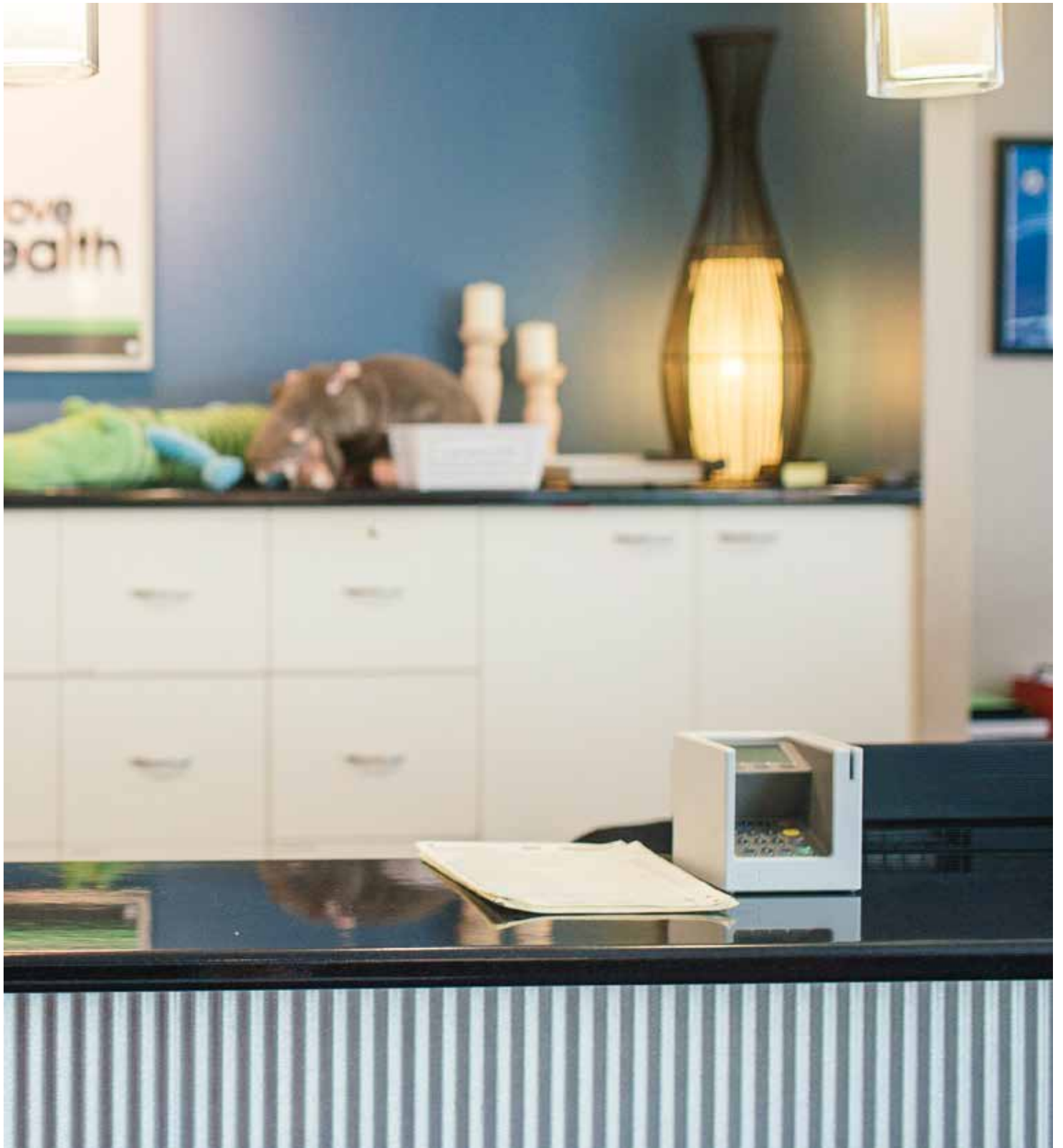


Having just sat and passed my RACGP examinations, I value educational resources including *AFP* and the *check* program – these were essential in preparing for my exam, and continue to be useful for ongoing learning. Evidence-based practice guidelines are also very valuable as I continue to gain experience as a GP.”

Dr Eliza Hannam, MBBS

Registrar – Member since 2014









RACGP

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