Royal Australasian College of Physicians

Annual report 2018

1938 – 2018

Celebrating 80 years
of specialists together for

- our profession
- our patients
- our communities

RACP
Specialists. Together
EDUCATE ADVOCATE INNOVATE

RACP
Specialists. Together

EDUCATE

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

ADVOCATE

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

INNOVATE

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

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President's message

This Annual Report marks a year of significant change and renewal in our College after a challenging 12 months.

In times like these it is important to focus on our common purpose.

We bring together specialists from Australia and New Zealand to promote excellence in care, active engagement with our communities and collegiality among our Fellows.

With a newly elected Board and an interim CEO, these have been my guiding principles as we rebuild confidence in the College after the failure of the 2018 Divisional Written Examination.

Your Board has released the subsequent Ferrier Hodgson report, accepting all 11 recommendations.

We remain absolutely committed to ensuring there is never a repetition of this type of event, and that we excel in delivery of our examinations in future.

During 2018 we also had a change in leadership with the departure of our former CEO Linda Smith who led the College for nearly five years.

I would personally like to recognise Linda's commitment to the RACP and wish her the very best for the future. I wish to thank my Director colleagues on the outgoing Board.

I also thank Mel Miller who stepped into the role for a short period and Duane Findley whose experience in corporate governance will assist our new Board in moving the College forward.

Despite these challenges and changes, real progress has been made in promoting the interests of our Fellows and trainees.

We launched our new Basic Training curriculum, which will guide physician training for decades to come. We established a Consumer Advisory Group to ensure our education and training serves healthcare end users – our patients.

We also signed a Memorandum of Understanding with Fiji National University and another with the South Pacific Community to support growing capacity for education in the South Pacific.

Our Indigenous Strategic Framework, launched at RACP Congress aims to address health inequities for Aboriginal and Torres Strait Islander and Māori peoples.

Our physicians contributed their expert voice to bi-national public discussions on health care, including:

- Securing an Australian Federal Government commitment to develop an action plan for vulnerable children over the first 1000 days of life
- Leading a rethink of a Federal Government proposal to drug test welfare recipients
- Exposing of accelerated silicosis in stonemasons who assemble stone kitchen bench-tops by our AFOEM members, leading to the establishment of a national Australian silicosis register
- Continuing advocacy for the humane treatment of asylum seekers on Manus Island and Nauru by our paediatricians in Australia and New Zealand

- Calling for more resources to tackle an outbreak of syphilis among vulnerable communities across both Australia and New Zealand.

The Board concluded 2018 by publishing a new Strategic Plan looking ahead to the next three years.

Its six broad goals will ensure we continue to be a leading medical educator, an influential voice in healthcare and a supportive professional home for our members.

We report against those goals in the following pages.

Reflecting on the year's challenges, the most important thing I have learned while leading this College is that member democracy is nothing to fear. It shows the high levels of engagement and care for the RACP and should be celebrated.

A vibrant RACP will ultimately be an organisation that operates in the best interests of all its members. For as long as I sit in the President's chair, that will be the College I lead.

Associate Professor Mark Lane
President, RACP.

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Chief Executive report

Since taking on the role of interim CEO I have learned a lot about this unique institution.

What struck me then, and continues to be reinforced every day, is the degree to which ethics and values of service motivate Fellows, trainees and staff in everything we do.

The enduring nature of the medical profession comes from the way those with authority and knowledge are prepared to share that wisdom and mentor younger colleagues.

It's why the College was set up 80 years ago.

It is this commitment that sees Fellows dedicating large amounts of pro bono time training and supervising the next generation, actively participating in policy and advocacy and taking up leadership positions across the RACP.

It is my job to support all Fellows and trainees with a high-functioning organisation that promotes those objectives.

I was invited into the role by the RACP Board on an interim basis in September 2018 to look at governance and staff culture.

I want College culture to truly empower staff to work with members to improve their experience.

Like many institutions, we currently face significant change.

Rapid technological advancement, increasing complexity in professional requirements and a 24/7 culture means our Fellows and trainees expect their College to provide comprehensive real world and online support and educational resources.

With a background in corporate governance I am working to embed improvements in College processes, including procurement and old project and vendor management.

We need those skills to undertake major IT, infrastructure and facilities improvements – so that staff can further enhance their levels of support to our members.

During the year we've continued upgrading our IT systems. We introduced live member chat on our website, modernised our member video conference system, and opened a new Sydney based meeting centre for members.

In late 2018 we finalised the business case for the trial of our new education software platform in 2019, which will transform the way trainees and their supervisors learn and work.

The focus of further investment and development will be determined by our Board, under the new strategic plan.

Whatever the challenges the RACP faces, I am confident its staff are a critical part of the solution. Their energy in supporting both Fellows and trainees is testament to their commitment to our College.

I look forward to working with the Board, its President Mark Lane and President-Elect John Wilson, all Fellows and trainees, managers and staff in meeting these challenges and making this a College that does its legacy proud.

Duane Findley

Interim Chief Executive Officer, RACP

Dr Alice Grey, Member Director, Trainee Physician, and her supervisor Head of Immunology Department Professor Connie Katelaris, FRACP, at Campbelltown Hospital (NSW)

03
Six Goals

1.
Experience

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

2.
Education & Professional Development

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

3.
Career & Workforce

We will improve our understanding of the physician workforce

4.
Research & Leadership

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

5.
Advocacy & Influence

We will advocate for healthier communities

6.
Effective & Sustainable

We will be an effective and modern college

Goal 1

Experience

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

The RACP was founded in 1938. In the 80 years since, the world, technology and the medical profession have changed almost beyond recognition.

So too have the expectations and experiences of our now more than 25,000 members as they progress through different stages of their careers from trainees, to physician Fellows and supervisors.

In 2018 we continued to improve the experience members have with the College. We recognise both Fellows and trainees lead busy professional and personal lives, whether they live in Australia, New Zealand or around the world.

Over 12 months we improved our online and customer service, further modernised our facilities, and made coming together as specialists easier through improved technology.

We also continued our strong College-wide focus on physician health and wellbeing in training and in medical practice.

"College members are at the heart of the RACP. Our new Strategic Plan (2019–2021) recognises what our members have been telling us through College wide surveys and consultation, improving the experience of our members must be a key College goal."

Lisa Penlington, Director, Member Services

83.3%
Australia

12%
New Zealand

4.4% | 1,131
Overseas

66.4% | **14,207**
Fellows

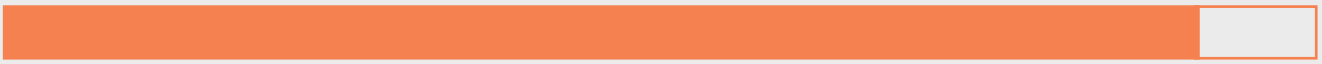
33.5% | **7,162**
Trainees

0.1% | **29**
Honorary Fellows

65% | **2,003**
Fellows

34.8% | **1,074**
Trainees

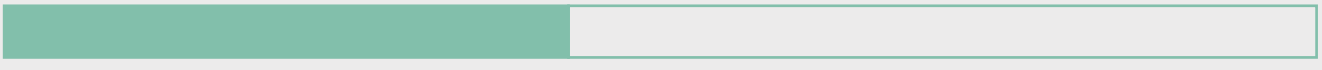
0.2% | **7**
Honorary Fellows



17,267
Fellows

91% | **15,677**
Active

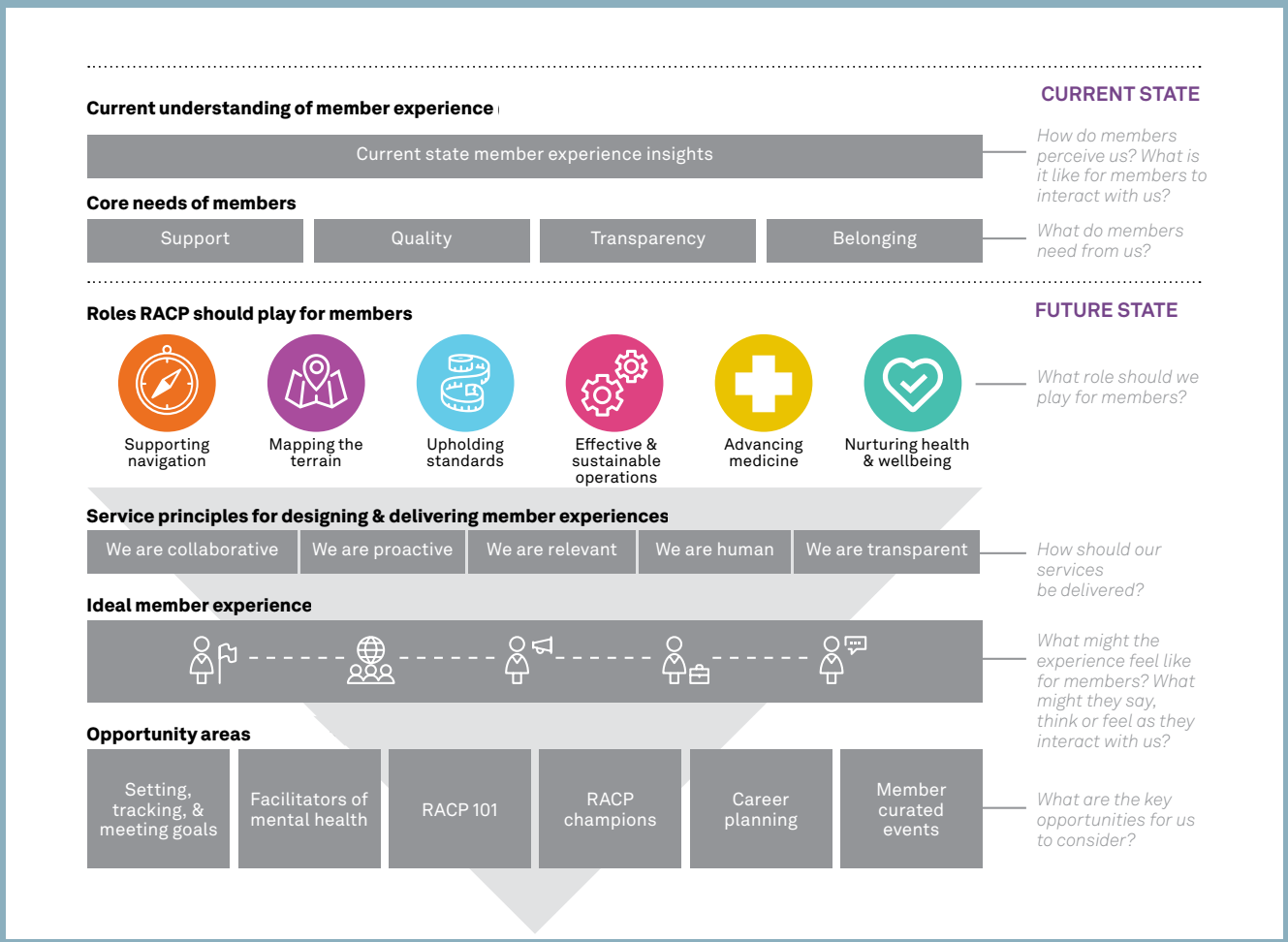
9% | **1,590**
Retired



8,265
Trainees

43% | **3,553**
Advanced Trainees

57% | **4,712**
Basic Trainees



Understanding what our members need

Our membership continues to grow by five per cent every year and is expected to reach 35,000 by 2028, at which point 48 per cent of our members will be female.

In anticipation of this growth, we are using Member Journey Mapping as a technique to improve our understanding of who our members are and what they expect of us at different career and life stages. This will guide us in delivering member value and improving satisfaction.

The Member Journey Mapping project uses qualitative and contextual research to create a visual map of different members' current state experience, and a desired future state.

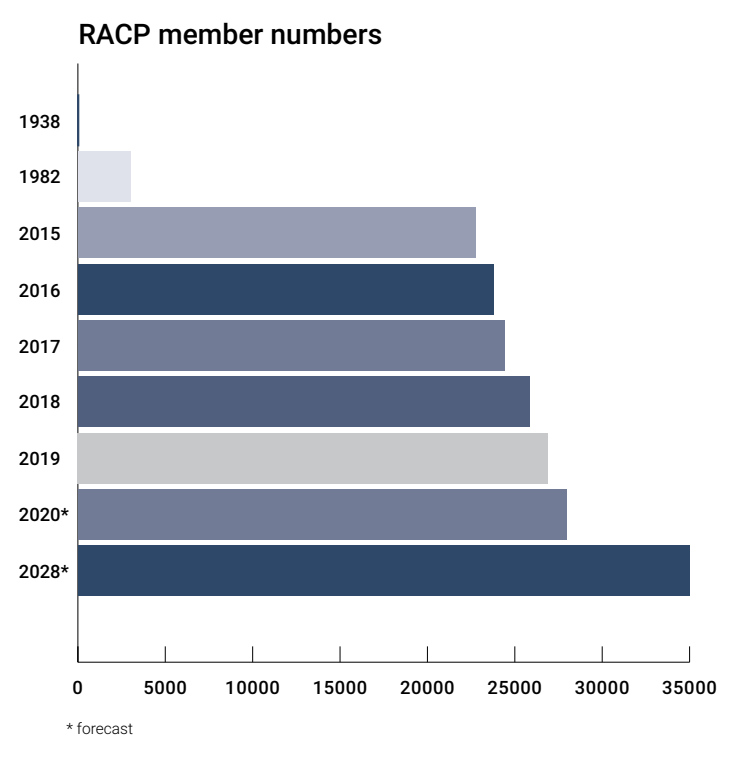
This allows us to identify gaps as well as opportunities to create or increase value at each stage in the member journey. The aim is to move from a purely transactional relationship between members and their College to one where we are anticipating and providing for members' needs at each career stage.

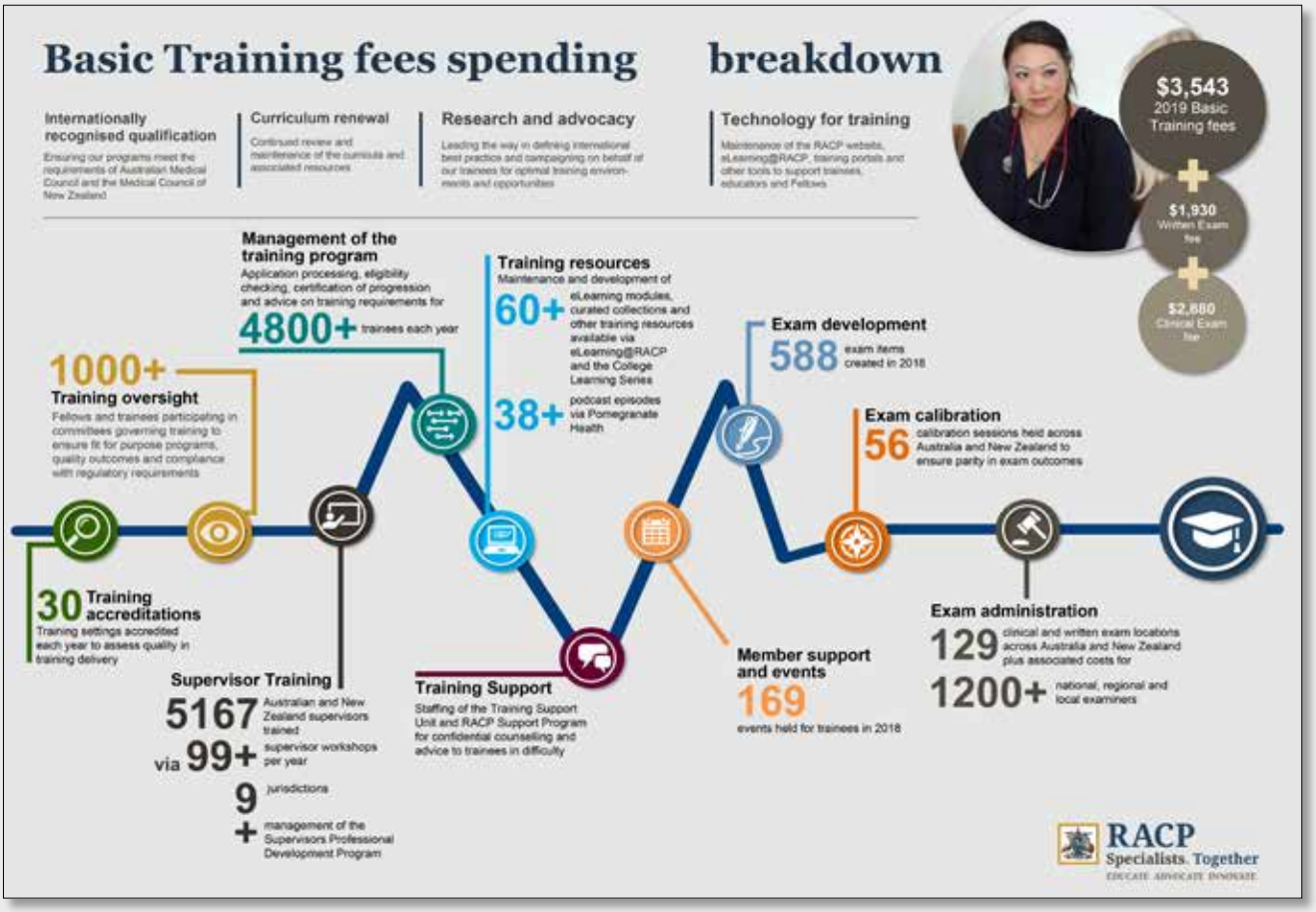
Member Journey Mapping research shows us that members:

- want to be the best quality physicians they can be
- expect transparency and clarity around processes, decisions and information
- want to feel they are part of a community that stands for the things they believe in
- want to be able to access support from the College
- expect value.

The Member Journey Mapping Project report was presented to the Board in July 2018 and identified areas to improve members' experience. This research now underpins every College project and service.

For example, a new Basic Training fee infographic (below) was developed in partnership with the College Trainees Committee, in recognition of trainees' need to understand how their College fees are used and our need to understand how members want to receive information.





Improving our customer service

Informed by the Member Journey Mapping research, during 2018 we continued to improve and streamline the way our members interact with us – so they get the information they need as quickly and as easily as possible.

Changes were made to all key member contact channels: our 1300MyRACP contact centre, College website and member portal MyRACP.

Introducing live chat

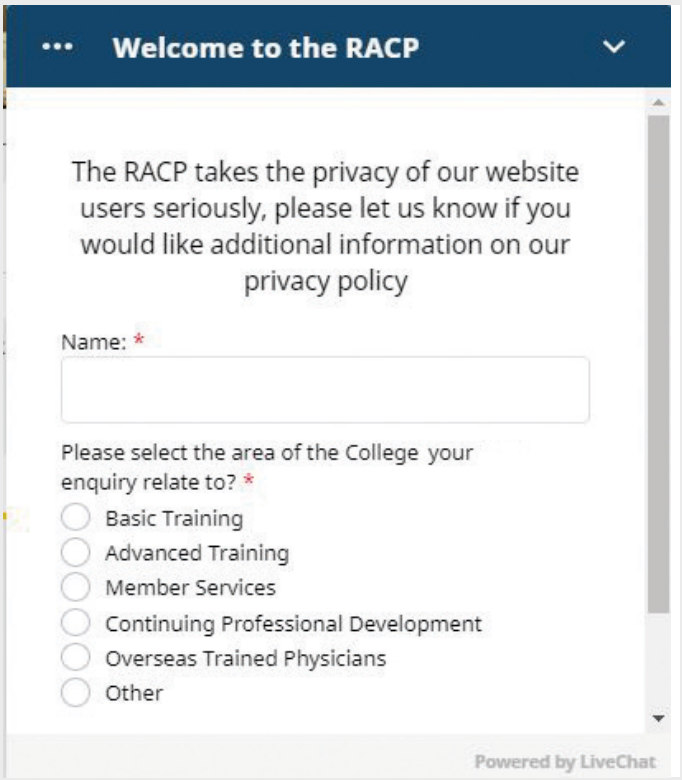
In July the College introduced live chat. It gives members a chance to speak directly online with a College staff member on the spot.

It follows the introduction in 2017 of changes to our member enquiry process to make sure that all member contact with their College is helpful, consistent and minimises the time it takes to resolve an issue.

700
live chat inquiries

	2017	2018
Phone enquiries resolved	15,884	15,768
Email enquiries resolved	7,639	10,079
Calls resolved on first contact	82%	75%
Live chat enquiries resolved		760*

* live chat commenced on the RACP website from June 2018.



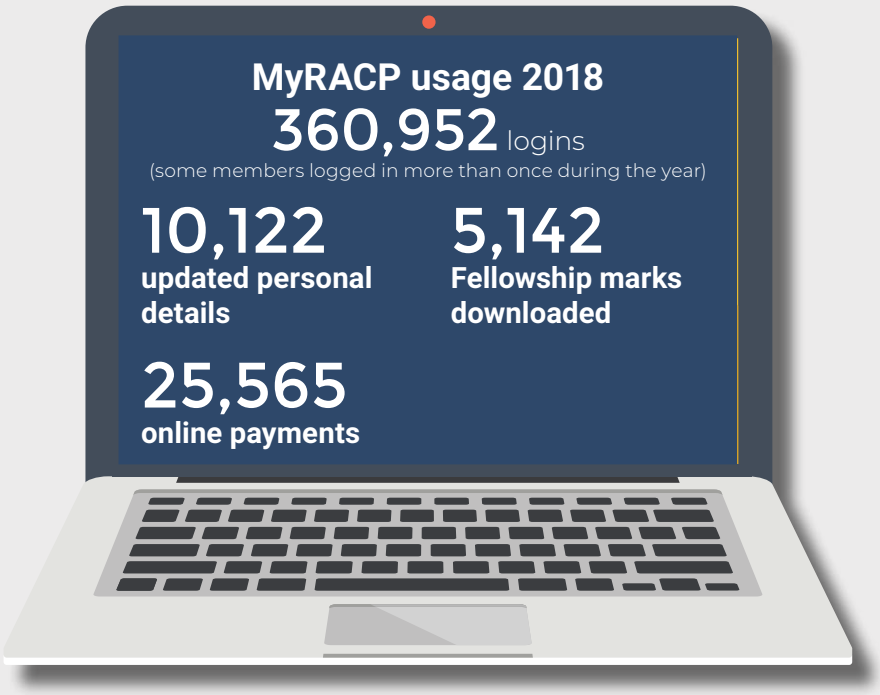
Compliments and complaints

In 2018 the College introduced a cross-College compliments and complaints framework that is reported to the Board each time it meets – showing what members want improved in the College and where members believe things are working well.

Upgrading our website

To continue making it as easy as possible for members to access the information they need, we made major upgrades to the RACP website in 2018, introducing more videos, more content, and new dedicated pages for the RACP Foundation.

racp.edu.au
over
2.5 million
visits



MyRACP

Since it was introduced in 2016, MyRACP has continued to provide a useful service for members to manage their membership.

Customised to their profile, MyRACP allows members to update their contact details, pay, download and print invoices, access learning portals, accept and pay for their invitation to Fellowship, update their work profile, register and pay for exams, view their Continuous Professional Development (CPD) credit balance and connect with the CPD app.

Fellows can also download their own Fellowship mark; a professional trust mark identifying they are members of their respective Division, Faculty or Chapter which can be used in professional correspondance.

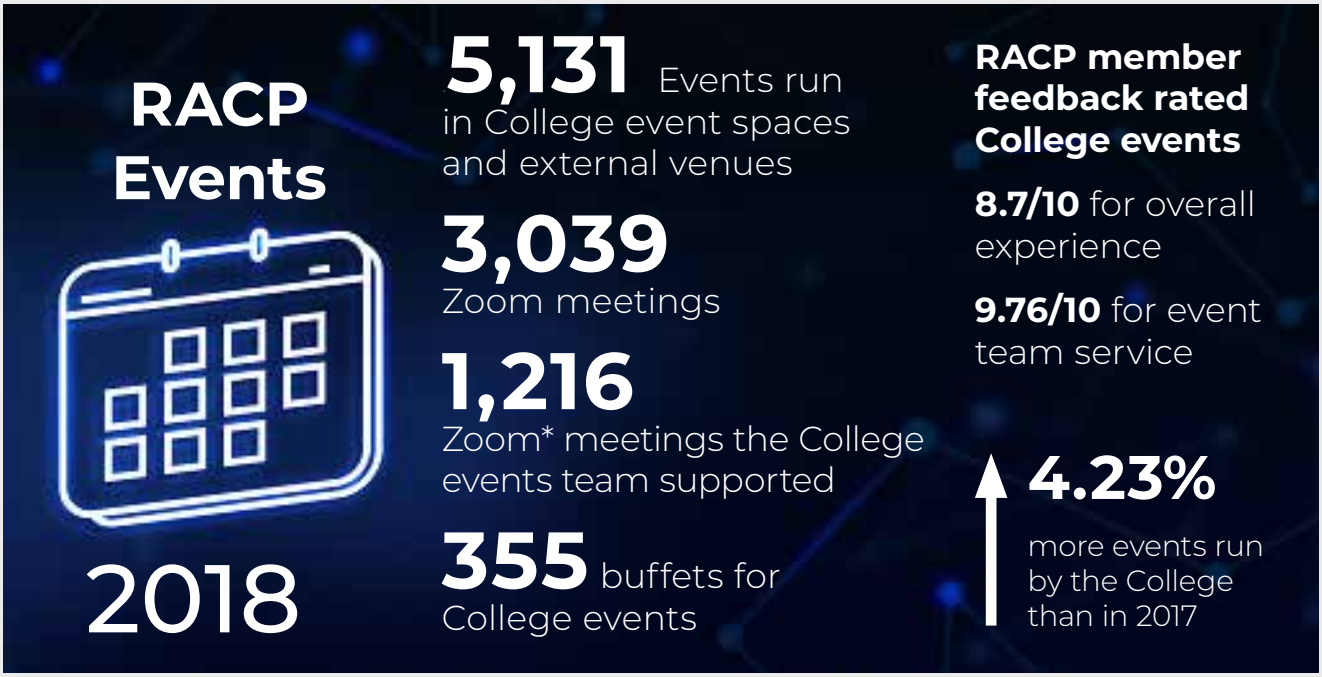
Bringing specialists together

During 2018 we continued to deliver new ways to bring specialists together, through new event spaces, new video conferencing facilities and changes to our annual Congress.

The roll-out of Zoom video conferencing over the last 12 months has allowed some members, who previously had to travel interstate or trans-Tasman for events, to connect via high-quality video link and share documents for committee meetings and webinars. It has replaced teleconferences allowing better interaction and engagement between members. Members have attended an average of 253 Zoom meetings a month, saving members time, and College money.

In August 2018 we also opened a new event space in Sydney's Governor Macquarie Tower. This new modern facility is available for all RACP members and events. Opening the new space was more cost effective than renewing the lease on the College's prior events centre. Use of this new facility is high and expected to grow in 2019.

During the year we also freed up meeting space in our historic 145 Macquarie Street offices in Sydney by reorganising College staff layout and location. Nearly all of level one at Macquarie Street is now available as member meeting rooms.



*Remainder of members supported due to Zoom ease of use

Council of Presidents of Medical Colleges

A focus on disrupted health care – RACP Congress 2018

Five times more trainees now attend RACP Congress than prior to the introduction of the shared interest format, which trainees, Fellows, the College Council and Divisions, Faculties and Chapters helped to design.

In 2018 more than 1,100 delegates came together to address the key disruptive forces impacting health care, here in Australia, New Zealand and globally.

Our Annual Congress is now an established and anticipated meeting point for physicians from Australia and New Zealand and elected Presidents and CEOs of international colleges, with a new fast paced, interactive format. In 2018, Congress sessions were hosted on our College YouTube channel and we published transcripts and abstracts in the RACP Quarterly for members who could not make the event.

This year Congress started with sessions about delivering sustainable health care in the face of climate change, and included sessions on:

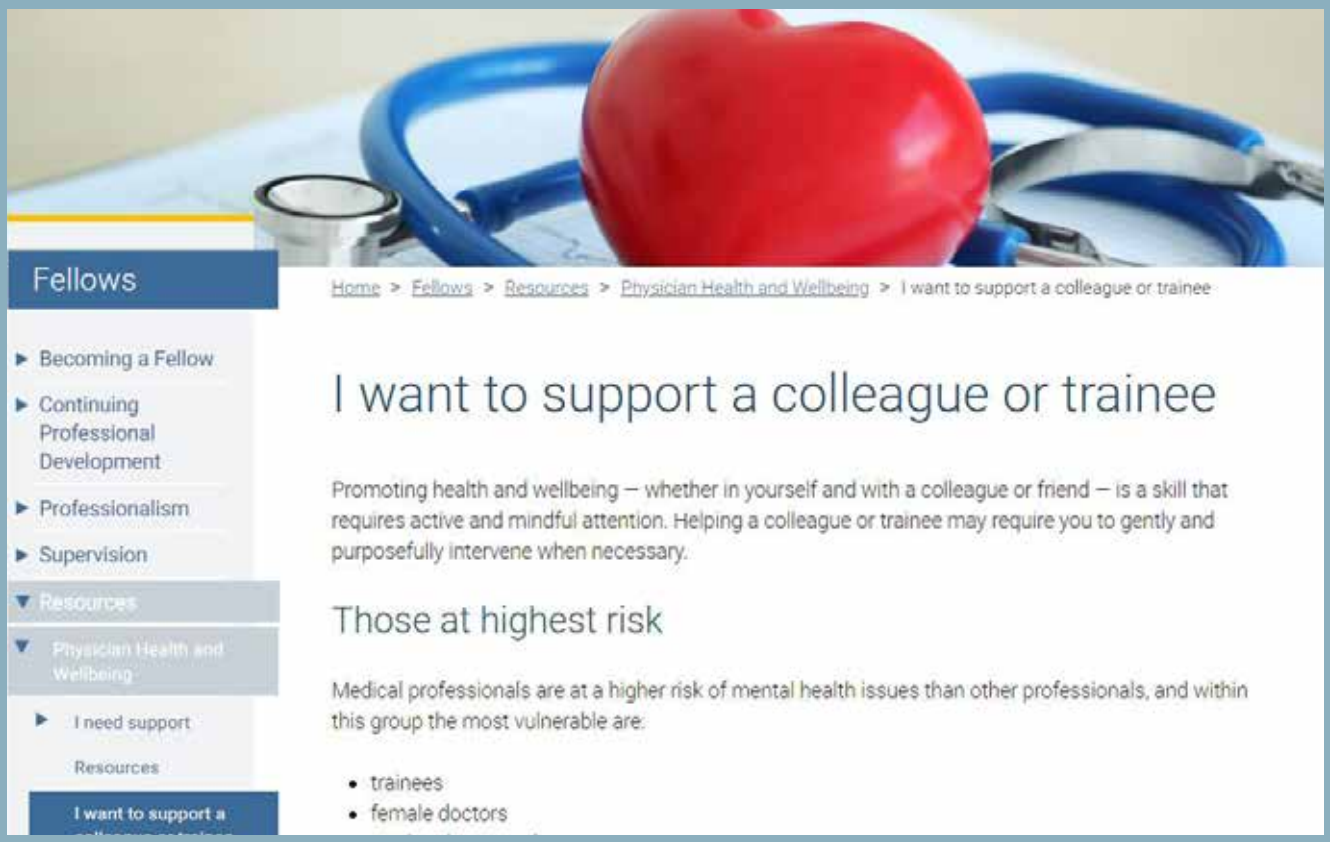
- the role of women in medicine
- supporting the development of positive mental health in doctors and patients
- the need for more research on medicinal cannabis
- the health impacts of natural disasters
- what artificial intelligence can do and can't do
- Indigenous child health.

"I've been delighted to hear speakers during this conference talk about how we should be addressing these issues as leaders for health change and reform"

Associate Professor Adrian Reynolds, FAChAM

"I do think as a profession we tend to get stuck in ruts and do the same thing and we're trained to be cautious. I think there's a lot of evidence that we need to be able to be safe but also change things up on a big scale"

Dr Nicholas Fancourt, RACP trainee.



Supporting our Fellows and our trainees

Prioritising physician health and wellbeing in 2018

Medical practice and training is demanding – and sometimes caring for patient health can come at the expense of doctors' own mental and physical health.

The health and wellbeing of all our members at home, at work, and in their training is a priority for the RACP and our Board. During 2018 we ensured that priority was reflected across our policies and programs.

In 2018:

- we developed a statement on Respectful Behaviour in College Training Programs, following the release in 2017 of our position statement on doctor health and wellbeing
- we rolled out the 2018 Physician Training Survey to all trainees and educators to understand their training experiences and wellbeing
- we expanded our online support pages for members, to include information, resources and contacts on a single webpage that is easy to access and navigate
- we continued to provide access to confidential counselling support for members
- we developed a new podcast and further online resources to help members recognise when a colleague is struggling and provide the right support.

Supporting trainees in difficulty

Staff from our Training Support Unit worked closely with trainees, supervisors and College committees over the last 12 months to coordinate support for trainees experiencing difficulties in their training and get them back on track.

The Trainee in Difficulty Support Program recognises trainees who may be struggling to pass exams, cope with the demands of both professional and personal life, or who are in need of extra support to maintain their overall health and wellbeing.

- A total of 224 trainees were supported on the Training Support Pathway during 2018, of which 133 were new trainee referrals.
- 92 trainees left the Training Support Pathway in 2018, of which 79 returned to training and 13 were recommended for Fellowship.
- Main areas of concerns upon referral: non compliance with training requirements, medical expertise, professional qualities and communication skills.

24/7 help

After introducing our new 24/7 counselling service in 2016, the College has focused on ensuring all members, Fellows and trainees know it is there for them at any time. Usage of the service is low but is growing.

Members can speak directly and confidentially to a counsellor face-to-face, over the phone or on the internet.

Podcast: Being Human

July's episode of the Pomegranate Health podcast was called Making a Connection.

In the podcast, New York internist Associate Professor Danielle Ofri discusses when breakdown in doctor–patient communication occurs – often in the first 10 or 20 seconds of a consultation. Dr Ofri, author of What Patients Say, What Doctors Hear, suggests ways for physicians to listen better, to be understood and to promote better self-management among patients.

Some media also report a 'crisis of compassion' in healthcare and burnout of staff are major contributors. Auckland palliative care specialist Dr Shamsul Shah describes how to mitigate these by convening groups of colleagues "...to reflect on the emotional challenges of the job."

Reasons for referral 2018

	January – March 2018	April – June	July – Sept	October – December	January – March 2019	**Total**	**%**
Work issues	5	6	6	10	2	29	36.3
Personal issues	8	11	9	14	7	49	61.3
Manager assistance	0	0	0	1	0	1	1.3
Conflict assistance	0	0	0	1	0	1	1.3
Career assistance	0	0	0	0	0	0	0

Goal 2

Education & Professional Development

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

In 2018 RACP undertook an extensive review of its processes after the failure of the online written examination in February.

At a time when the College is educating more trainees than ever before, the review and modernisation of our education and training continued during 2018.

Despite a challenging timeframe and change agenda in the College over 12 months, our own accreditation by the Australian Medical Council (AMC) and the Medical Council of New Zealand (MCNZ) is on track. The College submitted its mid-term report to the AMC in September, the half-way point of our maximum six year accreditation, and received very positive feedback.

8,265 trainees

3,553	43 per cent Advanced Trainees
57 per cent Basic Trainees	**4,712**

63 Training pathways

82 New accredited training sites

38 Specialties

5,167 Training Supervisors in Australia and New Zealand

450+ Accredited training sites in Australia and New Zealand

"Coming into RACP as a new Director, I am impressed with the dedication and generosity of our RACP Fellow supervisors who volunteer their time to training the next generation of specialists."

Robyn Burley, Director Education, Learning and Assessment

Education Renewal

We are carrying out the most comprehensive update of the way physicians are trained to make sure our programs meet their needs and are relevant to the way our health system works in the 21st century.

Trainees and supervisors have asked us to make the curricula more relevant to everyday practice and provide better guidance for assessment requirements and professionalism in the workplace.

The renewal project initially focused on reviewing the Basic Training Programs – which was largely completed in 2018 ahead of a planned roll-out to early adopters in 2020, to allow for further refinements and technology testing. The review of our Advanced Training Programs also began in 2018.

Education Renewal milestones in 2018:

- Launch of new Knowledge Guides for Basic Training, forming the basis for assessment in the 2020 Divisional Written Examinations.
- Launch of new Basic Training Curricula Standards in June to allow supervisors and trainees to familiarise themselves with new requirements.
- College Education Committee approved the new Basic Training Learning, Teaching, and Assessment programs in November 2018.
- Release of Training Provider Program Framework and Standards in November 2018.
- Review underway of 38 Advanced Training Curricula, in consultation with 73 RACP committees, 50 Specialty Societies and four other postgraduate medical colleges.
- Members and stakeholders will be consulted about draft common content for Advanced Training Curricula in 2019.

"The Education Renewal Program is the most comprehensive update ever undertaken by our College."

Professor John Wilson, Chair, College Education Committee

Meeting accreditation milestones in 2018

- 6 year accreditation 2014–2020
- 15/31 conditions met
- 18/ 25 recommendations satisfied and closed

In September we submitted our written mid-term report to the Australian Medical Council to report progress against our six-year accreditation. The AMC followed up with a formal in-person visit on November 26 and 27.

Following the report and visit the AMC:

- commended RACP for the "demonstrable culture of excellence"
- praised the continual contribution and commitment from RACP members.
- noted that commitment continued despite major educational and College leadership changes during the year
- said the College is engaging well with stakeholders in Australia and New Zealand.
- identified our Continuing Professional Development program as a real strength area.

The AMC also highlighted the challenging timeline for meeting requirements and completing outstanding tasks.

A full report will be received in 2019 and shared with RACP members.

Members of the Australian Medical Council on the left, with senior College leaders on the right, during the Council's mid-accreditation visit to the RACP on 26 November

Seeking feedback

In 2018 we acted on our accreditation requirements to seek feedback from our members and their patients, with a College wide training survey and our first ever Consumer Advisory Group (CAG).

Rolling out the Physician Training Survey

In October we rolled out the RACP Physician Training Survey to all RACP accredited clinical training settings across both Australia and New Zealand. It is our most comprehensive training survey to date.

The survey included two different sets of 50 questions,one set for RACP trainees and one set for RACP educators covering:

- wellbeing
- management of training and
- training experiences.

The answers will help us improve the quality and safety of training experiences for trainees and identify where supervisors need additional support. These surveys are an accreditation requirement and provide valuable, confidential feedback on the quality of our training. The AMC has acknowledged the comprehensiveness and quality of these surveys.

Earlier pilot surveys have told us that supervisors work long hours and rate their supervisory experience highly. Trainees also rate their training experience highly, but not as highly as supervisors, and want more uninterrupted time for formal learning.

Results of the 2018 survey will be shared with supervisors, Directors of Physician Education and hospital Chief Executives in early 2019, with the aim of improving the learning experience for all.

Results of earlier pilot surveys

Our Consumer Advisory Group Members – Left to right, top to bottom: Te Rina Ruru, Henry Ko, Hamza Vayani, Debra Letica, Ezekiel Robson, Associate Professor Nick Buckmaster (Chair) Melissa Cadzow

Meet our new Consumer Advisory Group

Around the world patients and healthcare consumers are increasingly being viewed as the real end-users of medical education. Medical institutions are seeking their input into the design of health services – and physician training.

Our inaugural Consumer Advisory Group, launched during the year, will help ensure our education programs meet the needs of patients by encompassing the principles of patient centred care across Australia and New Zealand.

All Group members have a background in health consumer affairs and come from a wide variety of consumer groups in both countries.

The CAG meets four times a year, providing advice to improve consumer engagement across everything we do, in our profession, education and training, and in our policy and advocacy.

Members are

- Associate Professor Nick Buckmaster (Chair)
- Ezekiel Roberston
- Melissa Cadzow
- Te Rina Ruru
- Henry Ko
- Hamza Vayani
- Debra Letica

"It's a vastly expanded strategy to improve consumer engagement consistent with what is required of us by the Australian Medical Council during our last accreditation round."

Associate Professor Nick Buckmaster, CAG Chair

"From my background in working with culturally and linguistically diverse groups I think this is very important. Coming from an Asian background for example, there's often a hierarchical relationship between doctor and patient; changing that is a big job but it is something that can be overturned."

Henry Ko, CAG member

RACP clinical and written examinations

Paediatrics and Child Health – Australia

- 261 candidates
- 24 hospital sites
- 212 examiners

Paediatrics and Child Health – New Zealand

- 31 candidates
- 4 hospital sites
- 24 examiners.

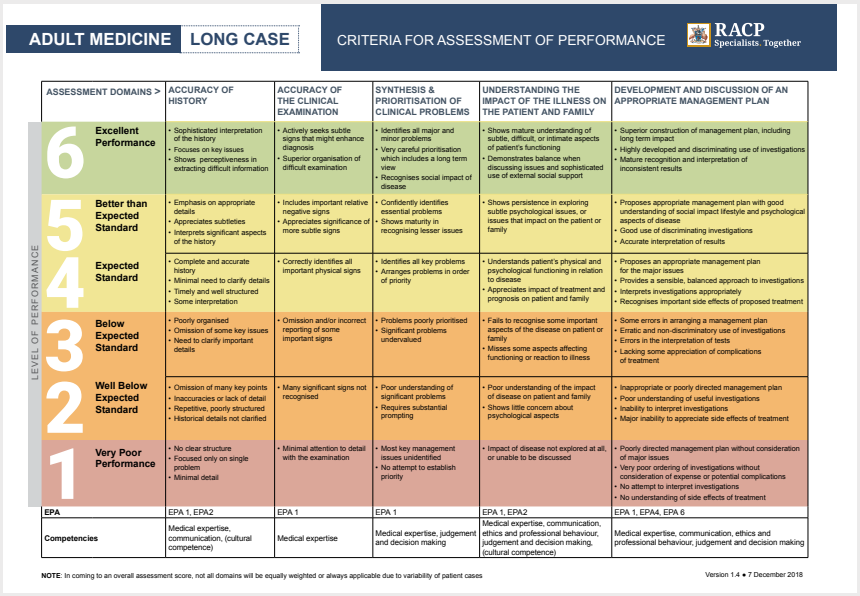
Adult Medicine – Australia

- 899 candidates
- 86 sites, including five in New Zealand
- 782 examiners

Adult Medicine – New Zealand

- 116 candidates
- 8 sites
- 58 examiners

In 2018 we delivered and marked Divisional Clinical Examinations for a record number of 1307 candidates. The steady increase in numbers sitting both the clinical and written examinations reflects the growth in RACP membership and the healthcare systems in both Australia and New Zealand.



ADULT MEDICINE **LONG CASE** — CRITERIA FOR ASSESSMENT OF PERFORMANCE — RACP Specialists. Together

ASSESSMENT DOMAINS >	ACCURACY OF HISTORY	ACCURACY OF THE CLINICAL EXAMINATION	SYNTHESIS & PRIORITISATION OF CLINICAL PROBLEMS	UNDERSTANDING THE IMPACT OF THE ILLNESS ON THE PATIENT AND FAMILY	DEVELOPMENT AND DISCUSSION OF AN APPROPRIATE MANAGEMENT PLAN
LEVEL OF PERFORMANCE 6 Excellent Performance	• Sophisticated interpretation of the history • Focuses on key issues • Shows perceptiveness in extracting difficult information	• Actively seeks subtle signs that might enhance diagnosis • Superior organisation of difficult examination	• Identifies all major and minor problems • Very careful prioritisation which includes a long term view • Recognises social impact of disease	• Shows mature understanding of subtle, difficult, or intimate aspects of patient's functioning • Demonstrates balance when discussing issues and sophisticated use of external social support	• Superior construction of management plan, including long term impact • Highly developed and discriminating use of investigations • Mature recognition and interpretation of inconsistent results
5 Better than Expected Standard	• Emphasis on appropriate details • Appreciates subtleties • Interprets significant aspects of the history	• Includes important relative negative signs • Appreciates significance of more subtle signs	• Confidently identifies essential problems • Shows maturity in recognising lesser issues	• Shows persistence in exploring subtle psychological issues, or issues that impact on the patient or family	• Proposes appropriate management plan with good understanding of social impact lifestyle and psychological aspects of disease • Good use of discriminating investigations • Accurate interpretation of results
4 Expected Standard	• Complete and accurate history • Minimal need to clarify details • Timely and well structured • Some interpretation	• Correctly identifies all important physical signs	• Identifies all key problems • Arranges problems in order of priority	• Understands patient's physical and psychological functioning in relation to disease • Appreciates impact of treatment and prognosis on patient and family	• Proposes an appropriate management plan for the major issues • Provides a sensible, balanced approach to investigations • Interprets investigations appropriately • Recognises important side effects of proposed treatment
3 Below Expected Standard	• Poorly organised • Omission of some key issues • Need to clarify important details	• Omission and/or incorrect reporting of some important signs	• Problems poorly prioritised • Significant problems undervalued	• Fails to recognise some important aspects of the disease on patient or family • Misses some aspects affecting functioning or reaction to illness	• Some errors in arranging a management plan • Erratic and non-discriminatory use of investigations • Errors in the interpretation of tests • Lacking some appreciation of complications of treatment
2 Well Below Expected Standard	• Omission of many key points • Inaccuracies or lack of detail • Repetitive, poorly structured • Historical details not clarified	• Many significant signs not recognised	• Poor understanding of significant problems • Requires substantial prompting	• Poor understanding of the impact of disease on patient and family • Shows little concern about psychological aspects	• Inappropriate or poorly directed management plan • Poor understanding of useful investigations • Inability to interpret investigations • Major inability to appreciate side effects of treatment
1 Very Poor Performance	• No clear structure • Focused only on single problem • Minimal detail	• Minimal attention to detail with the examination	• Most key management issues unidentified • No attempt to establish priority	• Impact of disease not explored at all, or unable to be discussed	• Poorly directed management plan without consideration of major issues • Very poor ordering of investigations without consideration of expense or potential complications • No attempt to interpret investigations • No understanding of side effects of treatment
EPA	EPA 1, EPA2	EPA 1	EPA 1	EPA 1, EPA2	EPA 1, EPA4, EPA 6
Competencies	Medical expertise, communication, (cultural competence)	Medical expertise	Medical expertise, judgement and decision making	Medical expertise, communication, ethics and professional behaviour, judgement and decision making, (cultural competence)	Medical expertise, communication, ethics and professional behaviour, judgement and decision making

NOTE: In coming to an overall assessment score, not all domains will be equally weighted or always applicable due to variability of patient cases

Version 1.4 ● 7 December 2018

Our new marking rubic for the Clinical exam

Getting more Fellows involved

In 2018 we also sought expressions of interest from Fellows who wish to be involved in writing and reviewing exam questions and launched a training program for exam item writers and reviewers.

More than 90 College Fellows are now involved in the early stages of the program.

Making exam marking CLEARer

A new scoring system for our clinical exams was piloted and evaluated in 2018.

The Clinical Exam Assessment Review – or CLEAR – is a more transparent rubric for assessing trainee performance in a clinical environment and is available for all trainees and educators to look at so they are aware of how scoring is undertaken ahead of its use to assess the 2019 Clinical exam.

During the 2018 pilot, 880 Clinical exam candidates were scored using both the traditional and the CLEAR system, with the results analysed by a working group chaired by our College Censor, Professor Tim Wilkinson.

I

Increase in trainees sitting RACP exams

	2008	2010	2012	2014	2016	2018
Written Exam	918	1056	1094	1143	1195	1185
Clinical Exam	809	910	1021	1101	1087	1307

Supporting our trainees

- Seven Advanced Training Forums
- 43 Basic Training Orientation Forums
- Four New Fellows' Forums
- Seven regional training events
- Seven trainee research awards events

"Inspiring talks, reminding me of the reasons I got into medicine for my passions. Also gave me direction as to how I can improve my skills as a doctor, and be a happy and healthy one too."

NZ trainee

86

trainees took part in our New Zealand Trainees' Day in Queenstown in April

Supervisor training

Supervisors continue to participate in our three online Supervisor Professional Development workshops.

These courses address several important skills for supervisors, including giving feedback, teaching on the run, and supporting trainees in difficulty.

The courses use trigger videos to prompt ongoing discussion between supervisors over five weeks. Over 95 per cent of participants who start a video watch until the end, and of those 95 per cent go on to participate in an online discussion.

- 120 face to face workshops

RACP Trainee of the Year
Dr Daryl Cheng

RACP Mentor of the Year
Associate Professor
Apo Demirkol, FRACP

Celebrating our overseas trained physicians

- More than 150 overseas trained physicians were assessed by the College in Australia and New Zealand.
- 80 overseas trained physicians completed their assessments and became Fellows of the College.
- Applications were received by more than 32 countries, with the largest number of applicants again coming from the UK, Ireland, India and the US.

Peace Aviation Pilot Howard Veal, Dr Sunday Pam, Medical students Greg Barlow and Jed Madden and Paediatric Trainee Registrar Dr Nick Hill

Dr Sunday Pam and UQ Rural Clinical School student Dr Callum Weeks

From OTP to FIFO

Dr Sunday Pam completed the Overseas Trained Physician Pathway after arriving in Australia from Nigeria.

The Rockhampton based paediatrician now leads a fly-in fly-out team of paediatric trainees and medical students on monthly visits to the small Aboriginal community of Woorabinda in Central Queensland.

The outreach service partners with local health providers to provide health care to children in local Aboriginal communities and remote farmers who cannot easily get to Rockhampton.

He says it's also a unique opportunity to expose medical students to the healthcare issues facing patients in remote parts of Australia.

As well as providing paediatric services at Rockhampton Hospital, Dr Pam runs Rockhampton's Indigenous Paediatric Clinic and is a Senior Lecturer and Academic Lead at the University of Queensland's Rural Clinical School. He is a member of the RACP Queensland Regional Committee.

"We use the clinic as a platform to train medical students, we always go with them, as well as trainee paediatricians. Everybody gains an understanding of what working remotely is."

Dr Sunday Pam, FRACP

Physician learning any time, anywhere

Many trainees juggle family life, medical practice and training. In 2018 the RACP continued to produce more high-quality online resources to give more flexibility to our members about when they learn, how they learn and where they learn.

"In 2018 our e-learning series continues to grow; our podcast channel won its first industry prize; and we began and completed the huge task of re recording and uploading the full college lecture series"

RACP Dean, Richard Doherty

The new College Lecture Series

In 2018 we launched the new, free online College Lecture Series.

The series follows overwhelming demand from members to build on the popular lecture series developed over many years as part of the RACP's Victorian Physician Education Program.

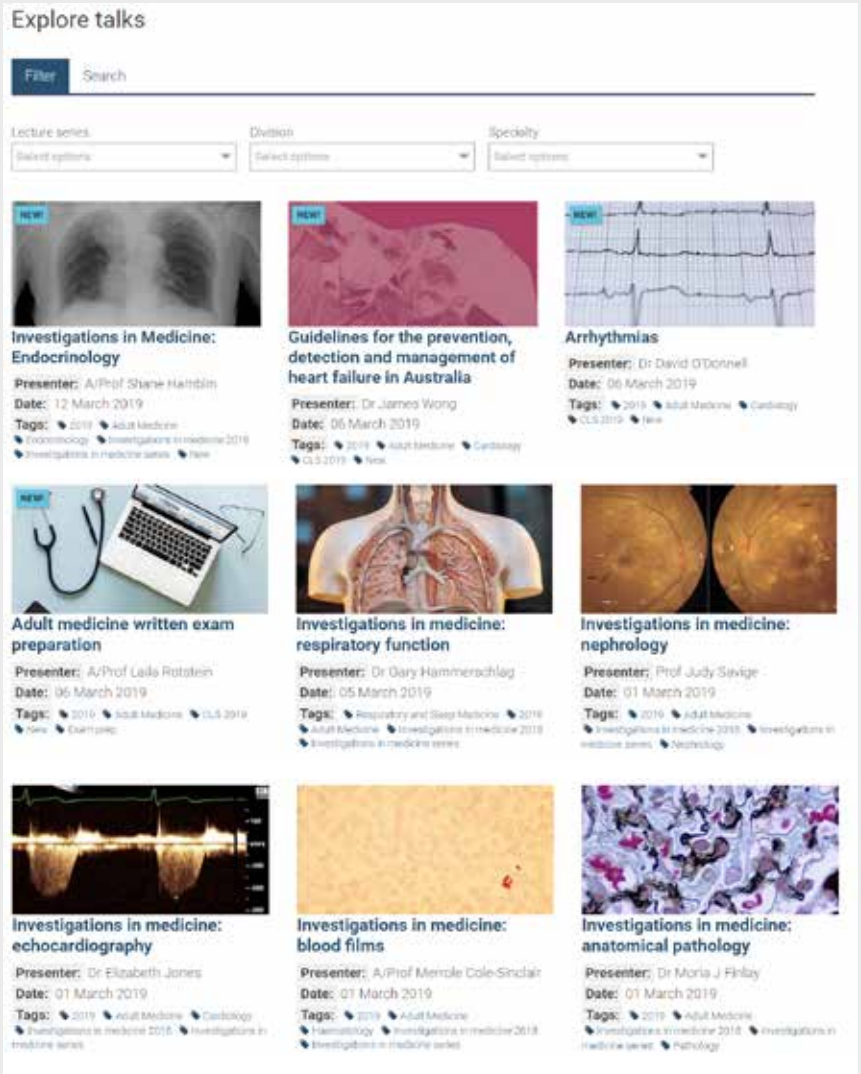
The new Adult Medicine lecture series is free for all members to access at any time via a new digital platform developed to host the series.

We've reformatted the lectures, added new ones and re-recorded the complete series, which will be continuously updated.

The series already has more than 3,300 subscribers who can use the resource for revision whenever they need it.

In 2019 we will begin replicating the lecture series for our paediatric program.

- 200+ lectures available
- 3,300+ new subscribers in 2018



A selection of lectures available in our online College Lecture Series

The Pomegranate Health channel

The audience for our online podcast channel Pomegranate Health increased by 50 per cent in 2018, with over half a million downloads of more than 40 episodes.

Pomegranate Health presents compelling stories about medicine and society, presented by clinicians, researchers and advocates, developed with the guidance of RACP members.

In May the success and quality of the channel, featuring new podcasts each month delivered by doctors on a huge variety of issues, saw it win the Career and Industry category at the Australian Podcast Awards – the premier industry prize.

500,000
Downloads of over
40
Pomegranate Podcasts

15 new podcasts in 2018, including episodes on

- Preventing breakdowns in communication between physicians and patients
- Ethical dilemmas faced by physicians
- Delivering health care to New Zealand's Māori and Pacific Islander people
- Managing autism in the Emergency Department.

In 2019 more members will be recruited to a podcast editorial group.

eLearning@RACP in 2018

- 4408 new course enrolments in 2018, excluding College Lecture Series
- 545,498 page views July 2017–June 2018)Top 5 eLearning resources

1. Pain Management
2. Research Projects
3. Overseas Trained Physicians e-Resource
4. Practical Skills for Supervisors
5. Physician self-care and wellbeing

Dr Angela Graves, FRACP,
General & Acute Care Medicine/ Nephrology
specialist, Rockingham General Hospital (WA)

Goal 3

Career & Workforce

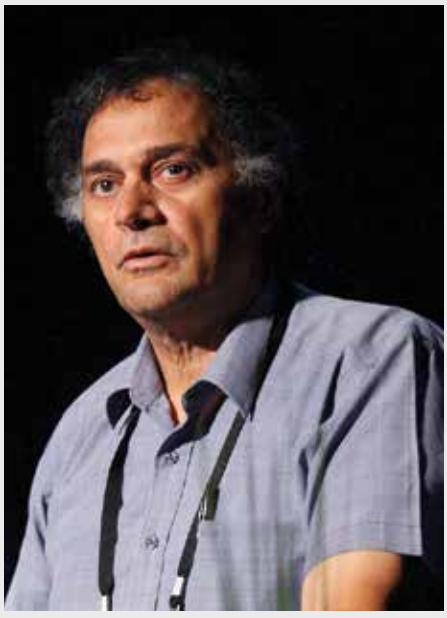
We will improve our understanding of the physician workforce

58

Countries in which members practise

"To make real, long-term gains in Indigenous health, the health system needs to recognise the highly skilled leadership of Aboriginal and Torres Strait Islander people who are best placed to mobilise action and build the platform for change. The RACP's focus is on improving access to medical specialists for Indigenous people, and we have great examples of where this is being done innovatively and effectively. We need to train more Indigenous physicians and paediatricians."

Professor Noel Hayman, FAFPHM,
Clinical Director, Inala Indigenous Health Service, Brisbane,
Chair, RACP Aboriginal and Torres Strait Islander Health Committee (ATSIHC)



Improving Indigenous representation in our health system

RACP recognises the evidence that the health and wellbeing of Indigenous people in Australia and New Zealand has been adversely impacted as a result of colonisation.

In 2018 the College rolled out our new Indigenous Strategic Framework, which aims to increase the numbers of Aboriginal and Torres Strait Islander, Māori, and Pasifika people in our physician workforce and close the gap in Indigenous health.

The Indigenous Strategic Framework 2018–2028 was developed by RACP's Aboriginal and Torres Strait Islander and Māori Health Committees, approved by the College Board in 2017 and released in early 2018.

Over the past 12 months we have focused on integrating the framework within all College policies and programs.

It is a roadmap for helping the College address five priorities that shape a college, physician workforce and health system that values and encompasses Indigenous perspectives on health and wellbeing.

The five priorities

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

To reach parity between population and Indigenous medical workforce

- three per cent of Australian doctors would be Aboriginal or Torres Straight Islander
- 15.5 per cent of New Zealand doctors would be Māori.

We recognise the disparity in opportunity and the non-indigenous privilege that exists in our countries. We see one result of this in the low numbers of Indigenous doctors in our health system. The RACP has a core responsibility to work to grow the Indigenous Physician workforce."

RACP Indigenous Strategic Framework

Respecting Māori culture

Te Tiriti O Waitangi: acknowledging the Treaty of Waitangi

In keeping with our Indigenous Framework, RACP has officially written acknowledgement of the Treaty of Waitangi into the by-laws of our New Zealand based committees.

In 2018 Committees incorporated tikanga Māori protocols into their meetings including opening with a karakia (prayer) and whakawhanaunatanga (relationship building).

The New Zealand President's ceremonial robe now incorporates a stole featuring a stylised spiral koru design. The koru symbolises creation, growth and connection between the past and present.

Target

100%

staff cultural competency training by the end of 2019

2018 RACP President's Indigenous Congress Prize

Aspiring to support older Māoris through Nga Whaiga o te Tiaki

The 2018 RACP President's Indigenous Congress Prize was awarded to Dr Kiri Diack, a Māori Basic Trainee working at Southland Hospital in Invercargill.

Dr Diack started exploring her Māori roots as a teenager when she connected with her tribe Ngai Tahu.

Her grandmother's battle with breast cancer and type 1 diabetes and her own experiences as a diabetic spurred her to become a doctor.

She aims to become a compassionate geriatric clinician, focusing on the health of older people in the Māori population.

Dr Diack is establishing a pilot for a new model of care that aims to introduce the Māori based goals of care (Nga Whainga o te Tiaki) which incorporate a patient's physical, psychological, spiritual and social wellbeing into their care.

She hopes that the integration of a Māori model of care with the current medical model will increase engagement of Māori patients and empower them as equal partners in their health journey.

Closing the gap in specialist access

Aboriginal and Torres Strait Islander people access specialist medical services 40 per cent less than non-Indigenous Australians.

To help close this gap, a new resource that promotes and supports equitable access for Indigenous people in Australia was unveiled at the RACP Congress in May.

The Medical Specialist Access Framework was developed by the ATSIHC for stakeholders in the health sector.

Gaining cultural competency

In 2018 RACP College staff undertook cultural competency training to better understand the experience and expectations of Aboriginal, Torres Strait Islander, Māori and Pacifika peoples.

Fifty per cent of College staff participated, and this will continue in 2019.

Indigenous Health Scholarships

RACP's Indigenous Health Scholarship program supports medical graduates of Aboriginal, Torres Strait Islander and Māori heritage to become specialists.

- two Indigenous Health Scholarships in 2018
- 12 Indigenous Health Scholarships since 2015

A Wiradjuri woman's story

Dr Melissa Carroll graduated from nursing in 2001 and, after many roles in different cities, started the Basic Physician Training program in 2018.

As a medical graduate she tutored Aboriginal and Torres Straight Islander medical and nursing students and worked with the University of Queensland School of Medicine to solidify Indigenous representation on the UQ's Medical Society and Rural Health Club.

As a Board member of the Australian Indigenous Doctors Association (AIDA) she said it's vital that medical colleges like RACP genuinely commit to improving pathways if we are to achieve population parity of Indigenous people in the medical workforce.

It's also up to health services and hospitals to provide more training opportunities for Indigenous doctors, especially in large metropolitan training hospital programs.

"When I was 16, I began caring for my nan and pop, who were both living with chronic disease. Coming from humble beginnings I have learnt to appreciate the importance of culture, history and lived experience, and the role this has had on me and the people I care for."

Dr Melissa Carroll
RACP trainee and AIDA Board member

Seeking the gold standard in workforce data

In 2018 the medical workforce is significantly larger than it was in 1938 when the College was founded, and it is continuing to grow. At the same time small system changes can have long reaching impacts and today's physicians work across different roles and workplaces.

The RACP is leading the way in understanding our physician workforce and its future needs through the longitudinal study of the medical workforce.

The data will allow our College to make better decisions about the needs of our members and help health systems and educators fully understand physician workforce trends.

The first data set was collected in 2018 through our College's online member portal MyRACP, asking our 25,000 members to complete a workplace profile outlining information about their workplaces, roles and work hours.

The College aims to build the database to:

- be able to respond to stakeholder needs
- align our policies, programs and services to our member journey
- be the leader and keeper of essential workforce data
- lead the big issue debates such as ageing in our populations and our workforce and growing female participation in the workforce
- achieve equality of services for Māori, Aboriginal and Torres Strait Islander people.

In 2019 the RACP will promote the importance of completing the survey to encourage even higher levels of engagement.

"We aim to be the gold standard in modern medical workforce data"

Brian Freestone, Director, Development

Building our Australian regional workforce

The STP program is a Commonwealth of Australia initiative administered by the RACP that helps fund training posts outside traditional public teaching hospitals.

In 2018 the program continued to deliver value for trainees and much needed specialist care in rural and remote communities across Australia.

In Dubbo, an STP position created by Sydney's Royal Prince Alfred Hospital attracted final year Advanced Trainees in medical oncology. The Advanced Trainees are given hands on experience, such as triaging new patients, chairing weekly meetings and monitoring treatment plans with support and review by RACP Fellows.

At Townsville Hospital, Advanced Trainees take part in paediatric support outreach in surrounding communities, including remote Indigenous communities.

In the Illawarra region, through STP positions in Wollongong and the Shoalhaven, trainees are given the opportunity to work like a consultant, with a safety net of support.

"All the STP trainees who worked at the Shoalhaven hospital have gone on to work as paediatricians in rural and regional centres. This has been great for us in terms of workforce development planning as it has opened the recruitment pool for positions that we might otherwise have trouble filling."

Dr Susie Piper, FRACP, Illawarra Shoalhaven local health district

Dr James Cush, FRACP, General Paediatrics, Royal Darwin Hospital (NT)

The international strategy

Supporting medical training in the Pacific

Our International strategy celebrates the significant contribution individual members have made to global health over the years, by broadening and strengthening our presence with regional organisations crucial to Pacific workforce development.

It was initiated in 2016 when our Board agreed to implement a formal international strategy.

To strengthen our presence in the Pacific and Timor Leste we established connections with key regional organisations through a memorandum of understanding (MOU).

The first MOU was signed with the Fiji National University (FNU) in January 2018.

This MOU linked the significant contribution our members can make to the Master of Medicine program through curricula renewal, academic capacity building and continuing professional development.

The FNU Master of Medicine program is one of two regional postgraduate training programs that responds to the workforce requirements of the Pacific and Timor Leste.

The second MOU was signed in September 2018 with the principal scientific and technical organisation in the Pacific region, the Pacific Community, commonly known as SPC.

Through this MOU we will focus on public health and support the training of multidisciplinary teams, including nurse specialists, as well as allied health training.

Several key projects were delivered in 2018 to begin the implementation of the heads of agreement under the MOUs:

Paediatrics:

- an important review of the FNU paediatric curricula in June 2018 by the RACP Dean. This review resulted in a renewal of the paediatric curricula which was successfully submitted to the FNU Senate in 2018.
- a locum clinical teaching role at Lautoka Hospital which was filled by two Australian paediatricians.
- an Expression of Interest call to health educators to support the transition of the FNU paediatric curriculum. Sixteen paediatricians from Australia responded and will be progressively involved in the paediatric curricula delivery over the coming years.

Cardiology:

- an expression of interest for a health educator to assist with the review of the cardiology offering at FNU was made at the end of 2018.

We were also engaged in the delivery of "in-country" projects through the Pacific Island Program, funded by the Department of Foreign Affairs and Trade.

The first was a medical oncology and palliative medicine scoping project undertaken in Samoa in May 2018.

The second project was undertaken in September 2018 in the Solomon Islands, in Melanesia, where a multidisciplinary medical oncology team from Canberra Hospital trained a local team in chemotherapy protocols.

As an outcome from these projects, we have been asked to present a concept paper on a regional framework for Pacific Palliative Services. Work is underway on this with key palliative physicians involved in the design and presentation of the proposed framework.

Career long physician learning

“For many decades the well-worn path for a pacific clinician’s training has been to come to Australia or New Zealand. While this will continue we are hoping to assist the further development of specialist education in their home countries.

The RACP is focused on listening to and understanding the needs of our neighbours, rather than telling them what they need.”

RACP President, Associate Professor Mark Lane

“‘You’re taught more than you can teach’ is a saying I live by and in this case, I think it sums up why many RACP Fellows are supportive of the MoU with FNU.”

Dr Kimberly Oman, FRACP, RACP Pacific Working Group

Continuing Professional Development

The RACP is committed to ensuring our training and our physician knowledge remain relevant thoughout a physician’s whole career.

In 2018 we significantly strengthened our Continuing Professional Development (CPD) program for College Fellows.

The changes reflect the requirements of both the Medical Council of New Zealand and the Professional Performance Framework released by the Medical Board of Australia in 2017.

The new MyCPD framework supports Fellows to complete CPD that is evidence based, focused on improving their medical practice, and requires their performance to be reviewed, either by themselves or their peers.

As part of the changes, we’ve reduced the number of CPD categories from five to three: education activities, reviewing performance and measuring outcomes. In future, the RACP's CPD requirements will move from credits to an hours-based measurement with Fellows required to undertake at least 50 hours of CPD a year in line with the Medical Board of Australia's implementation of the Professional Practice Framework.

By 2021, Fellows will be required to undertake at least 50 hours of CPD a year.

In 2018 RACP:

- Improved the online MyCPD portal so it can be tablet and smart phone friendly
- Introduced a new Multi-Source feedback tool that allows Fellows to receive feedback from peers and patients
- Improved the MyCPD helpdesk
- Released a two-part podcast series on our new Continuing Professional Development (CPD) Framework for RACP Fellows
- Recorded a 98.8 per cent completion rate of MyCPD records

At a professional level I want to provide high quality evidence informed care for my patients, so I need to stay up to date. At a personal level one of the reasons I was attracted to medicine was the clear opportunity for lifelong learning. Formal mandatory CPD provides and extra trigger to structure efforts at achieving these goals.”

Dr Kathryn Patchett, FRACP

Image left: Dr Colin Tukuitonga, Director-General, South Pacific Community and Associate Professor Mark Lane, President, RACP at the signing of our MoU in Noumea, 10 September.

Goal 4

Research & Leadership

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

Change in support strategy

In 2018 the RACP Foundation made a strategic decision to provide more support for specialists in the middle of their careers who strive for excellence in medical research.

The new direction recognises that, while many people at the beginning and end of their careers undertake research, it is often hard to find the time or momentum to continue this work mid-career.

In 2018 the College also increased our focus on re-establishing the RACP bequest program and energising our fundraising to provide even more resources for our members interested in leading and shaping the research agenda in both Australia and New Zealand

Three new Research Establishment Fellowships and two additional Research Entry Scholarships were introduced with a total value of $240,000.

RACP Foundation scholarships and awards table

Type of Award	Number of Recipients
Research Development	1
Research Entry	10
Research Establishment	20
Career Development	1
Travel Grants	3
Study Grants	5
Indigenous Scholarships	2
International Grants	2
RACP NHMRC top-ups	9
Total	**53**

Division, Faulty and Chapter	Number of Recipients	
	Fellows	trainees
Adult Medicine Division	26	12
Paediatrics and Child Health Division	7	2
Australasian Faculty of Occupational and Environmental Medicine	1	0
Australasian Faculty of Public Health Medicine	2	0
Australasian Faculty of Rehabilitation Medicine	4	0
Australasian Chapter of Sexual Health Medicine	0	1
Total	**40**	**15**

Country	Fellows	Trainees
Australia	35	15
New Zealand	1	1
Overseas	1	0

2065 - the number of Fellows and trainees who donated to the Foundation in 2018

$282,436 the total amount they donated

$420,000 the amount that external donors contributed to the Foundation in 2018

Emily Blyth, Westmead Research Institute

Dr Peter Psaltis

Dr Peter Psaltis, FRACP

Leading the fight against heart attack and stroke

The RACP Fellows Career Development Fellowship recipient, Dr Peter Psaltis is an academic and interventional cardiologist, who is Deputy Leader of the Hearth Heart Health Theme and Co-Director of the Vascular Research Centre, South Australian Health and Medical Research Institute.

Dr Psaltis is using his $100,000 award to continue his research into the role of adventitial macrophage progenitor cells (AMPCs) in atherosclerosis – one of the leading causes of stroke and heart attack.

The funding is allowing Dr Psaltis to support the next phase of his group's research.

"The RACP Fellowship that I was fortunate enough to receive is being used to establish a human vascular bio bank at the South Australian Health and Medical Research Institute, in collaboration with the Vascular and Cardiothoracic Surgical Units at the Royal Adelaide Hospital," Dr Psaltis said.

"This will allow my group to translate discoveries that we have made in preclinical studies of vascular biology and atherosclerosis in the context of human health and disease."

"We have previously identified a unique population of macrophage progenitor cells present in the vasculature of mice, and will now be able to study the role of these cells in human atherosclerosis."

Dr Peter Psaltis

Dr Angela Dos Santos

Dr Angela Dos Santos.

Investigating stroke risk in Indigenous Australians

The College Indigenous Health Scholarship recipient Dr Angela Dos Santos is researching stroke risk factors among Indigenous Australians.

The Advanced Trainee in Neurology conducted her first study in the area during a term at the Wagga Referral Hospital in 2017.

“There are many articles that address stroke and stroke risk factors, potentially hundreds. But in my literature review the articles that correctly address all the potential factors did not identify Indigenous Australians,” Dr Dos Santos said.

“We know the commonest cause of stroke in non-Indigenous Australians is age, so if Indigenous Australians die 10 years younger than non-Indigenous people then surely this statement cannot be true for Indigenous Australians.

“Correctly identifying the common risk factors and potentially instituting medical interventions to prevent or cure this factor would curb the Indigenous stroke risk.”

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Dr Michelle Scoullar

Dr Michelle Scoullar, FRACP

Image Lynton Crabb

Newborn health in Papua New Guinea

Assisted by a scholarship through the RACP Foundation, Melbourne's RACP Fellow and paediatrician Dr Michelle Scoullar is working to address the high rate of maternal and newborn deaths in Papua New Guinea.

Around 1,500 women die from pregnancy or childbirth in PNG every year, and more than 500 babies die in their first year of life.

A senior researcher at Burnet, Dr Scoullar has lived and worked in PNG and has seen first hand how difficult it can be to improve a system that is so complex.

The scholarship is made available by a bequest from noted Australian philanthropist the late Sir Adolph Basser OBE.

Dr Simon Crouch

Dr Simon Crouch, FRACP

Managing infectious diseases globally

New global research being undertaken by RACP Fellow Dr Simon Crouch is examining how countries manage emerging infectious diseases such as Middle East respiratory syndrome.

Dr Crouch will travel to the US in July for a four-month placement at the Centre for Disease Control and Prevention (CDC) – a world leader in developing policies and guidance around communicable disease threats.

Dr Crouch said the Robert and Elizabeth Albert Travel Grant from the RACP Foundation "demonstrates the importance of the project and helps colleagues at the CDC see that this work is supported by one of Australia's leading medical colleges."

"The time I spend at the CDS reflecting on how we currently prepare for emerging infectious diseases and learning from their experiences will further strengthen our response, protecting the health of Australians"

Dr Simon Crouch

Goal 5

Advocacy and Influence

We advocate for better communities

We had many high profile successes in advocating for better health and policy outcomes in our communities during 2018, demonstrating the high regard in which the RACP is held for its expertise in both policy and health delivery.

"During 2018 members of the College ensured their voices were heard loudly and clearly in the corridors of power on the key health issues of the day - particularly in advocating for the most vulnerable. "

Patrick Tobin,
Director, Policy & Advocacy

In the last 12 months College members:

- influenced decisions to ensure very sick refugee and asylum seeker children on Nauru were able to access appropriate medical assessment and treatment in Australia
- led advocacy on addressing the deadly impact on stone masons of cutting artificial stone kitchen bench tops
- ensured opioids can no longer be sold without a prescription in pharmacies
- were instrumental in halting the Australian Government's proposal to drug test as many as 5,000 Australian welfare recipients
- united with doctors, lawyers and other experts to raise the age of criminal responsibility in Queensland to 14.

RACP Fellows also continued to develop and refine our lists of low quality care clinical practices which will be prioritised for reduction through our Evolve program, and launched significant policies in areas of some of the biggest health issues our communities currently face.

Making an impact

Collaborating to stop silicosis

After 22 accelerated silicosis cases were detected in stone bench-top workers in Queensland in just three weeks, our AFOEM members worked with the Thoracic Society of Australia and New Zealand to advocate for urgent action from all levels of government and issued a national alert to all RACP members.

Over two weeks RACP members worked behind the scenes to brief the Chief Medical Officer, Minister's Office and other stakeholders and secure national television coverage of the issue on the ABC's 7.30.

As a result the Minister raised the issue at the COAG Health Council just two days after the issue went public – a very rare occurrence.

Following that meeting Federal Health Minister Greg Hunt announced work would begin on creating a new national dust disease register and Safework Australia would be asked to review silica dust exposure standards.

In 2019 the RACP will continue to repeat its calls for an immediate end to dry cutting techniques until safety standards have been thoroughly reviewed and a national program of respiratory health assessments for all people who have worked in the industry is implemented.

Advocacy achievements

10 million people
Peak online audience reached through media activity

8 major issues

3 election statements

70
Media releases issued per year, on average

235 submissions

4 new Evolve lists

Fighting for equity in child health

On 15 August the RACP's most senior paediatricians travelled to Canberra and succeeded in persuading the Australian Government to fund a long-term action plan for Australian children's health and the first 1000 days of a child's life.

The RACP's Forum brought together parliamentarians, chief paediatricians and the heads of key medical organisations to put the spotlight on child health.

Part of our ongoing Child Health Advocacy Strategy, it was our biggest, most successful event of its kind, with widespread coverage in national news media of paediatricians calling for more equitable access to paediatric care through needs-based funding.

Both the Australian Health Minister and Shadow Health Minister spoke at the event, with Minister Hunt announcing the Federal Government will fund the development of a long-term national action plan for Australian children's health from 2020 to 2030.

Senior paediatricians continued to attend private meetings with Ministers and MPs following the event and will host a round table at the RACP in 2019.

Australian Health Minister, Greg Hunt

"Increasingly, wealth is determining health for Australian children despite our relatively robust overall healthcare system"

Sue Woolfenden and Sharon Goldfield, RACP Child Health Equity Working group

#MakeItTheNorm

As part of the landmark #MakeItTheNorm campaign launched in 2017, RACP members in New Zealand spoke out after the 2018 report from the Child Poverty Monitor showed that one in five children are suffering from unacceptable levels of hardship and deprivation.

The #MakeItTheNorm campaign called for healthy housing, whānau and good work to become the norm in New Zealand.

Raising the alarm on codeine

RACP was instrumental in supporting the Therapeutic Goods Association's decision on the upsheduling of codeine.

We brought together a coalition of medical and consumer organisations to counter attempts by the Pharmacy Guild to reinstate the provision of codeine without prescription.

"The change has widespread support from the medical sector, including the Royal Australasian College of Physicians and consumer groups."

Australian Health Minister, Greg Hunt

Speaking out for refugees

#kidsoffnauru
#doctorsforasylumseekers

Throughout 2018 the RACP joined the public advocacy campaign to call for the urgent transfer of refugee and asylum seeker children who needed specialist medical treatment from offshore detention on Nauru to Australia for appropriate care.

Paediatricians represented RACP in Canberra, meeting with key MPs, and speaking widely to national Australian media outlets such as The Project and Radio National.

The College also provided advocacy kits for all members to directly contact their local MPs, share the campaign on social media and advocate on behalf of children being held in offshore detention.

On 31 October, the Australian Government announced that all refugee and asylum seeker children would be off Nauru by the end of 2019.

The RACP continues to advocate for the health of all refugees and asylum seekers in Nauru and Manus Island.

"There is a medical crisis in offshore detention. I witnessed it myself when I treated children on Nauru four years ago. But it is a crisis that is entirely preventable. The government can act to end it.

Professor David Isaacs, FRACP,
Sydney Morning Herald,
30 November

Shaping health policy

RACP policies launched in 2018:

- Voluntary Assisted Dying statement
- Integrated care discussion paper
- E-cigarettes policy
- Obesity evidence review and position statement
- Inequities in child health position statement
- Medical specialist access framework
- AFRM statement on integrated care
- MJA perspective on medical cannabis
- Guidelines for ethical relationships between practitioners and industry
- Aboriginal and Torres Strait Islander Health position statement

A plan to tackle obesity

In May New Zealand members defined the RACP's whole of College position on obesity, which acknowledges the impact of food advertising on a person's health.

Through the position statement the RACP called for:

- a comprehensive national obesity prevention strategy
- an effective tax on sugar-sweetened beverages to reduce consumption – using the revenue to fund initiatives that encourage healthy diets and physical activity
- restriction on marketing unhealthy foods and beverages to children and young people
- revisions to the Health Star Rating nutrient profiling algorithm to give stronger weight to sugar content and making it mandatory by 2019
- more equitable access to weight-loss surgery for patients with severe obesity.

Delivering high-quality care through Evolve

- 4 new Top 5 Evolve lists released in 2018
- 22 in total
- 80 per cent of specialty groups engaged

In 2018 Evolve lists were finalised by the:

1. Australian Rheumatology Association
2. Australia and New Zealand Child Neurology
3. New Zealand Rheumatology Association
4. Thoracic Society of Australia – Paediatrics

Led by physicians, Evolve aims to drive high-value high-quality care across Australia and New Zealand.

Evolve identifies a specialty's top-five clinical practices that in particular circumstances may be overused, over-prescribed, have little or no use or cause unnecessary harm.

Throughout 2018 Evolve hosted promotional booths and presented at eight different medical industry events.

RACP in social media

The RACP's social media audiences continued to grow strongly over the 12 months to December 2018.

Followers

Facebook: 4,343	↑	**106** per cent increase
Twitter: 5,743		**34.3** per cent increase
LinkedIn: 4,064		**29.2** per cent increase
Instagram: 1,564		**100** per cent increase

Making an election statement

RACP election statements in 2018

- South Australia
- Tasmania
- Victoria

In 2019 the RACP will be releasing statements ahead of the Federal election and the March election in NSW.

Goal 6

Effective and Sustainable

We will be an effective and modern college

The RACP underwent considerable change in 2018, with a newly elected, smaller Board, a new interim CEO and the finalisation of a new three year strategic plan to take us from 2019 to 2021.

College staff focused on implementing IT upgrades; extending our health and wellbeing programs to Members and staff; modernising College facilities and ensuring the College structures provide the modern, effective and sustainable College the RACP must be to educate future generations of physicians for another 80 years.

"Over the past 12 months RACP has concentrated on improving the fundamentals that underpin a modern, effective and sustainable college."

RACP Director, Operations, Dr Kate More

In 2018 the RACP

- created a new Operations Directorate to be more member-centric and increase efficiency by bringing shared services under a single directorate
- undertook significant upgrades to the back end of our IT infrastructure to simplify our network, upgrade data security and make it more efficient and easier to use
- rolled out a new Intranet to improve internal communication and introduced new WiFi points for members
- undertook facility upgrades, including decommissioning 52 Phillip Street, improving 145 Terrace, opening two new meeting rooms in our Macquarie Street building and opening GMT – moves that provide better outcomes for members and save RACP funds
- opened new breastfeeding facilities for the use of staff and members across our network of offices.

Helping our staff deliver better member service

Even though we are a member-based not-for-profit, we procure and administer many large and medium sized, multi-year national and international projects and services for our members.

During 2018 we built further staff competence in project management, and continuous process improvement. Following the Ferrier Hodgson examination failure report, we adopted all of its recommendations to strengthen procurement and vendor management.

By encouraging our staff to work across business unit boundaries, we ultimately improve member service and efficient use of member funds.

During the year we brought together shared services used by all College staff into a new Operations Directorate encompassing HR, Marketing and Communications, IT, Strategic Coordination, Risk, Events, Digital Products and Consumer Engagement.

This change builds capability, allows staff to work more efficiently and collaboratively, and results in more integrated, consistent and valuable services to Fellows and trainees.

Laying the foundations for better member IT

During the year our Board approved the organisation's first IT strategy.

The strategy provides for foundation systems that deliver more robust, reliable and secure IT services. Secure, stable and future proof systems will be critical as trainees and Fellows increasingly need mobile education, learning and assessment, and professional development tools that are easy and cost effective to use.

A new General Manager of IT was appointed during 2018 to drive implementation of this strategy.

To improve our support of member meetings and events, we upgraded the College IT network and WiFi points, deployed our Zoom videoconferencing system, transitioned many legacy software applications to Cloud based services and rolled out Office 365.

During the year planning also started for the 2019 rollout of a Human Resources Information System to capture and manage daily human resource activities like learning management, leave management, WHS and onboarding.

Our three year strategic plan

The RACP's 2019–2021 Strategic Plan was developed in 2018, setting out how our College will remain relevant and evolve over the next three years.

The College needs to keep pace with rapid advances in medical knowledge and shifts in disease patterns and technology, as well as meet growing demand for training and changing regulatory requirements in medical training.

Our members are also demanding more from their College.

As part of our Strategic Plan, the RACP is investing new ways of supporting the College and diversifying our income. In an increasingly competitive tertiary sector we need to consider ways our vast education resources may generate commercial returns. For example, our many eLearning and online lecture series contain a wealth of material that is valuable intellectual property.

The Strategic Plan sets out the College's service principles, role, values, strategic goals – and the deliverables in place each year to achieve them.

"...none of the work of the RACP is possible without the enormous contribution of Fellows and trainees to the life and work of the College, and the support of the staff of the College.

We are united in our commitment to ensure a safe, positive, healthy and respectful culture for all people who are involved in College activities, whether they be Fellows, trainees or Staff."

RACP Board Statement of Strategic Intent, July 2018

The right people, with the right skills in the right roles

Our Human Resources function is critical in ensuring we attract and retain people who have the skills and mindset to deliver our Board's long-term strategy for our members. In 2018, we reviewed our Human Resources function and reached consensus on the need for a Head of HR position, to be recruited during 2019.

Ongoing staff training continued during the year, to support the priorities of the College's Indigenous Strategic Framework with a particular emphasis on cultural competence. Twenty five per cent of staff completed these mandatory courses, with the rest scheduled to have completed cultural competence training by the end of 2019.

Getting staff culture right

In line with Ferrier Hodgson report recommendations, in late 2018 we tested staff sentiment and culture in a survey of all 319 professional staff across Australia and New Zealand to identify areas for improvement and change.

Almost 80 per cent of staff responded, with results and the development and implementation of an action plan scheduled for release in early 2019.

Reviewing Governance

During the year we simplified and strengthened the way many College bodies are run.

At Board level, we appointed a Community Director as Honorary Treasurer, and more Community Director appointments will follow in 2019, making use of their broad general governance expertise.

In parallel with moving to a smaller 10 member Board, we increased the use of our representative College Council, improved opportunities for Division, Faculty and Chapter Presidents to meet, shared plans, canvased views and ensured members voices continue to shape our College.

We also streamlined the Governance of external events we host, such as the annual Tri-Nations Alliance event, which brings together Australasian and Canadian colleges to discuss innovation in medical education and professional practiice.

Parental leave

The RACP is committed to continually improving staff retention, and offers parental leave pay in line with government employment practice.

In 2018

- 27 women on parental leave with 17 returning during 2018
- One male took parental leave.
- One resigned
- Nine are due to return in 2019

If an employee has been at the College for two years and they are the primary carer of a child, they are eligible to eight weeks of full pay, or 16 weeks of half pay consistent with NSW government practice.

Upon returning from parental leave, the primary carer is entitled to five days additional leave and a $1000 return to work bonus which is paid over two pay cycles, $500 each pay. This is offered regardless of tenure. Staff have advised this has been an effective incentive for them to return to work at the College.

Taking a career break

The College recognises that employees need to balance their careers with other important life commitments and responsibilities. During such times an employee may seek a longer period away from work than that provided for by traditional leave arrangements.

A career break is a period of unpaid leave (from six months up to a maximum of 12 months) that offers a range of benefits not only to the employee but also to the College. For the College, granting a career break can support retention of valued employees.

The introduction of the career break for staff with continuous service over five years was positively received and was taken up by six employees in 2018.

We will have a better understanding of how the career break has affected retention after another year of the program being in place. Regardless, it has enabled employees to take a break from work, whether to undertake different opportunities, care for family or travel, without having to resign from their role at the College.

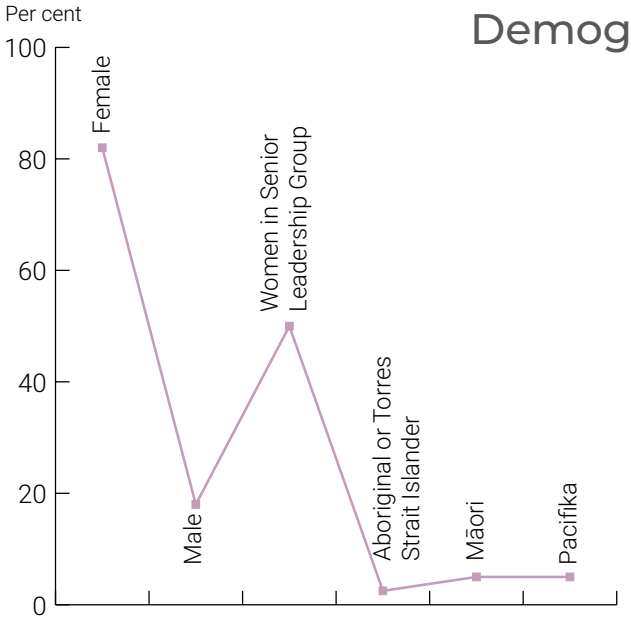
Our staff

The RACP has 319 professional staff across Australia and New Zealand. They are responsible for the day to day operation of the College and support of member committees and college bodies . The College is an incorporated not-for-profit and meets the definition of a medium sized enterprise according to Australian Tax Office guidelines.

Our staff procure and manage a wide range of complex goods and services, manage multiple post-graduate education and continuous professional development programs, and research and develop high-level health policy on behalf of our 25,000 members.

Below are some quick facts about our professional workforce, gleaned from a voluntary anonymous survey in February 2019 answered by 201 respondents.

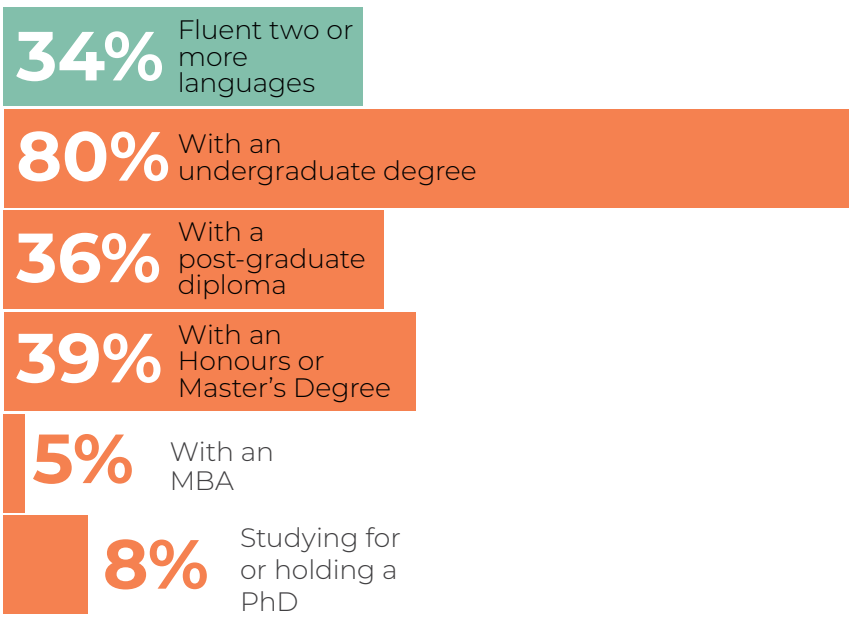
Demographics



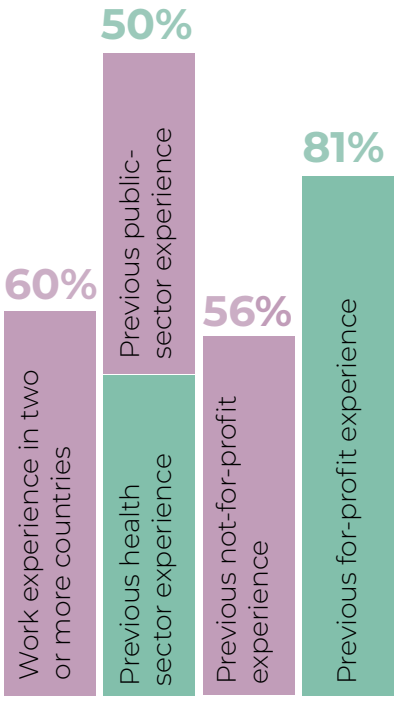
Average age
39 years

Average tenure with RACP
4 years

Qualifications our staff hold



Work experience



Source: Anonymous staff survey February 2019. 201 respondants.

Labelled bottles containing samples - from one of several Homeopathic chests held in the collection.

"Baumanometer" sphygmomanometer known as the Kit Bag model

"Lawson's Bronchitis Mixture for Coughs & Colds". Donated by Bryan Gandevia - his accompanying note reads: "Contained Morphine. I had a patient taking 5 tablets a day in about 1964"

A Primer of Electroencephalography teaching kit circa 1973

Preserving our library's heritage for the 21st century

During 2018 the History of Medicine Library underwent a remediation program to ensure its ongoing sustainability and relevance to members and the community.

The remediation of the collection was the first step in reinvigorating the collection of printed materials, photographs and historical artefacts. The process has revealed several significant items previously unidentified in the catalogue, as well as identifying materials that will need further conservation.

By early 2019 the entire collection will be entered into a new web-based catalogue, covering both the History of Medicine Library and the New Zealand RACP collection held at Ernest and Marion Davis Library at the Auckland Hospital.

An interactive website will also be developed to present online exhibitions to the membership and a wider audience.

04
Financials

Honorary Treasurer's report

Financial strength

The 2018 Financial Report continues to show that the College is in good financial health, reporting a comprehensive income of $1.7 million ($1.2 million 2017)

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

In 2018, the College's Foundation offered $2.7 million in research grants, scholarships and fellowships, and a further $75,000 in prizes for meritorious achievement and excellence.

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

Consolidated result

Income for the year increased from $58.2 million to $61.3 million primarily reflecting increasing numbers of both Fellows and trainees. The College also received revenue from the Commonwealth Government through the administration of Commonwealth funding of the Specialist Training Program throughout Australia. Expenses for the year were in line with the budget approved by the Board.

Appreciation

I am indebted to and appreciative of the work of the Finance and Risk Management Committee (FRMC) during 2018 in overseeing College finances, risk management and both external and internal audits of the College.

I thank my fellow Committee members for their valued service during the year.

I thank the College President, Associate Professor Mark Lane, Dr Stephen Inns (New Zealand), Associate Professor James Ross, Dr Jeff Brown (New Zealand), Mr Adam Malouf, Dr Catherine Yelland, Mr Peter Martin, Professor Lynne Madden, Associate Professor Grant Phelps and Associate Professor Charles Steadman for their substantial contributions as members of the Finance and Risk Management Committee in 2018.

The dedicated support provided by the Finance, Risk Management and Governance staff of the College was much appreciated and ensured a high standard of management of members' funds and governance over the operations of the College.

Mr Tony Tenaglia
Honorary Treasurer

Information on Directors

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

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

Dr Alice Grey		Trainee Physician Director – two-year term from June 2018
	Qualifications	BA (Hons), LLB (Hons), MBBS (Hons)
	Experience	Dr Alice Grey is an Immunology/Allergy Trainee in the RACP's Adult Medicine Division, based at Royal Prince Alfred Hospital in Sydney. She was elected unopposed as the Trainee Director on the RACP Board of Directors and has held the role since May 2018.
	Special responsibilities	College Trainees' Committee (2018–2020), RACP Board (2018–2020)
Professor Paul Komesaroff AM		**Member Director – three-year term from June 2018**
	Qualifications	MBBS, BSc (Hons), PhD, FRACP, AM
	Experience	Professor Paul Komesaroff is a physician, medical researcher and philosopher at Monash University in Melbourne, where he is Professor of Medicine. He is a practising clinician specialising in the field of endocrinology. He is also Executive Director of the international NGO Global Reconciliation.
	Special responsibilities	Ethics Committee (1990–2002), College Policy and Advocacy Committee 2013, CPAC Advisory Committee (2013–2014) College Policy and Advocacy Committee (2016–2018), Adult Medicine Division Council (2016–2020) Adult Medicine Division Executive Committee (2016–2020), Ethics Committee (2016–2018), RACP Board (2016–2018) RACP Board, (2018–2021), Adult Medicine Division President (2018–2021)
Dr Jacqueline Small		**Member Director – three-year term from June 2018**
	Qualifications	MBBS, MPH (Hons), FRACP, GAICD
	Experience	Dr Jacqueline Small is a Senior Developmental Paediatrician at the Disability Specialist Unit, Croydon Health Centre, Sydney and a Clinical Lecturer at the University of Sydney. She has 20 years' experience working in multidisciplinary disability health teams providing care across the lifespan for people with developmental disabilities, clinical care for young children suspected to have a disability, older children with severe and complex conditions associated with their disability, and transition to adult health services.
	Special responsibilities	NSW/ACT Regional Committee (1994–2002), ATC in Community Child Health (2007–2010), NSW/ACT Regional Committee (2007–2008), Chapter of Community Child Health Committee (2010–2013), Paediatrics & Child Health Division Council (2010–2018), Paediatrics & Child Health Division Policy & Advocacy Committee (2012–2018), CPAC Advisory Committee (2012–2014), College Policy and Advocacy Committee (2014–2018), Paediatrics & Child Health Division Executive Committee (2014–2018), Fellowship Committee (2018–2020)
Tony Tenaglia		**Community Director and Honorary Treasurer to May 2021**
	Qualifications	MBA, GAICD
	Experience	Tony joined the College effective 31July, from IAG in Melbourne, and brings extensive experience in leading business and financial services teams within the public, private and tertiary education sectors. He has held senior leadership positions with Australian and New Zealand Intensive Care Society, the Intensive Care Foundation and the Institute for Safety, Compensation and Recovery Research.

The RACP Constitution allows for a further two Community Directors to be appointed to the Board at Directors' discretion.

Corporate Information

ABN 90 270 343 237

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

Associate Professor Mark Lane

Professor John Wilson

Dr Jeff (Philip) Brown

Professor Niki Ellis

Dr Jacqueline Small

Dr Alice Grey

Professor Paul Komesaroff

Mr Tony Tenaglia

Company Secretary

Mr Andrew Horne

Registered office and principal place of business

145 Macquarie Street, Sydney NSW 2000

Auditors

Grant Thornton

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Responsible Entities of The Royal Australasian College of Physicians

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Royal Australasian College of Physicians for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

James Winter
Partner – Audit & Assurance

Melbourne, 1 March 2019

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	NOTE	2018 $	2017 $
General fund			
Revenue			
Subscriptions & other Fellow receipts		22,536,933	20,764,976
Admissions, training & examination fees		30,724,010	29,945,086
Other	3	8,062,988	7,490,144
Total revenue		**61,323,931**	**58,200,206**
Expenditure			
Employee benefits		34,795,467	32,786,117
Travel, accommodation & meetings		6,953,160	7,494,050
Other	4	16,655,691	17,296,614
Total expenditure		**58,404,318**	**57,576,781**
General fund surplus		**2,919,613**	**623,425**
RACP Foundation fund			
Revenue			
Interest & dividend income		1,957,708	2,115,351
Donations from Fellows and other grants		669,236	654,331
Gain on disposal of financial assets		59,129	218,543
Other		300,851	261,373
Total revenue		**2,986,924**	**3,249,598**
Expenditure			
Grants paid or payable		2,258,466	1,992,707
Other		624,221	461,166
Total expenditure		**2,882,687**	**2,453,873**
RACP Foundation fund surplus		**104,237**	**795,725**
Total surplus		**3,023,850**	**1,419,150**

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

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2018

	2018 $	2017 $
Surplus for the year	**3,023,850**	**1,419,150**
Other comprehensive income:		
Net gain/(loss) on revaluation of financial assets	(1,827,736)	838,009
Foreign currency translation gain/(loss)	581,373	(1,054,687)
Total comprehensive income for the year	**1,777,487**	**1,202,472**

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

Statement of Financial Position

As at 31 December 2018

	NOTE	2018 $	2017 $
Assets			
Current assets			
Cash & cash equivalents	5	66,227,129	49,405,376
Trade & other receivables	6	5,662,229	4,568,401
Other current assets	7	1,172,661	1,137,973
Other financial assets	8	6,701,153	11,543,134
Total current assets		**79,763,172**	**66,654,884**
Non-current assests			
Other financial assets	8	85,273,719	76,530,478
Property, plant & equipment	9	6,298,310	5,365,960
Intangibles	10	1,925,894	2,843,797
Other non-current assets	11	1,448,552	1,443,784
Total non-current assets		**94,946,475**	**86,184,019**
Total assets		**174,709,647**	**152,838,903**
Liabilities			
Current liabilities			
Trade & other payables	12	74,391,881	54,498,928
Provisions	13	2,800,924	1,967,629
Total current liabilities		**77,192,805**	**56,466,557**
Non-current liabilities			
Provisions	13	268,038	901,029
Total non-current liabilities		**268,038**	**901,029**
Total liabilities		**77,460,843**	**57,367,586**
Net assets		**97,248,804**	**95,471,317**
Funds			
General funds	17	48,806,540	45,886,927
RACP Foundation funds	17	45,216,638	45,112,401
Reserves	17	3,225,626	4,471,989
Total Funds		**97,248,804**	**95,471,317**

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

Statement of Changes in Funds

For the year ended 31 December 2018

	2018 $	2017 $
General and Foundation funds		
Balance, 1 January	90,999,328	89,580,178
General fund surplus	2,919,613	623,425
RACP Foundation fund surplus	104,237	795,725
Balance, 31 December	**94,023,178**	**90,999,328**
Fair value through other comprehensive income reserve		
Balance, 1 January	3,107,843	2,269,834
Other comprehensive income	(1,827,736)	838,009
Balance, 31 December	**1,280,107**	**3,107,843**
Foreign currency translation reserve		
Balance, 1 January	1,364,146	2,418,833
Foreign currency translation gain/(loss)	581,373	(1,054,687)
Balance, 31 December	**1,945,519**	**1,364,146**
Total Funds	**97,248,804**	**95,471,317**

Statement of Cash Flows

For the year ended 31 December 2018

	NOTE	2018 $	2017 $
Cash flow from operating activities			
Cash receipts from training fees, memberships and operations		55,463,794	54,087,055
Cash payments applied in operations		(57,058,670)	(56,298,779)
Payments to Specialist Training Program posts		(51,367,606)	(24,249,019)
Proceeds from Government for Specialist Training Program posts		73,138,267	52,921,187
Interest received		186,540	221,047
Proceeds from Government grants		268,670	460,249
Net cash provided by operating activities	**14**	**20,630,995**	**27,141,740**
Cash flow from investing activities			
Payments for property, plant and equipment		(2,249,542)	(741,459)
Payments for investments		(4,176,300)	(70,201)
Proceeds from disposal of property, plant and equipment		(66,888)	-
Proceeds from investments		2,269,620	2,284,375
Net cash from (used in) investing activities		**(4,223,110)**	**1,472,715**
Net increase in Cash & cash equivalents		16,407,886	28,614,455
Cash & cash equivalents at the beginning of the year		49,405,376	21,012,850
Effects of exchange rate fluctuations on the balance of cash held in denominated foreign currencies		413,867	(221,929)
Cash & cash equivalents at the end of the year	**5**	**66,227,129**	**49,405,376**

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

Notes to the Financial Statements

For the year ended 31 December 2018

1. Corporate information

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

The financial report of the College for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors (Responsible Entities) on 1 March 2019.

2. Statement of accounting policies for the year ended 31 December 2018

a. Basis of preparation

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

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

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

b. Significant accounting judgments, estimates and assumptions

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

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

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

Significant accounting judgments

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

Significant accounting estimates and assumptions

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

Provisions for employee benefits

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

c. Revenue

Revenue is recognised when the College is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office and the Inland Revenue Department in New Zealand.

Trainee fees

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

Membership fees

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

Externally funded grant income

Grant income is recognised when there is reasonable assurance that the grant will be received and all attaching conditions complied with. When the grant relates to an expense item, it is recognised as income over the period on a systematic basis to the costs that it is intended to compensate.

Investment income

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

Donations

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

In-kind contributions

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

Asset sales

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

d. Expenditure

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

e. Cash and cash equivalents

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

f. Trade and other receivables

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

g. Property, plant and equipment and intangibles

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

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

Additions

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

Disposals

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

Software (intangibles)

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

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

Depreciation and amortisation

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

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

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

Impairment

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

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used

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

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

h. Library and College collection

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

i. Financial assets

The College classifies its financial assets into the following categories:

1. financial assets at fair value through profit or loss (FVPL),
2. amortised cost, and
3. financial assets at fair value through other comprehensive income (FVOCI) (previously available-for-sale financial assets).

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

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

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

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

The categories of financial assets are:

Financial assets at fair value through profit or loss

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

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

Financial assets at amortised cost

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

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

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

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

j. Impairment of financial assets

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

In applying this forward-looking approach, a distinction is made between: financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'). 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

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

k. Trade creditors and other payables

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

l. Unexpended funds

The liability for unexpended funds is the unutilised amounts of government grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the government grant.

m. Employee benefits

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

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

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

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

The College pays contributions to certain superannuation funds. Contributions are recognised in the income statement when they are due.

n. Provisions

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

o. Borrowings

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

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

p. Taxation

Income tax

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

Goods and services tax (GST)

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

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

q. Leases

Finance lease

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

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

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

Operating lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

r. Funds

Funds are disaggregated and classified as follows (refer also to Note 17):

- General funds
- RACP Foundation funds
- Fair value through other comprehensive income
- Foreign exchange translation reserves

s. Foreign currency

All foreign currency transactions are shown in Australian dollars.

Foreign currency transactions

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

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

Foreign currency operations

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

t. Changes in accounting policies

New standard adopted as at 1 January 2018

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the College has applied transitional relief and opted not to restate prior periods. There are no differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment as they are recognised as at 1 January 2018. On the date of initial application, 1 January 2018, the College held financial assets of cash and cash equivalents, and trade and other receivables, and financial liabilities of trade and other payables. Under AASB 139, these financial instruments were classified and measured at amortised cost and remain consistent under AASB 9. Further, reclassifications under AASB 9 are: held to maturity financial assets under AASB 139 were reclassified at amortised cost, and available-for-sale financial assets were reclassified to fair value through other comprehensive income (FVOCI). No restatement was required as a result of these reclassifications

3. Revenue

	2018 $	2017 $
General fund		
Externally funded grants	2,208,200	3,707,316
Registration and workshop fees	1,189,693	1,252,697
Interest and dividend income	1,733,279	1,725,937
Loss on disposal of financial assets	(149,902)	(17,120)
Advertising and publication income	522,608	479,193
Administrative fees and recoveries	248,222	330,764
Other	2,310,888	11,357
Total other revenue (General fund)	**8,062,988**	**7,490,144**

4. Expenses

	2018 $	2017 $
General fund		
Rent and outgoing/occupancy cost	3,435,051	2,753,650
Repairs and maintenance	395,527	985,656
Depreciation and amortisation	2,258,870	2,323,746
Printing, publication and postage	1,911,745	1,801,967
Contract, professional and consulting fees	3,598,918	3,922,552
Bank and investment management fees	760,990	752,883
Web hosting and information technology consumables	417,568	528,861
Insurance expense	112,700	108,443
General office stationery	596,553	591,479
Telephone	267,560	215,725
IT hardware and software maintenance and support	1,452,848	1,803,565
Hospital assessment costs (Clinical exams)	674,410	582,312
OTP interview fees paid to Fellows	93,850	136,036
Bad and doubtful debt provision	310,595	295,846
Other expenses	368,506	493,893
Total other expenditure (General fund)	**16,655,691**	**17,296,614**

5. Cash and cash equivalents

	2018 $	2017 $
Cash at bank and on hand	57,557,649	36,820,058
Short-term deposits with financial institutions	8,669,480	12,585,318
Total cash and cash equivalent	**66,227,129**	**49,405,376**

Restricted funds

Cash and cash equivalents includes $50,923,836 (2017 $31,807,314) held by the College for distribution to third parties or for a specific purpose under contractual arrangements with government departments. These funds are not available for general working capital requirements. Unexpended funding at year-end is disclosed in Note 12.

Also included in the balance is RACP Foundation funds of $1,437,590 (2017 $1,343,364). RACP foundation is not a separate entity but an activity of the College. RACP Foundation monies are part of the College funds. These funds have not been used for the general working capital requirements.

6. Trade and other receivables

	2018 $	2017 $
Trade and other debtors	5,076,766	3,835,155
Less: provision for impairment	(448,750)	(406,154)
Other accrued income	1,034,215	1,139,400
	5,662,231	**4,568,401**

Reconciliation of allowance for credit losses	
Opening balance as at 1 January 2018	406,154
Less	
Prior year debts collected	(133,196)
Debts written off against provision	(268,336)
Add provision for impairment	444,128
	448,750

7. Other current assets

	2018 $	2017 $
Prepaid expenses	**1,172,661**	**1,137,973**

8. Other financial assets

	2018 $	2017 $
Current		
Bank bills and term investments	2,753,002	2,052,489
Financial assets at fair value through other comprehensive income (FVOCI) (Previously designated Available-for-sale financial assets)	3,948,151	9,490,645
	6,701,153	**11,543,134**
Non-current		
Bank bills and term investments	66,037	165,951
Financial assets at fair value through other comprehensive income(FVOCI) (Previously designated Available-for-sale financial assets)	85,207,682	76,364,527
	85,273,719	**76,530,478**

Restricted funds

Bank bills and term investments include $Nil (2017 $68,238) for the RACP Foundation. These funds are not available for general working capital requirements.

The current at fair value through comprehensive other income financial assets includes funds for RACP Foundation $2,276,889 (2017 $4,494,892) and is not available for general working requirements.

The non-current at fair value through comprehensive other income financial assets also includes funds for RACP Foundation $44,289,749 (2017 $43,190,311).

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

9. Property, plant and equipment

Cost	Land and Building $	Leasehold Improvements $	Furniture, Fixtures and Fittings $	Plant and Equipment $	IT Hardware $	Total $
Balance at 31 December 2017	5,632,949	3,922,375	2,412,880	1,291,332	3,671,877	16,931,413
Additions	-	976,259	363,948	261,333	685,164	2,286,704
Disposals	-	(2,360,975)	(228,762)	(45,721)	(174,082)	(2,809,540)
Balance at 31 December 2018	**5,632,949**	**2,537,659**	**2,548,066**	**1,506,944**	**4,182,959**	**16,408,577**
Accumulated depreciation						
Balance at 31 December 2017	2,900,715	3,045,639	1,470,520	882,136	3,414,066	11,713,076
Depreciation expense	120,265	584,232	211,256	75,399	322,900	1,314,052
Disposals	-	(2,338,751)	(200,770)	(21,475)	(173,156)	(2,734,152)
Forex translation	(24,769)	-	(15,030)	(1,078)	(119)	(40,996)
Balance at 31 December 2018	**2,996,211**	**1,291,120**	**1,465,976**	**934,982**	**3,563,691**	**10,251,980**
Net carrying amount						
at 31 December 2017	2,732,234	876,736	942,360	409,196	257,811	5,218,337
2017 Fixed Assets under construction						147,623
						5,365,960
at 31 December 2018	2,636,738	1,246,539	1,082,090	571,962	619,268	6,156,597
2018 Fixed Assets under construction						141,713
						6,298,310

10. Intangibles

	2018 $	2017 $
Software (Intangibles)	**1,925,894**	**2,843,797**
Balance at the beginning of the year	2,843,797	3,835,782
Acquisition	26,914	
Amortisation	(944,817)	(991,985)
Balance at the end of the year	**1,925,894**	**2,843,797**

11. Other non-current assets

	2018 $	2017 $
Library		
At cost	1,084,480	1,079,712
Paintings, antiques and historical objects		
At cost	364,072	364,072
Total other non-current assets	**1,448,552**	**1,443,784**

12. Trade and other payables

	2018 $	2017 $
Trade creditors and other payables	3,036,413	2,712,550
Accruals	6,017,983	5,447,647
Income received in advance for subscriptions and exam fees	14,958,484	14,386,966
Unexpended funds	50,379,001	31,951,765
Total trade and other payables	**74,391,881**	**54,498,928**

13. Provisions

	2018 $	2017 $
Current		
Employee entitlements	2,800,924	1,967,629
Total current provisions	**2,800,924**	**1,967,629**
Non-current		
Employee entitlements	268,038	901,029
Total non-current provisions	**268,038**	**901,029**
	3,068,962	**2,868,658**

14. Reconciliation of cash

	2018 $	2017 $
Net surplus for the year	**3,023,850**	**1,419,150**
Add/(subtract) non-cash items		
Depreciation of property, plant and equipment	2,258,869	2,323,746
Add/(subtract) investing activities		
(Profit)/loss on disposal of property, plant and equipment	66,888	–
(Profit)/loss on sale of investments	90,774	(201,424)
Investment distributions re-invested	(3,556,820)	(3,565,750)
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	(1,235,086)	1,085,449
Increase/(decrease) in trade and other creditors and accruals	19,785,906	25,843,150
Increase/(decrease) in provisions	196,613	237,419
Net cash provided by operating activities	**20,630,995**	**27,141,740**

15. Commitments and contingencies

a. Operating leases

The College has entered into commercial leases of buildings and office equipment. These leases have an average life of between three and five years with some having a renewal option included in the contracts. There are no restrictions placed upon the lessee upon entering into these leases. The College has provided financial guarantees in respect of leased premises secured by lease deposits.

	2018 $	2017 $
Lease expenditure commitments		
Operating leases (non-cancellable)		
Not later than one (1) year	2,575,759	2,552,907
Later than one (1) year and not later than two (2) years	2,567,694	1,938,106
Later than two (2) years and not later than five (5) years	4,507,241	4,657,597
	9,650,694	**9,148,610**

b. Capital expenditure commitments

There is no known capital commitment.

c. Contingencies

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

d. Events after the Balance Date

There have been no significant events after balance date.

16. Related parties and related party transactions

a. Directors

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

b. Directors' transactions

The Directors act in an honorary capacity and receive no compensation for their services as Directors. During the year travel expenses incurred by the Directors in fulfilling their role were reimbursed to the Directors if not paid directly by the College. The College also paid legal expenses of $64,712 (2017: Nil) incurred by some Directors for their legal advice regarding matters considered to be related to the College.

c. Related party transactions

The College provides services and accommodation to a number of Specialty Societies and some provide services back to the College and members of the College may be members of these Societies. During the year the College received $211,099 (2017 $203,199) for rent and outgoings from the Specialty Societies.

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

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

d. Key management personnel compensation

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

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

	2018 $	2017 $
Total compensation	**3,816,021**	**2,962,122**

17. Details of funds

General funds

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

	2018 $	2017 $
General Funds		
Balance, 1 January	45,886,927	45,263,502
General Fund surplus	2,919,613	623,425
Balance, 31 December	**48,806,540**	**45,886,927**

RACP Foundation funds

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

	2018 $	2017 $
RACP Foundation Funds		
Balance, 1 January	45,112,401	44,316,676
RACP Foundation Fund surplus	104,237	795,725
Balance, 31 December	**45,216,638**	**45,112,401**

Reserves

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

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

18. Limitation of Fellows' liability

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

19. Fundraising

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

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

	2018 $	2017 $
Gross Income from Fundraising	433,749	330,180
Cost of Fundraising	(156)	(301)
Funds expended for awards	(414,990)	(331,027)
Net Surplus from Fundraising	**18,603**	**(1,148)**

(b) Accounting Principles and Methods adopted in Fundraising accounts

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

(c) Information on Fundraising Activities

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

20. Other information

The registered office and principal place of business is:

145 Macquarie Street

Sydney NSW 2000

Responsible Entities' Declaration

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

1) The financial statements and notes of the College are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including;

    a. giving a true and fair view of its financial position as at 31 December 2018 and of its performance for the financial year ended on that date;

    b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and

2) there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

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

For and on behalf of the Board.

Mark Lane
Director
1 March 2019

Antonio Tenaglia
Director
1 March 2019

Declaration by Responsible Member of the Governing Body

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

a) The financial statements and notes thereto for the year ended 31 December 2018 give a true and fair view of all income and expenditure of the College with respect to fundraising appeals;

b) The Statement of Financial Position as at 31 December 2018 gives a true and fair view of the state of affairs with respect to fundraising appeals;

c) The provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with; and

d) The internal controls exercised by the College are appropriate and effective in accounting for all income received.

Melbourne, 1st day of March 2019

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of The Royal Australasian College of Physicians

Report on the audit of the financial report

Opinion

We have audited the financial report of The Royal Australasian College of Physicians (the "College" or "Registered Entity"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Entities' declaration.

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

a) Giving a true and fair view of the registered entity's financial position as at 31 December 2018 and of its performance for the year ended on that date;

b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013; and

c) The financial report gives a true and fair view of the financial result of fundraising appeals of The Royal Australasian College of Physicians for the year ended 31 December 2018, in accordance with the requirements of the Charitable Fundraising Act 1991 (NSW);

d) The financial statements and associated records of The Royal Australasian College of Physicians have been properly kept during the year, in all material respects, in accordance with the Charitable Fundraising Act 1991 (NSW) and its Regulations;

e) Money received by The Royal Australasian College of Physicians, as a result of fundraising appeals conducted during the year ended 31 December 2018, have been accounted for and applied, in all material aspects, in accordance with the Charitable Fundraising Act 1991 and its Regulations; and

f) There are reasonable grounds to believe that The Royal Australasian College of Physicians is able to pay its debts as and when they fall due.

Basis for opinion

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

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

Responsibilities of the Responsible Entities for the financial report

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

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

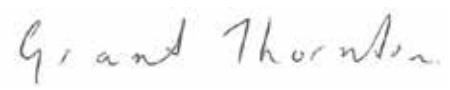
Auditor's responsibilities for the audit of the financial report

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

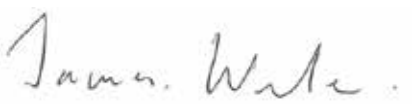
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



James Winter
Partner – Audit & Assurance

Melbourne, 1 March 2019

Our Specialties

Basic Training	Advanced Training	Qualification
Adult Internal Medicine OR Paediatrics & Child Health	**Division Training Programs** · Adolescent & Young Adult Medicine · Cardiology · Clinical Genetics · Clinical Haematology · Clinical Immunology & Allergy · Clinical Pharmacology · Community Child Health · Dermatology (NZ only) · Endocrinology · Gastroenterology · General & Acute Care Medicine · General Paediatrics · Geriatric Medicine · Infectious Diseases · Medical Oncology · Neonatal/Perinatal Medicine · Nephrology · Neurology · Nuclear Medicine · Palliative Medicine · Respiratory Medicine · Rheumatology · Sleep Medicine	FRACP
	Joint Training Programs · Paediatric Rehabilitation Medicine	FRACP and FAFRM
	· Endocrinology & Chemical Pathology · Haematology · Immunology & Allergy · Infectious Diseases & Microbiology	FRACP and FRCPA
	· Paediatric Emergency Medicine	FRACP and/or FACEM
	Chapter Training Programs · Addiction Medicine	FAChAM
	· Palliative Medicine	FAChPM
	· Sexual Health Medicine	FAChSHM
	Faculty Training Programs · Rehabilitation Medicine	FAFRM
	· Occupational & Environmental Medicine	FAFOEM
	· Public Health Medicine	FAFPHM

For more information visit
www.racp.edu.au

Australia

145 Macquarie Street
Sydney NSW 2000
Phone: +61 2 9256 5444
1300 697 227

New Zealand

4th Floor, 99 The Terrace
Wellington 6011

PO Box 10601
Wellington 6143
Phone: +64 4 472 6713
0508 697 227

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