



**RACP**  
Specialists. Together  
EDUCATE ADVOCATE INNOVATE



# ANNUAL REPORT 2020



The President's Message

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RACP Research Awards

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Finance information

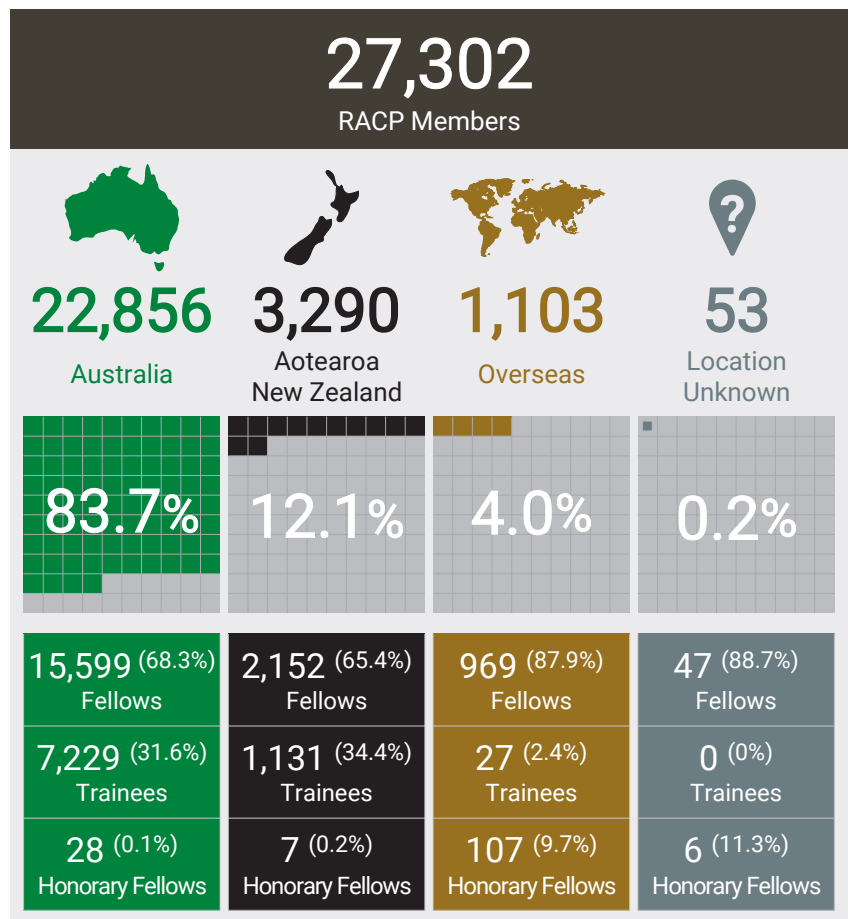
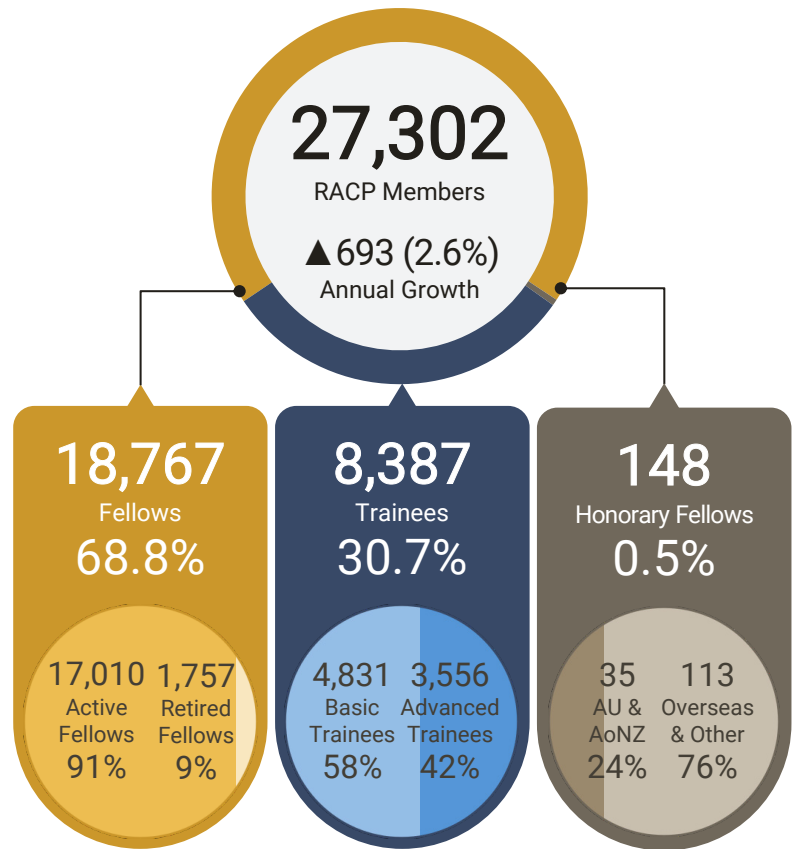
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# Member Overview

This report reflects members' financial status as defined in the RACP Constitution. In this report, 305 Fellows and 107 trainees are excluded from the RACP membership count as they were not current financial members at 31 December 2020.



Data as at 31 December 2020

# Goals

**1** Experience  
We will improve our members' experience and offer an enhanced sense of membership

**2** Education and Professional Development  
We will enable our physicians with the knowledge, skills and behaviours needed for the future

**3** Career and Workforce  
We will improve our understanding of the physician workforce

**4** Research and Leadership  
We will be a respected supporter of physician researchers and their work

**5** Advocacy and Influence  
We will advocate for healthier communities

**6** Effective and Sustainable  
We will be an effective and modern College

# The President's Message

Our College has changed dramatically over the past 12 months. We have developed new relationships with regulators, government, the community and, most importantly, our members while confronting a once-in-a-century public health crisis.

Because of the COVID-19 pandemic many things were forced to change; some in ways we neither anticipated nor desired. But for an organisation that is often seen as conservative I believe the transformations have been overwhelmingly positive.

First, the way we delivered care to patients changed dramatically, with an urgent need for better access to care and to ensure health equity. The RACP stepped up as a leader in developing Telehealth guidelines with the Australian Federal Government and supporting the creation of new MBS item numbers.

In previous years this would have involved procedural pain over many years, with slow progress and incremental steps at best. Instead, we took an

opportunity when there was a real need to imagine the solution and achieved a result in a matter of months.

We also led in advising the Government on the containment of the pandemic. As a respiratory physician, I was pleased to be able to contribute to building understanding of the impact of the virus.

An Expert Advisory Committee was convened across the College and landed on policy that would have taken months, if not years, to develop in normal times: provision of PPE, wearing and supply of appropriate masks, contact tracing using early testing and isolation of those from hotspots to reduce contact with the community were some of these.

Most, if not all of our suggestions were taken up by the Government. We were not pushing a barrow; we were a filter for the various opinions in the media – and, to its credit, the Government listened. Thankfully the use of appropriate PPE recommended by our College helped to reduce the considerable toll on healthcare workers such as we saw in other countries.

Speaking with Presidents of other Royal Colleges in the United Kingdom, Ireland, and Hong Kong, we have been in a unique situation where we've offered forthright advice and exerted influence. This is a real credit to our Policy & Advocacy team for having built those relationships of trust at the highest levels of government.

The same spirit of leadership was on display in the day-to-day business of the College, where we continued to focus on the core business of providing continuing education for our members and effective assessment of our trainees, despite the pandemic.



I am proud that, despite the challenges of the lockdown, our trainees were able to continue their Fellowship pathways with as little disruption as possible.

The College Learning Series, where members can update themselves on hundreds of medical topics online, has been essential in maintaining access to our memberships' knowledge base. The generous pro bono contribution of so many signals unprecedented engagement.

However, the greatest achievement of all was the Australian Medical Council renewing our accreditation for the maximum period possible and commenting favourably on the College. After the trials and tribulations of recent years, we've come out with a strong organisation that has the capacity to deliver and grow.

So, what are the lessons we carry forward?

First, humility. Let's learn from the great American physician, Dr Anthony Fauci. Our College has to understand that none of us can be too proud to be above learning lessons, and to always question ourselves.

Second, agility. We've been congratulated for our capacity to respond quickly – this only occurs when people have the capacity to be flexible and are prepared to move forward. Staff and Members have gone the extra yard in Australia and Aotearoa New Zealand to do this.

And finally, collegiality. A good example of this is the collaborative work of our staff and Fellows to support trainees in a time of extreme difficulty. At the start of 2020 we did not know whether we would be accredited, we did not know how the global shock of the pandemic would affect our capacity to train, our operations or, indeed, our finances and investments. We had no idea how the College could function through a major lockdown in our countries.

But out of all this uncertainty we have emerged stronger, learning things about ourselves, reflecting on our place in the community, and re-aligning our relationship with Government.

We have learned and changed for the better, which is really what education is all about. On behalf of the Board, I want to thank our Chief Executive Officer Peter McIntyre and his Senior Leadership Team for their work during this extraordinary year.

*J. Wilson.*

**Professor John Wilson AM  
RACP President**



As a frontline respiratory physician, Professor Wilson received the first shot of the coronavirus vaccine on 24 February 2021.

# Chief Executive Officer's Message

It is said that a pandemic exposes a society's weaknesses. But when it comes to the RACP I think this year's public health crisis ultimately exposed strength and resilience which we may not have known we possessed.

The response – from our Fellows, our trainees, our executive team, and our staff – has shown how far the College has come over the past few years. Indeed, I wonder whether the challenges we confronted in 2020 drove us to do our best.

When the virus hit, we pivoted our entire organisation, shifting within days to working from home and conducting virtual meetings as travel was stopped.

The fact that we were able to deliver continuity of service can be put down to two factors.

First, a significant IT investment had transferred the key College systems to the Cloud, backed by a fleet of new devices that actively shifted control of workflows to our staff.

But just as important was a cultural investment. Our people across the organisation embraced the change, recognising that each of them was part of the public health response to this black swan event.

After years of trying to build a truly member-serving organisation, it was the crisis that forced the changes in mindset and thinking required to really create a shared sense of purpose.

While our Policy and Advocacy helped Fellows feed into the Australian Government's public health response, we were focused on delivering uninterrupted training. With face-to-face clinical exams impossible, we revised our program to ensure career progression would not be interrupted.

This involved a series of practical and pragmatic decisions to ensure Advanced Training continued, including work towards recognising the circumstances we were confronting.

Looking back, I'm proud of how we were able to reinvent the program and uphold standards by refusing to see past practise as a barrier.

I should pay tribute here to the flexibility of both our Fellows and trainees who changed what was required – most notably for ensuring the specific learnings of this year could be captured and incorporated into the curriculum frameworks.

As John mentioned in late 2020, we were reaccredited by the Australian Medical Council for another five years.

We are also well on the way to meeting the requirements of the ACNC regarding our governance.

In this regard, I particularly pay tribute to the leadership of immediate past President, Associate Professor Mark Lane, and our current President, Professor John Wilson AM, and thank the Board for its support.

We also learned to collaborate without meeting face-to-face. While the College bottom line and the planet benefited, so did many Fellows and trainees who didn't have the time to commit to travel.

Logging into a video call, rather than flying to another city or country, lifted barriers, particularly for Fellows and trainees with young families.

Our staff learned, too, that they can work productively and remotely, provided they have the right support networks in place. It was heartening to see that in our staff satisfaction research this year a majority felt they were coping better – physically,



mentally and socially – than a year ago. While one in ten reported they were struggling, the overall picture emerging is of a happier, healthier workplace.

Again, from disruption we have established new models that will make us more open, while conscious of maintaining the magic of regular personal interaction. Our next challenge will be to redesign our work, with the right mix of home and office, and real-life and virtual interactions to create a more dynamic organisation.

Finally, and most significantly, we are moving forward with a renewal of our Constitution, which I expect will embed, for the first time, Indigenous voices from Australia and Aotearoa New Zealand. If there is one thing that I take from the past 12 months, it is that this is an institution with the capacity to think creatively and problem-solve when business as usual is not an option.

I am confident we can take this spirit forward with us as a more united College which serves our Fellows, prepares our trainees, and provides a fantastic workplace for a committed and engaged staff. Our people have more than proved their level of engagement and commitment during an unprecedented year. I'd like to thank them, the Senior Leadership Team and the Board for their support.



**Peter McIntyre**  
Chief Executive Officer, RACP





Dr Amy Waters FRACP  
Palliative Medicine Physician  
Concord Hospital, Sydney

# Experience

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

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**As one of the most respected and diverse medical colleges in Australia and New Zealand, we will continue to enhance our members' experience when interacting with their College and deliver value.**

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## **We are collaborative**

We are collaborative with members in how we design, implement and improve our services.

## **We are relevant**

We aim to offer services and experiences that are relevant to the changing needs of our members.

## **We are human**

We support our members individually and collectively in the moments that matter most to them.

## **We are transparent**

We provide clarity to members about what our role is, and we are accountable for the products and services we provide.

## **We are proactive**

We are responsive to the changing circumstances of our members and reach out to members in a way that suits them.



## Rising to the challenge

The year 2020 created unprecedented challenges for our members and their patients. While members rose to the challenge on the frontline of the global pandemic, College staff stepped up to provide the support and resources they needed.

We used technology to make sure we were always on the front foot of the pandemic by offering regular opportunities for our members to learn, get involved, ask questions, and tell us what they needed.

With the anchor of the online world, even more members engaged in events and College resources in 2020.

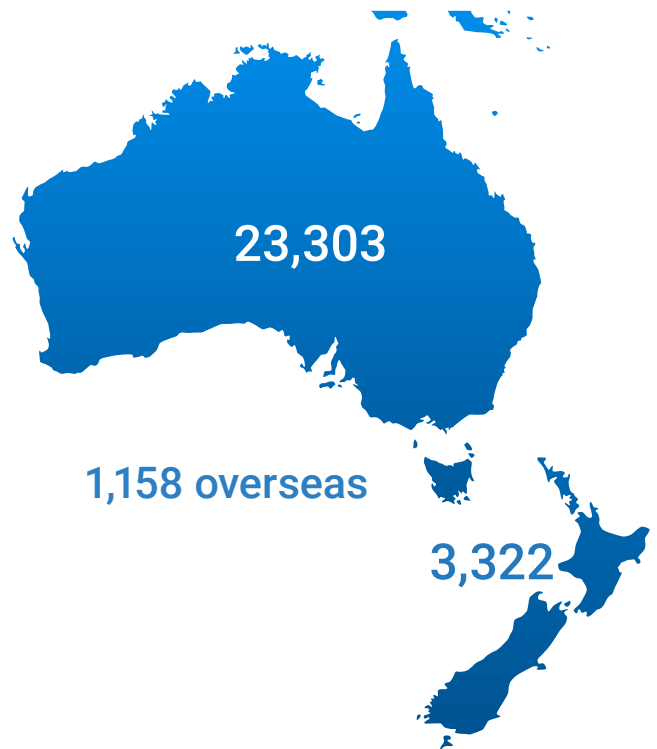
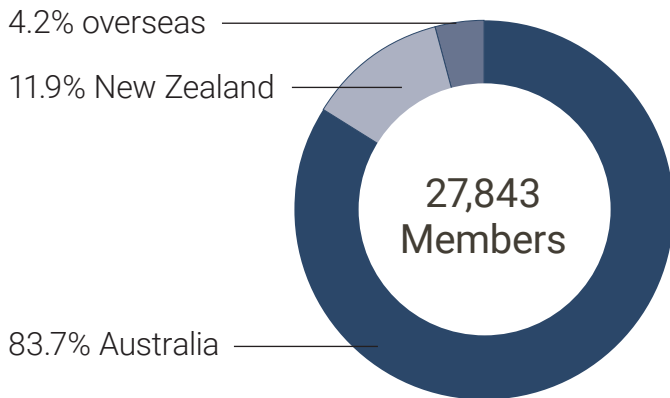
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**“Over a year of great challenge and uncertainty, we’ve been able to harness the power of technology to bring members together, offer new services and support them through this challenging period.”**

Lisa Penlington,  
Executive General Manager,  
Member Services

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## Growth in numbers

The COVID-19 pandemic was a reminder of how important our specialist physician workforce is not just to the health of our communities but to the health of two nations.

Our numbers continue to grow year after year, right on track to reach a membership of 35,000 in 2028. (Figure 1)

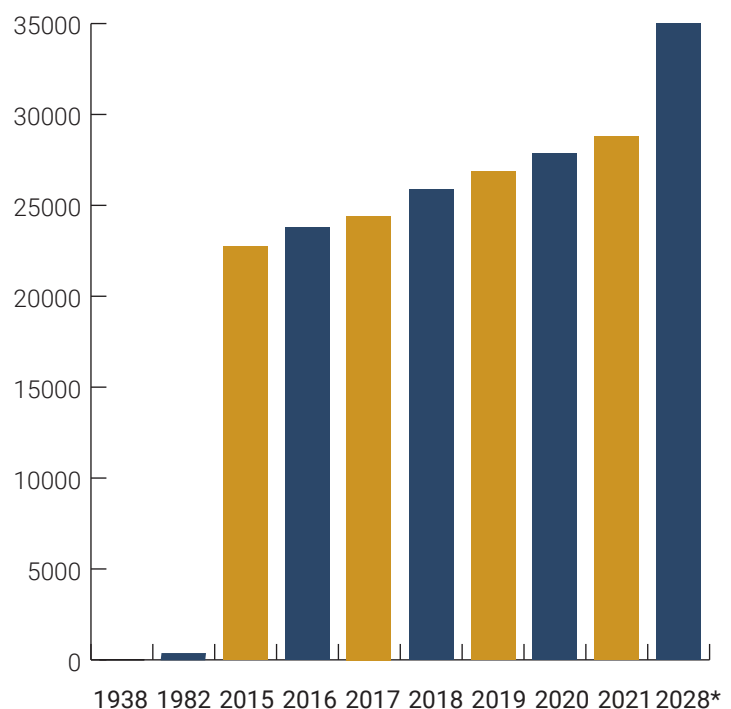
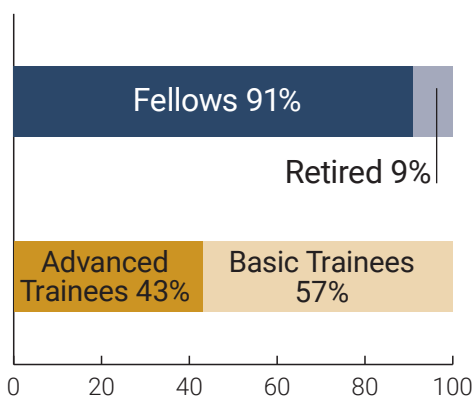


Figure 1: Growth of members 1938–2028

## Member events

The College pivoted from running face to face events to delivering them completely online in a matter of days when the COVID-19 pandemic unfolded in March 2020. The silver lining of transitioning our events to virtual events via Zoom was that more people were able to attend different College events than ever before.

### Telehealth and Electronic Prescribing webinar

At the very beginning of the NSW lockdown on 1 April 2020, the RACP curated a webinar for members in NSW and the ACT to provide information about Telehealth and how to prescribe for patients under the new state lockdown conditions.

The highly anticipated event was turned around in a week and achieved an extraordinary 798 registrations. The high demand meant the College ran the session multiple times to ensure that all members had the opportunity to participate, with recordings also available on the website.

Feedback from the participants was very positive and members were grateful we were able to provide them with this information at such an important and uncertain time.

## Snapshot events

**224**



**member Zoom meetings the College events team supported**

**159**

member events run in the College event spaces and external venues

Zoom webinars

**128**

RACP member feedback ratings for 2020 College events

**9/10** for overall experience

**9/10** for event team service

## RACP Zoom Town Hall with Federal Health Minister Greg Hunt

In October we held a live online Town Hall featuring a special guest, the Australian Federal Minister for Health, the Honourable Greg Hunt MP. The session was an outstanding success, with members and staff providing positive feedback on this unique, interactive event.

The first half of the event began with an address from the RACP President Professor John Wilson AM and was followed by a Q&A session led by the President and Dr Jacqueline Small, RACP President-Elect. Members were encouraged to join

the conversation and have their say about what the year had been like for them, particularly regarding Telehealth.

We took hundreds of comments and questions via the online chat box, and Fellows and trainees from both Australia and Aotearoa New Zealand gave feedback about working under COVID-19 pandemic conditions. Members appreciated not only hearing directly from the RACP President and President-Elect and Minister for Health, but being able to engage and interact with them and other members.

The interactive event allowed members and staff from across the College to come together and share their stories in a way that had never been done at the College before. A recording of the event is available on the RACP's website.



## Region specific support for members

Localised member support was vitally important this year because of how different each region was handling the pandemic.

There were different rules and different health stimulus packages across Australia and Aotearoa New Zealand, so having our Regional Committees able to respond and provide this localised support was crucial.

In 2020 our Regional Committees held:

- **38** regionally curated webinars that were promoted to members nationally
- with a total of over **11,000** people registered and **5,200** people attending the live webinars, and
- **19** regionally tailored Basic Trainee Orientation Sessions with a total of **804** trainees.

Supported by local staff, our Regional Committees are a critical part of our member services network, and provide support to trainees, members, supervisors and DPEs in regional areas by delivering:

- Supervisor Professional Development Program (SPDP) Workshops
- high-quality workshops and education-related resources
- extra support to Overseas Trained Physicians
- information about changes because of COVID-19
- extra health and wellbeing support for trainees and Fellows.



## RACP Trainee Research Awards


Each region held their annual Trainee Research Awards online via Zoom in 2020 due to COVID-19. Over 180 trainees and their supervisors attended these events, and members joined the audience of the awards presentations to support trainees.

There were 132 submissions across Australia and Aotearoa New Zealand, and the winners of the award from each regional event will have the opportunity to present their research as part of the 2021 RACP Congress Program.

## Aotearoa NZ Trainees' Wellbeing Webinar

hosted by the Aotearoa NZ Trainees' Committee

The free Trainees' Wellbeing Webinar: What's in your Toolbox? was attended by over 100 trainees from across Australia and Aotearoa New Zealand. Strategies for finding the joy in medicine focused on supporting trainees through the challenges wrought by COVID-19. The webinar focused on sharing manaakitanga (kindness and support) and kotahitanga (unity and togetherness) in addition to more practical discussions.



**RACP**  
Specialists Together  
EDUCATE ADVOCATE INNOVATE

FREE for members

Te Hui ā-Ataata mō te Waiora o ngā Taurira Mahi

### Trainees' Wellbeing Webinar: What's in your Toolbox?

Strategies for finding the joy in medicine

Thursday, 15 October 2020  
6pm to 9pm (NZDT)  
4pm to 7pm (AEDT)

REGISTER  
<https://racp.eventsair.com/trainees-wellbeing-webinar>



## RACP Congress 2020

Balancing humanity and science. Integrating kindness and care into our practice. The timing could not be more important for this year.

6,000 registered members. 3,430 live participants. 65 sessions.

RACP Congress looked a little bit different this year. Being held virtually, the Online Congress 2020 offered six weeks of webinars that were made available for on demand viewing through the College eLearning Platform. The College Planning Team is to be commended for mobilising Congress to an online model in such a short time frame.

The theme for this year was unintentionally appropriate for the strange time we have found ourselves in. The Congress theme was about the balancing of humanity and science, and how the College can better equip itself to synthesise kindness and care into our practice for the future.

Highlight sessions included:

- Balancing Science with Humanity: how kindness restores the whole in medicine
- Heart Disease Management Update Across the Life Continuum
- The Emerging Role of Microbiome
- Paediatric Immune and Inflammatory Disorders
- Community Child Health – Satellite Day

To members, this was a Congress to shape the future. The virtual delivery model allowed 6,000 members to participate, 3,430 of whom engaged live throughout the six weeks, including many first-time attendees.

Feedback from members tells us that inclusion of a virtual element would be a welcome change to Congress events of the future, particularly regarding accessibility. We acknowledge, however, that the continuation of some physical sessions would be essential in strengthening our connection with members who wish to meet in person.

In response, 2021 will be working towards a hybrid Congress where both physical and virtual delivery modes will give members the option to participate and experience Congress how they wish.

What members told us about Congress 2020

“Well presented, lots of information”

“Excellent session, very practical and relevant to clinical practice”

“Very helpful and informative. Thank you”

## Progressing gender equity in medicine

Gender inequity in the healthcare system has serious impacts on our members and the work they do. Following strong interest from our members in 2019, this year we established a Gender Equity in Medicine Working Group to make recommendations on what the College needs to do to address gender inequity in the physician workforce.

To inform our approach to addressing these inequities, in 2020 the College also released the new, annual Member Statistics and Insights Report that includes gender analytics and insights.

The Gender Equity in Medicine Working Group held its first inaugural meeting in September 2020. The role of this group is to determine what role the College should and will play to promote, advocate for and achieve gender equity in medicine.

## Advancing Women in Healthcare leadership program

In August 2019, the College decided to support Monash Partners Academic Health Science Centre, led by Professor Helena Teede, in their application for an Australian National Health and Medical Research Council partnership grant for the Advancing Women in Healthcare leadership program.

The project aims to investigate and find a solution to the problem that, while 75 per cent of the healthcare workforce is female, women remain significantly under-represented in leadership roles.

President-elect Dr Jacqueline Small, as the then Chair of the Fellowship Committee and Board Sponsor, was nominated as an Associate Investigator on the project Steering Committee.

This four-year project was approved by the NHMRC and work commenced in 2020. The College is proud and excited to be part of this wide-ranging project to improve gender equity in medicine.

## Transition away from printed journals

Our College has been vocal in raising physicians' concerns about the negative health effects of climate change.

We have already divested from all investments in fossil fuels. This year we moved our three printed journals, the Internal Medicine Journal (IMJ), the Journal of Paediatric and Child Health (JPCH) and RACP Quarterly to an online only format.

Over the last decade, there has been an overwhelming shift in favour of accessing our journals digitally. Our publisher estimated paper production for the 2018 volumes of the IMJ and JPCH alone generated emissions of 17,172 t CO<sub>2</sub>e each year.

That is 53,830 annual return trips by car between Melbourne and Sydney, or 147 return trips per day for a year.

Members have welcomed this move. It is part of our contribution to mitigating climate change.





REHAB REGISTRAR  
NIZAM MOHD FAHMI

# Education and Professional Development

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

**Our mission is to support physicians and the health system by providing high-quality training and assessment programs to ensure our physicians are future-ready.**

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A key achievement this year was the Australian Medical Council and Medical Council of New Zealand extending the accredited status of RACP training and education and continuing professional development programs to March 2025. This was the maximum allowable extension of our accreditation. It followed submission of a Comprehensive Report to the AMC/MCNZ of our progress and activity against the accreditation standards and remaining accreditation conditions and quality improvement recommendations.

“The College has made good progress...and...substantially meets the accreditation standards.”

“The College is commended for its response to the COVID-19 pandemic and for its continued monitoring of the impact of COVID-19 on training.”

**AMC response to 2020 RACP  
Comprehensive Report**

Dr Nizam Mohd Fahmi, RACP Trainee  
Nowra Hospital

Image credit: Specialist Training Program promotion campaign,  
funded by Commonwealth Government of Australia.

## Transforming our training to support members during COVID-19

At the onset of the COVID-19 pandemic we developed a set of education and training principles to guide our decision-making and our approach to potential impacts to training. These principles included:

- Recognising that training may be significantly disrupted due to COVID-19.
- Supporting trainees to continue to receive appropriate orientation and supervision.

- Recognising that the disruptions to training caused by COVID-19 may have flow-on effects in subsequent years for some trainees.
- Understanding that the normal cycle of accreditation may require adjustment due to the overload on health systems during this crisis.

When the pandemic began to unfold, it was clear that COVID-19 was going to have a significant impact on the training, education and development of our members. The College quickly established a special advisory group for exams and another advisory group for training and accreditation.

These groups involved the Chairs of all relevant College committees and played a critical role in allowing us to quickly adapt our education and training programs.

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**“ We transformed our assessments and training programs to ensure members were both supported through the pandemic and recognised for the challenges. We did all this while also making strides in preparing the new Basic Training program which is now ready for rollout.”**

Robyn Burley, Executive General Manager,  
Education Learning and Assessment

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## Expanding the College Learning Series

A program of 135 Adult Medicine lectures was delivered in 2020 by physicians across Australia and Aotearoa New Zealand.

The College Learning Series relied heavily on the availability of contributing Fellows and recording sites. The global pandemic impacted both, with our regional offices being locked down from March, and scheduled speakers and clinical reviewers experiencing dramatic changes to their workload.

We increased the number of paediatrics lectures on the College website to 17, and successfully established the College Learning Series Committee on Paediatrics & Child Health. This committee will provide a comprehensive governance structure for the Paediatrics series and work to bolster content.

Trainees have reaped the benefits of online learning during a year when there were significant barriers to meeting and learning in person.

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**“With over half of the lectures being already pre-recorded before April, the College Learning Series team were able to pivot and record the remainder of the series remotely. As a result, we saw some great interest across the Adult Medicine Program.”**

Kerri Brown, Executive General Manager,  
Professional Practice.

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## Another big year for the Pomegranate Podcast

In 2020 we produced 12 new episodes of the much-loved Pomegranate Health Podcast. Some of these episodes included topics to help young specialists start in private practice and understand Medicare billing.

The podcast proved to be crucial in supporting Fellows through the COVID-19 pandemic. The episode 'The Art of Telehealth' was an invaluable resource and continues to be downloaded.

Pomegranate Health was also a main channel used to deliver themes for the College Online Congress 2020. We have a range of episodes dealing with different aspects of global public health because of the pandemic.

The editorial group's ability to cover topical, timely issues drove the success of the Podcast as circumstances and medical knowledge rapidly changed and evolved during the pandemic.

Some of our highlight episodes included:

- The Art of Telehealth
- Essential Ethics in Paediatrics
- The WHO's Biggest Test
- Big Pharma and the People's Vaccine
- A New Script for Global Public Health.

### 'Big Pharma and the People's Vaccine' - Episode 64

This episode explored intellectual property law and how it impacts the development of drugs and vaccines. It highlighted why a rapid response to the COVID-19 pandemic would force a serious reassessment of these international laws.





## Shifting exams to take the pressure off members on the frontline

We wanted to make sure we were doing everything possible to keep members progressing safely through their careers in 2020, through their careers in 2021, while minimising stresses around the uncertainty of exam delivery.

As a result of intense consultation with our members and various College committees, our Examination Advisory Group and the College Education Committee rescheduled most clinical and written exams to 2021.

To ensure we were providing trainees with the best opportunity to progress, we modularised our Basic Training Divisional Clinical Examination and introduced provisional Advanced Training to allow them to enter Advanced Training in 2021.

The time frame was short. It required both agility and compromise, and the logistics of delivering part of the exam virtually to over 1,300 candidates was highly challenging. Making that rapid transition required a whole of College team effort.

Our success is a credit to both our members and our staff who worked incredibly hard to make this happen under the extreme circumstances imposed by the pandemic.

## New Basic Training Program ready for early rollout

After years of rigorous design work, in 2020 we moved our new Basic Training Programs from design to implementation. A standout feature of the new Basic Training Programs is the online platform that will support implementation, Tracc. Tracc is a Cloud-based system which will be critical in supporting the rollout of the new program and corresponding accreditation standards.

Tracc has been demonstrated to over 150 members and has undergone usability and user acceptance testing.

After an enormous amount of work in 2020, the new Basic Training Programs are now approved and ready to begin early rollout in 2021, and the Tracc platform is ready to deliver them.

There are nine early adopter sites for the new Basic Training Program involving Adult Internal Medicine and Paediatrics & Child Health programs across Australia and Aotearoa New Zealand. These sites participated in training sessions this year to help them become familiar with the new model ahead of the rollout.

First-year basic trainees at early adopter settings will commence training in the new Basic Training Program from early 2021.

## Renewed Advanced Training curricula gets first tick of approval

We sought feedback on Advanced Training Curricula Renewal from August to October this year. While the specialty content is being developed, the common curriculum standards were approved by the College Education Committee in late 2020, allowing this work to progress.

The Advanced Training Renewal project will continue to progress into 2021 with a focus on content development initially for six specialty programs.

## Rolling out new training provider accreditation standards

The College's new training provider accreditation program begins in 2021 for basic training settings in Aotearoa New Zealand and Australia. We spent 2020 working to ensure we were prepared for the new program. This included developing new resources to support training providers with the transition to the provider accreditation standards.

### EARLY ADOPTERS

Dunedin Hospital in Aotearoa New Zealand is one of the early adopters of the New Basic Training Program and will be one of the first settings reaccredited under the new Training Provider Standards and requirements in Adult Medicine and Paediatrics & Child Health.

In preparation for this, Dunedin Hospital has participated in our training sessions to become familiar with the new process.

## Implementing the Indigenous Strategic Framework

In 2020, we made significant progress in implementing the Indigenous Strategic Framework on both sides of the Tasman, achievements ranging from developing Indigenous pathways into training to advocating for reform to the criminal age of responsibility.

Our key priorities remain growing the Indigenous physician workforce and fostering a culturally safe College, as well as progressing governance reforms.

The establishment of Strategic Partner groups with lead members from the Aboriginal and Torres Strait Islander Health Committee, the Māori Health Committee, and our staff has helped this progress.

The increased efforts in incorporating the Indigenous Strategic Framework into all aspects of our work have been reflected in the numerous requests by various College bodies to be involved.

## Launching a landmark statement on Indigenous Child Health

In December we launched a landmark statement on Indigenous Child Health in Australia and Aotearoa New Zealand.

We worked closely with First Australian and Māori people to co-develop this statement that sets the standard required from physicians, Government, and the healthcare industry to close the gap and address Indigenous health inequities.



“To grow our Indigenous medical workforce, we need cultural safety to be embedded in every aspect of curricula, supervision, mentoring, and professional development.”

**Dr Danny de Lore (Ngāti Tuwharetoa,) Chair of the RACP’s Indigenous Child Health Working Group.**

## Indigenous Selection Framework – Organisational Approach

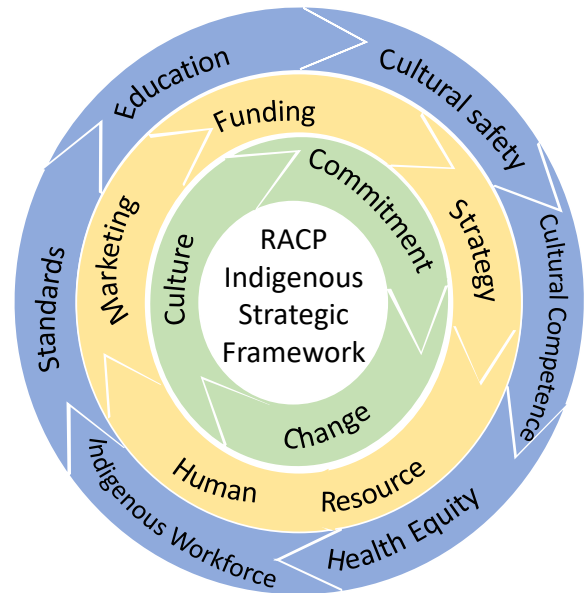
This is a visual representation of how our Indigenous Strategic Framework sits at the heart of all College programs and activities.

The Framework links to principles of organisational culture, commitment and change supported by human, financial and marketing resources. Increasing the selection of Indigenous doctors into training requires purposeful action in education programs and, commitment to cultural safety, cultural competence and health equity supported through accreditation standards.

## Supervisor Professional Development Program a big success online

We held close to 200 Supervisor Professional Development Program workshops via Zoom in 2020. Holding the workshops solely online this year drove an unprecedented increase in participation and reduced the number of last-minute dropouts. The online access and the range of options gave members flexibility to attend around their work and personal commitments.

The increase in engagement in the SPDP workshops has meant that course completion rates have increased by 13 per cent.



What our members said about our SPDP workshops in 2020

“Zoom was almost equally good. Very convenient, well managed”

“It was good to have cross disciplinary involvement and wider geographic representation on Zoom”

“Works quite well. In some ways more engaging. Convenient as provides flexibility to attend at time you are free, regardless of where it is”

In 2020 we held **172** SPDP workshops with a total of **3,328** Supervisors participating in these online sessions.

The SPDP online courses had unprecedented participation in 2020, with an overall increase of **281** enrolments from 2019.

## Expanding our online learning courses

Our online learning courses '@ RACP' are a central platform for the RACP to provide ongoing learning experiences for our members. New registrations for the Online Learning Resources platform increased by 8,061 in 2020.

This year we launched seven new online learning topics including:

- Thalidomide
- Divisional Examination Readiness
- Chronic Breathlessness in Advanced Illness
- Telehealth
- Leadership, Management and Teamwork

The MyCPD online course on Applying the New Framework and the MyCPD Interactive Handbook were our most popular online learning resources in 2020, with over 4,000 enrolments in the course and over 6,500 enrolments in the handbook.

### Medflix

We launched Medflix as a home for the College's extensive collection of educational videos. Now all video content can be found in this one-stop-shop.

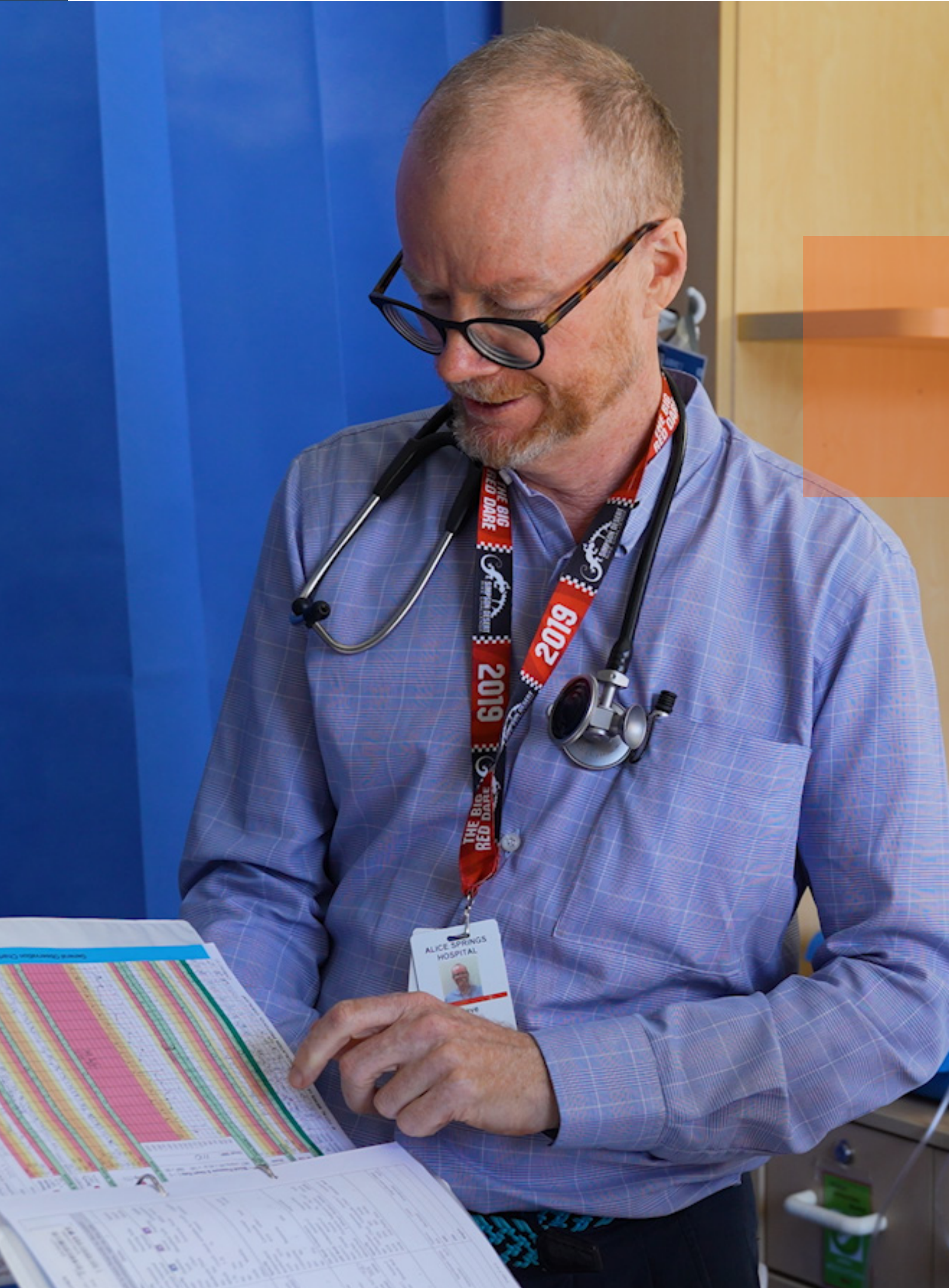


## Continuing Professional Development

In 2020 the requirements for Fellows to submit CPD were relaxed due to the pressure physicians were facing during the pandemic.

For those who hadn't yet completed their 2019 records, we offered a special support service to help them finalise their CPD during the early days of the pandemic.

We assisted over 1,000 Fellows by either a phone interview or by transcribing activities into the Fellows' online record on their behalf.



# Career and Workforce

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**We will improve our understanding of the physician workforce to provide relevant information on careers for members and contribute authoritatively to national workforce policy.**

**The healthcare sector is changing. We will ensure we understand future, as well as current, workforce needs, and provide resources to support physicians throughout their careers.**

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In 2020 the community relied more than ever on the in-depth expertise and resilience of our Fellows and trainees, whether on the medical frontlines or advising national decision makers.

We therefore launched initiatives to equip members with the information and skills needed for modern medical practice and enhanced recognition of our retired Fellows.

Dr Stephen Brady FRACP  
Rheumatologist  
Alice Springs Hospital

Image credit: Specialist Training Program promotion campaign, funded by Commonwealth Government of Australia.

## College renewal

If there is an upside to the pandemic, it's that it forced us to rethink many aspects of what the College does and how we do it.

As we've mentioned already, the RACP had to adapt on the fly to the multiple obstacles and restrictions COVID-19 created, just to keep delivering core education and training programs, as well as our annual cycle of examinations and events.

Staff demonstrated amazing adaptability and the College has become nimbler as a result.

But during a tumultuous year, we've also kept an eye on the medium to long term. We're continuing to progress fundamental changes to the way our College is governed, and the behaviours we expect of our staff and our member volunteers.

## Renewing our founding document

Our current Constitution was drafted in 1938 with amendments made in 2007, 2008, 2009, 2012, 2015 and 2016.

It's served us well. But the Constitution now needs to be rewritten to keep pace with the evolution of medical knowledge, the societies and cultures of both nations, and changes in College life over the past 83 years.

During 2020, we began a careful and considered process of review so as to make this change just once, get it right, and so ensure a lasting, broadly accepted Constitution for you and for our College.

We acknowledge the need to recognise the Indigenous cultures of Australia and Aotearoa New Zealand at a fundamental level in everything we do, and to increase numbers of Indigenous physicians in both countries. We also want our College's structure and governance to ensure our members' voices are heard above all others.

Constitutional legal specialists on both sides of the Tasman are assisting us to draft several differing options to send to members. In Australia we will benefit from the expertise of Law Professor Megan Davis and her team at the University of New South Wales. In Aotearoa New Zealand specialist Wellington law firm Kahui Legal will provide advice on drafting.

We will then undertake extensive consultation to get feedback on the options, aiming to test models for member evaluation at the 2021 AGM.

We aim to put a finalised redrafted constitution as a resolution to the 2022 Annual General Meeting for a full member vote.

If passed, it would become effective immediately.



## The way we do things – creating values

Over 2,000 Fellows and trainees regularly volunteer their time to work pro-bono with our staff as committee members and in many College positions that require physician expertise or insight. We aim for our member volunteers and staff to work together

as a collegial, professional and mutually respectful team. During the year, our staff and our pro-bono Fellows and trainees identified and refined an agreed set of common values which define how we interact.

We will launch and embed those values in 2021.

We are  
**accountable**

We act with integrity, taking responsibility for actions and outcomes.

We  
**collaborate**

We share information, foster participation, and build relationships for common goals

We  
**Indigenise and decolonise**

We partner, resource and embed Indigenous knowledge and ways to accelerate culturally safe change, to achieve equitable Indigenous futures.

We  
**lead** the way

We reflect, adapt and learn in delivering best practice.

We are  
**respectful**

We value diversity and recognise each other's needs and contributions.

## Life Member Recognition Program

Our College has a long and rich history.

Throughout physicians' careers, the College is an integral part of their lives. The first contact many of our members have with us is in their late 20s, after which they spend their whole working life interacting with, and being supported by, the RACP.

Traditionally, we have always acknowledged, noted and thanked our Fellows who have retired. But it's high time we did more to engage with them to raise their profile in the College.

In 2020 we launched the Life Member Recognition Program. This provides an opportunity for all Life Fellows and Retired Fellows to prepare a My Career Story in which to share their own personal stories and experiences of the College throughout their years of membership. Submissions are published on the RACP website alongside our College Honour Roll, which now includes an enhanced College timeline and heritage webpages.

An opportunity to provide a My Career Story submission is being promoted to all Life Fellows and Retired Fellows, to share their own personal stories and experiences of the College throughout their years of membership. Submissions are published on the RACP website alongside our College Honour Roll, with enhanced College timeline and Heritage webpages.

This year has presented challenges in holding face-to-face events, which we know our retired Fellows enjoy. We are excited about the unwavering interest they show in engaging with us virtually and will preserve this enthusiasm as we plan for 2021.

## Indigenous safety and competency for RACP employees

We have implemented mandatory training in Indigenous awareness and competency through our membership with Diversity Council Australia and Diversity Works Aotearoa New Zealand.

As part of this, during the year we established a Diversity and Equity Taskforce, involving a cross-section of College employees, to assist with continued competency commitments.

We aim to build on existing Indigenous safety and competency resources for our people, with cultural immersion activities available as valuable learning opportunities across the year.

We are enhancing our familiarity with Indigenous health, knowledge and tradition, and how these can inform and guide the future of medical practices, and the College's communication and advocacy for positive health outcomes for First Nations People.

## International Strategy for Fellows to contribute to projects during the pandemic

To ensure that Fellows could continue to contribute to various international projects throughout the global pandemic, we successfully pivoted the International Strategy to include COVID-safe measures.

A major project this year was the provision of support to the South West Pacific, the geographic focus of the strategy. Participating Fellows were given digital learning support during COVID-19.

Five webinars were delivered to the Pacific, covering various aspects of COVID-related advice, including:

- Paediatrics
- Respiratory Medicine
- Public Health.

Invitations were also extended to the faculty of the Fiji National University to join the College Learning Series.

The webinars, along with other virtual meetings, were key to maintaining our engagement in the region while travel restrictions remained in place.



## RACP Partnering Approach

This year we improved our approach to effective partnering, ensuring an appropriate balance of external funding support. Partnering with ethical organisations to provide value to Members in priority areas is vital to achieving this.

We met and exceeded our sponsorship targets for Congress and other College events.

As a result, Congress partnership income increased by 46 per cent. New partnerships are now in place with medico-legal and financial services providers, which have previously been identified by members as important to them.

A new partnership has also been established with Microsoft, offering Members useful benefits and discounts on Microsoft products.



# RACP Research Awards



## Dr Katherine Gibney

RACP GlaxoSmithKline Research Establishment Fellowship 2020



Project: *Invasive group A streptococcal disease (iGAS): Establishing an evidence-base for public health guidelines*



Dr Katherine Gibney has combined her public health, epidemiology and clinical infectious disease experience with her research involving high-risk groups (Indigenous Australians, immigrants and refugees, and travellers), communicable disease surveillance, arboviral infections and Strep A disease. As both an infectious diseases and public health physician (FRACP, FAFPHM), she brings clinical and public health perspectives to her infectious diseases research.

Her further training through the Epidemic Intelligence Service (EIS) fellowship at the US Centers for Disease Control and Prevention (CDC) provides an additional applied epidemiology perspective to her research. This was followed by a PhD at Monash University (2016). Her thesis, *Surveillance and burden of infectious diseases in Australia*, was awarded a commendation in the Premier's Award for Health and Medical Research.

Dr Gibney works in the Department of Infectious Diseases at the Austin Hospital and is an NHMRC Early Career Fellow at the Doherty Institute.

## Dr Susan Woolfenden

Sir Roy McCaughey Research Establishment  
Fellowship 2020



Project: *Social prescribing for housing to address child health inequities: developing equity focussed pathways for clinicians to improve child health*



Sue Woolfenden is a senior staff specialist in the Department of Community Child Health and the former clinical lead in Integrated Care at Sydney Children's Hospital Network. She is a Conjoint Associate Professor and Senior Research Fellow with the University of New South Wales School of Women's and Children's Health. In her clinical, service development and research roles she aims to address child health and healthcare inequities in Australia and globally particularly for children at risk of/with neurodevelopmental problems. Sue has over 70 peer reviewed publications, and was the co-chair of a Royal Australasian College of Physicians working group for the Inequities in Child Health Position Statement.

She has been awarded an NH&MRC Career Development Fellowship for 2019-2022 to further undertake translational research in her field.

## Dr Tom Lea-Henry

Jacquot Research Entry Scholarship 2020



Project: *Investigating the genetic basis of chronic kidney disease in Tiwi Islanders*



Dr Tom Lea-Henry obtained his medical degree from the University of Queensland in 2010 and undertook basic physician training at the Townsville and Canberra Hospitals. He was admitted to Fellowship of the RACP in 2017 after completing Advanced Training in Nephrology at the Canberra and John Hunter Hospitals.

## Dr Paul Yates

### 2020 Vincent Fairfax Family Foundation Research Establishment Fellowship



*Project: Obesity and Adiposity Biomarkers in Preclinical Alzheimer's Disease: Identifying Opportunities for Prevention of Dementia*



Paul is a geriatrician working at Austin Health and an Honorary Senior Research Fellow at the Department of Medicine, University of Melbourne and Florey Neuroscience Institute. Paul has clinical and research interests in ageing including management of frail elderly at the hospital–community interface, advance care planning, dementia and neuroimaging. His PhD examined the contribution of vascular risk and cerebrovascular disease to Alzheimer's disease biomarkers and cognitive change using A $\beta$  Positron Emission Tomography (PET) Imaging and Magnetic Resonance Imaging (MRI).

He is currently involved with projects aiming to improve care outcomes of people with frailty and dementia across the hospital, residential care and community settings, as well as dementia prevention.

For more information about our awards scholarships and prizes visit the RACP Foundation webpage.

**[www.racp.edu.au/about/foundation](http://www.racp.edu.au/about/foundation)**

Tom will commence research towards his PhD through the John Curtin School of Medical Research at the Australian National University in 2020. His PhD program will investigate the genetic and molecular basis of kidney disease among Tiwi Islanders and other Indigenous Australians. This work will then form the basis for using precision medicine techniques to search for novel therapeutic interventions. Tom has a range of research interests including kidney disease in Indigenous Australian populations, autoimmune kidney disease, and the translational application of precision medicine and pharmacokinetics.





# Advocacy and Influence

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**We advocate for healthier communities.**

**We will strengthen and measure the impact of our advocacy for the health of our communities.**

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The College is at the centre of advocating for physician wellbeing and support during the COVID-19 pandemic. Our priorities are constantly informed by the voices of our members on the frontline of healthcare delivery during the pandemic.




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**“Whether it was through Government briefings or front-page news, during 2020 we advocated on the issues that mattered to our members and got results.”**

Patrick Tobin, Executive General Manager,  
Policy & Advocacy

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## In the News



Today Show. Pictured: Dr Kate Charlesworth



SBS News. Pictured: Dr Kate Charlesworth



Today Show



The Project

3 election statements



media  
releases  
issued

42

41 submissions



ABC TV



ABC News



SBS News

## Consistent public advocacy to improve access to Telehealth

When the pandemic hit Australia and Aotearoa New Zealand in March 2020, Telehealth became a crucial instrument in allowing our physicians to continue to provide healthcare without endangering their own or their patients' health.

A few weeks into the pandemic we surveyed our members to find out about their experiences using Telehealth and what sort of impact the digital platform has had on them and their patients, as well as the things they needed help to address.

The survey results demonstrated that Telehealth had been important in supporting our physicians and their patients during the COVID-19 pandemic, but that it could also have an ongoing role to play in the delivery of healthcare well beyond. There was also keen interest in ensuring that Telehealth would be extended further than the September 2020 deadline set by the Australian Federal Government.

Over 1,000 members responded to our survey which ran between May 18 and May 25.

## Telehealth survey results

- 58 per cent of members who responded reported more than half of their practice is undertaken by Telehealth.
- 70 per cent of members who responded stated patients were generally more likely to keep their Telehealth appointments than face-to-face appointments
- Three out of four members who responded thought the availability of new Telehealth items increased accessibility of healthcare to their patients



RACP President, Professor John Wilson AM, said in a media statement that Telehealth had been important at this time of national health crisis, but that it also has the potential to permanently improve equity and access to specialists.

“The swift uptake of telehealth has helped stop the spread of COVID-19 but in many cases, it has also increased accessibility and equity – it’s been a welcome silver lining at a time of national health crisis.

“The potential for a permanent increase in accessibility and equity can’t be ignored. It’s clear we need to find ways to extend and improve telehealth in Australia.”

The responses from members were critical in informing our recommendations to the Federal Government about temporary and permanent Telehealth reform. In delivering the results to the Federal Government, the RACP recommended that Telehealth should be part of the foundation of future health reforms to improve the accessibility and quality of healthcare to Australians and potentially to the Aotearoa New Zealand community as further data comes to hand.

As a result of our advocacy, the Australian Federal Government responded to our members’ requests by extending Australian Telehealth MBS items beyond the original limit of September 2020, allowing physicians and their patients to continue enjoying the benefits of Telehealth as appropriate.



# Evolve – moving away from low value care

Every year our different specialty societies work together to identify five top clinical practices that may be overused, cause unnecessary harm, or prove ineffective. This work is done via the Evolve Policy Reference Group (EPRG) and our Policy & Advocacy team.

The Evolve Top Five Recommendations for Addiction Medicine were launched on 31 August 2020 to coincide with International Overdose Awareness Day.

One of the interesting recommendations from the Addiction Medicine list was for healthcare providers to seriously consider the impacts of opioid cessation before de-prescribing patients, as de-prescribing opioids can sometimes be more harmful than the side effects from the drug itself.

“For a long-time the debate around opioids has been framed by the importance of de-prescribing opioid use – and there is strong evidence to support this approach. But we are also finding that in some cases, patients with chronic pain who get turned away from opioids are actually ending up in more harm.” – President of the Chapter of Addiction Medicine Professor Nicholas Lintzeris

This represents just one of the many Evolve contributions from across our specialty societies, ranging from avoiding imaging for non-acute headache disorders to ceasing antibiotics as a form of treatment for excessive asthma.

New recommendations for 2021 are being finalised for Nephrology, Thoracic Medicine, Neonatal medicine, and Neurodevelopmental and Behavioural Paediatrics.



**RACP Specialists. Together** EDUCATE. ADVOCATE. INNOVATE. **Australasian Chapter of Addiction Medicine**

## TOP-FIVE RECOMMENDATIONS on low-value practices

**Better care. Better decision-making. Better use of resources.**

**The Australasian Chapter of Addiction Medicine (AChAM)** is a Chapter of the Royal Australasian College of Physicians (RACP) Adult Internal Medicine Division that connects and represents addiction medicine Fellows and trainees in Australia and New Zealand.

AChAM advances the study of addiction medicine in Australia and New Zealand through training, research and collaboration with health professionals and organisations. The Chapter provides

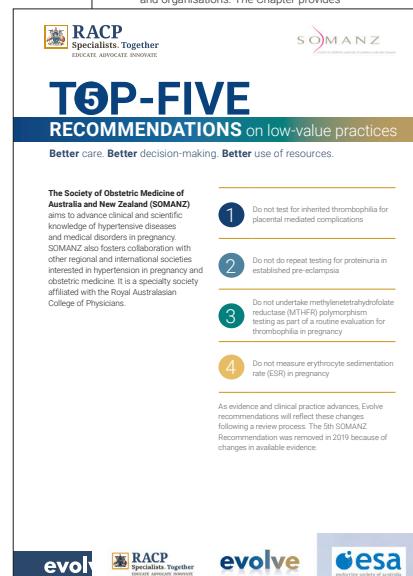
- 1 Do not undertake elective withdrawal management in the absence of a post-withdrawal treatment plan agreed with the patient that addresses their substance use and related health issues
- 2 Do not prescribe pharmacotherapies as stand-alone treatment for Substance Use Disorders (SUD) but rather as part of a broader treatment plan that identifies goals of treatment, incorporates psychosocial interventions and identifies how outcomes will be monitored

Do not de-prescribe or stop opioid treatment in a patient with concurrent chronic pain and opioid dependence without considering the impact on morbidity and mortality from discontinuation of opioid medications

While managing patients with Substance Use Disorder (SUD), exercise caution in the use of treatment approaches that are not supported by current evidence or involve unlicensed therapeutic products

Use a 'universal precautions' approach for all psychoactive medications that have known potential or liability for abuse including opioids, benzodiazepines, antipsychotic medications, gabapentinoids, amphetamines and psychostimulants

#RACPEvolve



**RACP Specialists. Together** EDUCATE. ADVOCATE. INNOVATE. **SOMANZ**

## TOP-FIVE RECOMMENDATIONS on low-value practices

**Better care. Better decision-making. Better use of resources.**

**The Society of Obstetric Medicine of Australia and New Zealand (SOMANZ)** aims to advance clinical and scientific knowledge of hypertensive diseases and medical disorders in pregnancy. SOMANZ also fosters collaboration with other regional and international societies interested in hypertension in pregnancy and obstetric medicine. It is a specialty society affiliated with the Royal Australasian College of Physicians.

- 1 Do not test for inherited thrombophilia for placental mediated complications
- 2 Do not do repeat testing for proteinuria in established pre-eclampsia
- 3 Do not undertake methyltetrahydrofolate reductase (MTHFR) polymorphism testing as part of a routine evaluation for thrombophilia in pregnancy
- 4 Do not measure erythrocyte sedimentation rate (ESR) in pregnancy

As evidence and clinical practice advances, Evolve recommendations will reflect these changes following a review process. The 5th-SOMANZ Recommendation was removed in 2019 because of changes in available evidence.

evolve RACP Specialists. Together EDUCATE. ADVOCATE. INNOVATE. evolve esa

**NEW CASE STUDY**  
Single vs. Multi-Checks  
RECOMMENDATIONS on low-value practices  
**Endocrine Society of Australia**  
www.evolve.edu.au/resources




**World Thrombosis Day**  
13 October 2020



**World Heart Day**  
29 September 2020

## Climate change

Since the College declared climate change to be a public health emergency, we have collaborated in joint advocacy efforts across the medical and environmental sector to raise awareness about the risks that climate change poses to our health.

In 2020 we commissioned a report on managing climate risk to public health and healthcare systems. A Multi-College Climate Change and Health Steering Committee will be formed to provide expert medical input into the report.

Further advocacy efforts in 2020 included:

- A joint statement to the Commonwealth Government appealing for a national strategy addressing the detrimental risks of climate change and extreme weather events to public physical and mental health
- The #HealthyRecovery letter to Prime Minister Scott Morrison reiterating climate change as a public health emergency and outlining the consequences of carbon pollution and associated global warming on the fundamentals of human health
- A College submission to the Environment Protection and Biodiversity Conservation Act 1999 (EPBC) Independent Reviewer urging them to address the link between the environment and human health and to call for health experts to be included in institutions that develop and deliver environmental laws
- Collaboration with the MJA-Lancet Countdown on Health and Climate Change to call for a suite of policy measures to help safeguard national health from climate impacts.

The College will continue to push for climate action and the recognition of climate-related health risks to the public.

## Gender dysphoria

In 2019 the Minister for Health, the Honourable Greg Hunt MP, turned to the RACP for advice about the treatment of gender dysphoria in children.

After an enormous amount of consultation with different Specialty societies and College experts, we delivered that advice to the Minister in March 2020.

The College recommended against a national inquiry into gender dysphoria, which some groups had been calling for. The advice was that such an inquiry into the issue would pose substantial dangers to young transgender people..

## Vaping

The College worked across the Tasman in providing advice to the respective Governments on the use of vaping. The long-term implications of using vaping devices are not yet known. The College's advice remains that not smoking tobacco or using e-cigarettes is the safest option for the community.

## Launching the #MakeltTheNorm election campaign

In September we launched the advocacy campaign #MakeltTheNorm ahead of the Aotearoa New Zealand 2020 Election, calling for action on four things that can make or break good health and wellbeing.

The #MakeltTheNorm campaign is informed by the evidence for action on the social determinants of health, like poor housing, insecure work and low wages, and inequitable health outcomes. The campaign is shaped by the knowledge and experiences of RACP members – medical specialists working in hospitals and communities across Aotearoa New Zealand.

The challenges facing Aotearoa New Zealand require long-term investment and sustained action. The College will continue to advocate in this space while these issues remain unresolved.



“Somewhere to live – a healthy home is a human right. Someone to love – all whānau enjoy wellbeing. Something to do – everyone has good work.” Something to hope for – there needs to be justice and equity.”

Dr George Laking



## Raise the Age campaign

Across Australia, children as young as 10 can be arrested by police, charged with an offence, hauled before a court, and locked away in a prison.

This year the College escalated its advocacy for the Raise the Age campaign, which is a joint advocacy effort with other health bodies and Indigenous groups in Australia.

Ahead of the 2020 Council of Attorney Generals meeting, we were in the news calling on Federal, State and Territory Governments to amend the laws to raise the minimum age of criminal responsibility to at least 14 years old.

Paediatrician and Adolescent Health Specialist Dr Mick Creati, was our spokesperson and presented an invaluable expert opinion on the matter telling media that:

- Children should be treated as vulnerable people requiring support, rather than criminals.
- The latest neuroscience shows the human brain does not fully develop until about 25 years old, and that the last parts to develop are those that control impulse and recognition of the long-term consequences for one's actions.
- Linking children to disability screening and support services to develop stronger family and community connections is the best course of action, not imprisonment.

We will continue to campaign on raising the age of criminal responsibility until every State has reformed their laws.

In just one year across Australia close to 600 children aged 10 to 13 years were locked up and thousands more were hauled through the criminal justice system.

Aboriginal and Torres Strait Islander children are disproportionately impacted by these laws and pushed into prison cells at even higher rates, accounting for 65 per cent of these younger children in prisons.



# Effective and Sustainable

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**We will be an effective and sustainable College.**

**We respect our history and will continue to build a stronger College.**

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If there ever was a year that put the entirety of our College's IT systems and internal capacities to the test, this was it. With snap lockdowns occurring across Australia and New Zealand, in a matter of weeks our staff transitioned seamlessly to working from home.

This was only possible because the College had made significant IT upgrades and had commenced the rollout of digital devices and training just before the global pandemic hit.

Our efforts to strengthen our IT infrastructure meant that our staff were able to continue the important work of the College during one of the biggest years in healthcare and medicine, as well as expand our virtual support and engagement with members more than ever before.



# What we've learned from COVID-19

Zoom, Microsoft Teams, a new online meetings events management system and a virtual private network which allows staff to work remotely on College servers were just some of the IT upgrades that proved essential in keeping the College running during the year.

But as 2020 continued, much broader pandemic related effects and consequences emerged, prompting new questions about the way we operate and provide services to our members. Near the end of the year, we produced a comprehensive report documenting our learnings and opportunities from this public health crisis. Some key points are summarised below.

## Acceleration of online work

The work of the Board of Directors, Council, Committees and staff has all had to move online. Advocacy for health equity, member safety, telehealth, CPD compliance and protected clinical training has grown by necessity.

Team Leaders who felt their teams would be less productive once dispersed have had their fears allayed, and the staff WHS survey reports that over 92 per cent of staff feel trusted to get their job done.

## A change in our tone of communication

RACP communications intentionally adopted a more personal and humanistic tone with the onset of the pandemic. The clear, detailed and regularly updated COVID-19 information available to staff has increased a sense of transparency which has helped to grow the confidence of staff in the organisation and its focus on their safety and that of its members.

## Potential cost reductions

The transition out of the office saw mail, print and production costs collapse overnight. Hybrid working arrangements also offer an opportunity to reduce office footprints and cut the cost of commercial rents, equipment and other office amenities. This opportunity is available to the RACP, particularly in its Sydney CBD head office and Aotearoa New Zealand Wellington locations.

## Embracing videoconferencing

Opportunities to create dynamic online events abound and many companies have been highly successful in hosting multi-dimensional summits, conferences, masterclasses, learning quests and workshops. Technology enables concurrent streams and protocols allow for live Q&A.

Members have found remote working on College business much less disruptive to their clinical roles than face-to-face meetings. Members also speak of needing to commit far less time without the need to travel. The College, staff and Committee members have gained significant experience in Zoom and other video-based meeting software, such that technical or user issues are now relatively uncommon.

“The pandemic has triggered long overdue innovation in medical education. The RACP had already commenced this innovation journey but must maintain pace so as to not be overtaken.”

## Enhanced focus on trainee wellbeing

The RACP acted to support trainee wellbeing during the pandemic, with a particular focus on the cohort due to sit the clinical exams. Pulse surveys have explored the impact of the pandemic on training rotations, working conditions and exam preparation.

It is evident from the research for this report that the RACP has much to be proud of regarding how quickly and effectively it mobilised its workforce, stayed connected to members, supported staff and Member wellbeing, and explored and responded to the impacts of the pandemic on its trainees.

## Renewing our expert voice

The pandemic created an unparalleled opportunity for the RACP to propel itself into a strong and ongoing health prevention, health policy and clinical leadership role. Governments the world over are now regularly taking advice from public health experts, infectious diseases specialists, virologists, immunologists, together with epidemiologists translational scientists, frontline clinicians and health system leaders.

Similarly, citizens are seeking plain English expert population health and clinical advice to understand the risks of infection and how to protect themselves. Never in modern times has the professionalism of physicians been more highly valued by so many.

## Further advocacy for telehealth

COVID-19 provided the RACP with the opportunity to powerfully advocate to government for the accelerated rollout and upgrade of quality telehealth solutions. It is one of four specialist medical colleges working with the Australian Department of Health to improve and extend telehealth with a view to it continuing beyond the pandemic.

## New ways of delivering examinations

The deployment of a new examination format enabled by new technology is not without expense or risk. The cost associated with delivering the Divisional Clinical Exams in 2020 shifted from those mobilising examiners, patients, and trainees to those for design expertise, software solutions and third-party technical support.

Committees and staff should be commended for working to achieve education, learning and assessment solutions intended to support the best outcomes for the profession in this rapidly changing environment.

## A wide network of staff championing good risk management

In 2020 the College undertook a comprehensive renewal of both our Risk Management and Procurement policies. The updates to these policies and procedures involved consultation with business leaders, staff and external auditors.

To support the renewal of our risk management policies and procedures, we asked staff to volunteer to become risk management champions. These staff members now form a wide network of champions across the College who can perform risk assessments for different teams when required.

The training workshops achieved excellent results, with our new risk champions feeling confident in raising potential risks with other staff, discussing the potential consequences, and taking action to reduce the impact of a risk event.

The risk management training process is well advanced, with ongoing training workshops to occur in 2021.

## Strengthening our procurement procedures

In 2020 the College updated our procurement policies and conducted seven procurement policy training sessions with over 200 staff participants across Australia and Aotearoa New Zealand.

The training provided staff with an understanding of their role and responsibility in ensuring the probity and transparency of College transactions and relationships with suppliers and with the necessary tools and training to ensure proper procurement procedures are followed when dealing with College resources. This training has also been made available online and ensure all staff (new or continuing) have access to it.

## Establishing the College as a modern workplace

The COVID-19 pandemic challenged the College to find new ways to revitalise the way staff work and operate effectively in the face of change.

Thanks to the hard work in upgrading our IT systems and wide-scale rollout of digital devices that began in 2019, the College was able to rise to this challenge and transition seamlessly to working from home under various lockdowns in 2020.

Simultaneously, we conducted in-office upgrades to our systems, including a common network, modern, secure infrastructure (network, routers and switches, internet links, audio visual equipment and multi-function devices) and productivity tools such as Microsoft Teams and SharePoint to increase secure communication and file collaboration.

## Operating on effective and sustainable technology

The College previously had underlying infrastructure and application vulnerabilities and lacked modern features available with up-to-date servers and software versions. To address these issues, the College is continuing to engage in a multi-year program to eliminate these vulnerabilities and enable all features to be utilised for improving business operations.

Key actions in 2020 included:

- Rollout of professional Zoom accounts for staff to make connecting from home easy and accessible
- Upgrading applications; for example, Virtual Learning Environments such as Moodle
- Upgrading database versions to the latest versions
- Upgrading 60 servers and operating systems to a mix of on premise and Cloud-based servers with the latest operating systems
- Increasing in-house Cloud and Microsoft technical expertise to support the College's implementations and ongoing support needs.

These changes are improving the reliability, security and capacity of the IT infrastructure that supports the College's operations.

## The RACP's Disaster Recovery plan

A Disaster Recovery plan has been put in place as a pre-emptive measure against the loss or compromise of data. All applications are now equipped with backup and restore capabilities, which are installed and implemented for all RACP systems. Additionally, unlimited power supplies are available in all data centres across Australia and New Zealand.

The updates of backup and recovery systems and unlimited power supplies minimise the likelihood of data loss or service interruption to members and trainees.

## Improved contact centre support and online Web-Chat

We introduced new centre software, expanded our contact centre support, and even added a new Web-Chat function to our website. These improvements were critical in providing extra support to our members in 2020.

The new system allows members to be supported across different communication methods – over the phone or via Web-Chat – and the new software ensures that centre staff can complete their important role with the aid of a smoother, integrated process.

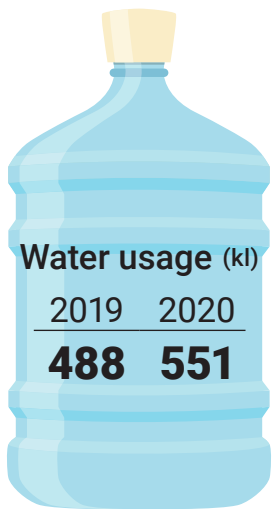
## Sustainability initiatives

We're in the early stages of monitoring our own use of energy, consumables and waste streams across all RACP sites. Below are some figures illustrating trends for our Sydney offices. We plan to expand monitoring and reporting to our Australian State and Aotearoa New Zealand offices in the near future.

# 92%

 Carbon reduction 2020

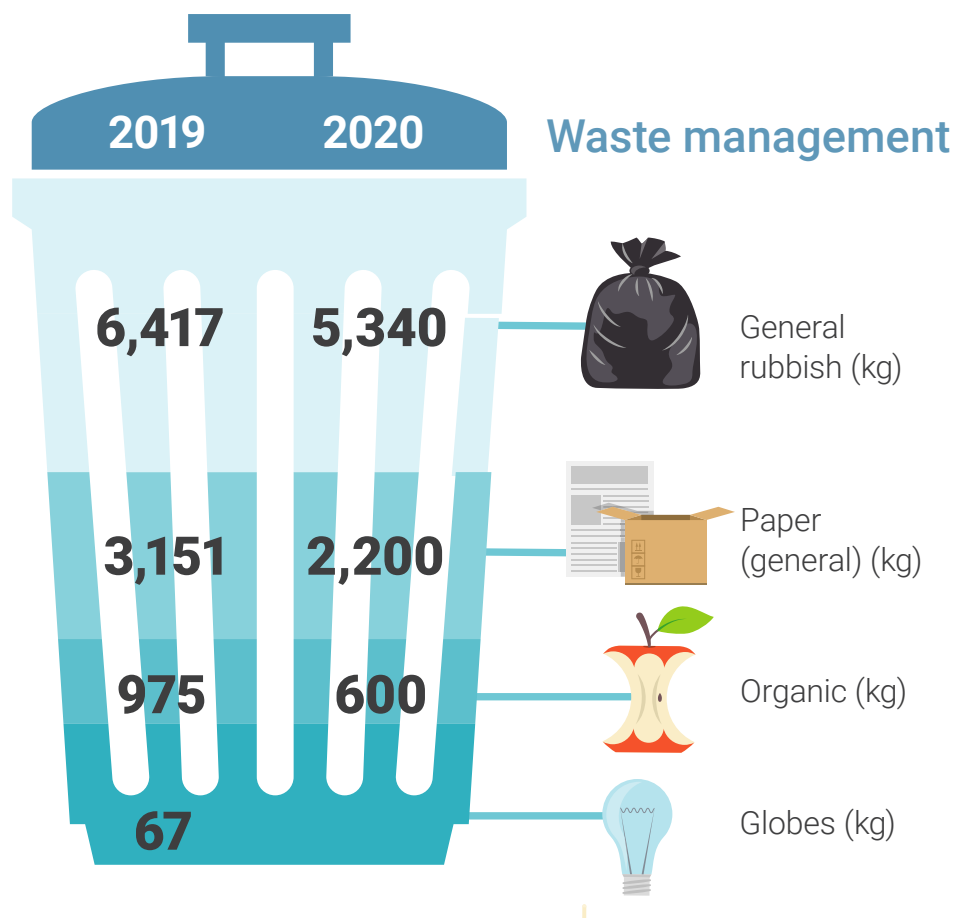

	2018	2019	2020
Air Travel (tCO2e)			
Staff Commuting (Personal)			
Staff Commuting (Public)	<b>1,110</b>	<b>1,367</b>	<b>104</b>



### Energy usage

(kWh) Electricity, gas, heat and steam

70 Phillip Street	
2019	2020
<b>269,695</b>	<b>155,911</b>
145 Macquarie Street	
2019	2020
<b>379,270</b>	<b>280,513</b>





Dr Angela Graves FRACP  
Nephrologist, Rockingham, Perth



## ACNC Review

During the year we continued to work with the Australian Charities and Not-for-profits Commission (ACNC) on an extensive Board and Governance review of the College. The RACP Board and Governance Review (to ACNC Voluntary Compliance Agreement) dated 18 December 2019, prepared by Effective Governance, contained 179 recommendations. The Board endorsed the implementation of these recommendations to improve and strengthen Board governance and our organisational culture.

During 2020, a total of six progress reports were provided to the ACNC by its independent expert Effective Governance. The College has been assessed as having the governance framework and secretariat competencies to implement the balance of the recommendations.

The Board's commitment to implement the improvements is demonstrated by the outcome achieved at the end of the year. Despite the COVID-19 pandemic, by the end of the year we had completed 90 per cent of Effective Governance's 179 Board and Governance review recommendations.

“...we acknowledge the extraordinary effort to bring 22 per cent of the tasks to completion in the last six weeks. eG wishes to assure RACP Members that there has not been any compromise in the quality of the completion of the deliverables, and that they have been reviewed by eG as meeting the requirement of the (Board and Governance Review) recommendations.”

*Effective Governance Assurance Program  
Summary Report No. 6, December 2021*

With the agreement of the Commission, a further 24 tasks have been deferred for completion in 2021 or 2022. The Board remains committed to completing and implementing the remaining tasks and recognises the work required by the College staff, College bodies and members to facilitate their successful implementation.

A number of the remaining recommendations are for a more detailed review of the Constitution and to refine the governance structures of the RACP. Consultation commenced in 2020 and will progress through 2021, with members encouraged to participate in defining the future of your College through the Constitutional consultation process.

The College response to the KordaMentha report following the computer-based testing exam failure in 2018 is now finalised. Oversight of the implementation of the BDO and Ferrier Hodgson Reports is continuing to be actively monitored and reported on, these recommendations are due to be completed in quarter four of 2021.

Members who wish to read the December 2020 Governance Assurance Program Summary Report in full can do so here.

[https://www.racp.edu.au/docs/default-source/secured-documents-library/racp-effective-governance-assurance-program-summary-progress-report-6.pdf?sfvrsn=ea2f81a\\_0](https://www.racp.edu.au/docs/default-source/secured-documents-library/racp-effective-governance-assurance-program-summary-progress-report-6.pdf?sfvrsn=ea2f81a_0)

# Honorary Treasurer's Report

## Financial stability

At the end of 2020 the RACP's financial position, as detailed in the balance sheet, shows that the College has remained financially robust, with consolidated net assets growing to \$107.5 million from \$103.9 million reported in 2019.

As foreshadowed in last year's report, COVID-19 has seen the College spend on travel and accommodation reduce dramatically, which, together with the Federal Government's Job Keeper payments and better than forecast investment returns, has enabled the College to absorb the increased and unanticipated costs of our pandemic response, as it impacted the College.

To learn more about how the College has been impacted, and how it responded to the pandemic, I refer you to the COVID-19 Learnings and Opportunities report which provides an in-depth look at what we have learned through 2020.

As the uncertainty continues, the 2020 results mean that we are in a sound position to respond to new challenges as and when they present themselves.

The College remains debt-free, with minimal long-term liabilities, 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 2020, the College's Foundation again offered \$2.8 million in research grants, scholarships and fellowships, and a further \$0.2m in prizes for meritorious achievement and excellence. Over the past five years the annual program of grants, scholarships and fellowships has distributed \$13 million to support our Fellows and trainees in the

various stages of their medical research careers, increasing research capacity and improving patient care, through its translation. The performance of the investment portfolio of the Foundation has also ensured that 2020/2021 will continue to see annual funding for research grants, scholarships and fellowships remain around \$2.8 million.

## Consolidated result

In 2020, the College continued a number of significant initiatives aimed at improving education, training, and the capability and security of our information technology infrastructure. The College incurred additional cost in people and resources to ensure all staff were able to work from home, and most importantly deliver the Division Clinical Exams in 2020. This expenditure is shown in the consolidated results presented in the Audited Financial Statements.

Income for the year from the provision of services was reduced from \$61.2m to \$60.1m, primarily reflecting the impact of COVID-19 on Congress and Admissions, Training and Examination Fees.

Income from investments was also lower than the prior year reducing from \$6.2m to \$5.7m.

The Commonwealth Government's Job Keeper program contributed significantly to offsetting the reduction in income from other sources.

As a result, the total income for the year 2020 increased compared to 2019 from \$68.5m to \$71.4m.

While the College's financial management has been cautious and responsible over many years, it has under invested in Information Technology Assets. This has significantly restrained the College's ability to deliver 'best-in-class' services to its membership. Over the next few years this underinvestment is to be addressed through a number of projects

and activities. This investment in Information Technology which commenced in 2019 and continued through 2020 will be funded from the accumulated reserves of the College. The ongoing investment may be reflected in the ensuing years' annual accounts as an operating deficit, which does not signal or imply a weakening of the College's financial strength and position. It represents the accelerated investment in Information Technology Assets, to ensure the effective continuation of the College's core purpose for the future and for the benefit of its members. This investment will drive better services for the College's membership.

## Appreciation

I am indebted to, and appreciative of, the work of the Finance and Risk Management Committee during 2020, overseeing College finances, risk management and both external and internal audits of the College.

I want to thank my fellow Committee members for their valued service during the year. I thank College President, Professor John Wilson AM, New Zealand College President, Dr George Laking, and Mr Adam Malouf. I also thank and acknowledge the efforts of Committee members whose term on the Committee came to an end during the year, outgoing College President, Associate Professor Mark Lane, outgoing New Zealand College President Dr Jeff Brown and Dr James Ross. To each of you thank you for your substantial contributions as members of the Finance and Risk Management Committee in 2020.

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

finances. I want to especially thank the Chief Financial Officer, Mr John McConville, his Executive Assistant and Project Manager Ms Jean Lim, the Financial Controller, Ms Lalesh Chand, the CEO Mr Peter McIntyre and our auditors, Mr James Winter and Ms Shirley Huang













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:

Professor John Wilson AM		RACP President
	Qualifications	BSc (Hons), MBBS, PhD, FRACP
	Experience	Professor John Wilson AM commenced his two-year term as RACP President on 4 May 2020. He will serve as RACP President for two years. 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), RACP Board (2018–2021).
Dr Jacqueline Small		RACP President-Elect
	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 Council (2014–2018, 2021–2023), Paediatrics & Child Health Division Executive Committee (2014–2018), Fellowship Committee (2018–2020).
Dr George Laking		President, Aotearoa New Zealand
	Qualifications	MB ChB 1992 Otago, FRACP
	Experience	Medical Oncologist, Auckland and Northland District Health Boards, RACP Aotearoa New Zealand President.  Dr George Laking grew up in Wellington, and his whakapapa is to Lincolnshire Pākehā on his father's side, and Te Whakatohea on his mother's side.  He studied medicine in Dunedin and Wellington, before going to the United Kingdom to complete his postgraduate studies. While in the UK, he wrote his PhD on the economics of diagnosis, and his MD on tumour perfusion.
	Special responsibilities	RACP Aotearoa NZ President (2020–2022), Member, RACP Board (2020–2022), Member, Finance and Risk Management Committee (2020–2022), Chair, Aotearoa NZ Committee (2020–2022), Member Aotearoa NZ Committee (2014–2022), Chair, Māori Health Committee (2014–2020), Member, Māori Health Committee (2010–2022), Member, College Policy and Advocacy Committee (2013–2020), Member, College Policy and Advocacy Committee Executive Committee (2017–2020), Chair, Aotearoa NZ Policy and Advocacy Committee (2017–2020), Member, Aotearoa NZ Policy and Advocacy Committee (2012–2020).

<b>Dr Tina Ahluwalia</b>		<b>Trainee Director</b>	
	Qualifications	MBBS, FRACP, M.D	
	Experience	Dr Tina Ahluwalia became a Fellow (FRACP) with the Royal Australasian College of Physicians in 2019 after completing training in Australia in the field of General Medicine. She is now an Advanced Trainee/post Fellow in Neurology at the Canberra Hospital. Previously Dr Ahluwalia had experience in India as a consultant in Adult Medicine and Neurology.	
<b>Professor Paul Komesaroff AM</b>		<b>Member Director</b>	
	Qualifications	MBBS, BSc (Hons), PhD, FRACP, AM	
	Experience	Professor Paul Komesaroff AM 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.	
<b>Professor Jennifer Martin</b>		<b>Board Member Director May 2020 – May 2023</b>	
	Qualifications	MBChB, MA (Oxon.), FRACP, PhD, GAICD, FAAHMS	
	Experience	Professor Martin is a practising physician and pharmacologist, academic and healthcare leader with skillsets and experience in complex regulatory and performance environments in health and tertiary education sector.	
<b>Ms Monica Schlesinger</b>		<b>Community Director</b>	
	Experience	Monica Schlesinger brings over 30 years of board and senior management experience to her position, with specialties in cyber-security, information technology, artificial intelligence, healthcare and tertiary education. She has particular expertise in healthcare informatics across a range of fields including hospitals, pharmacies, primary care, radiology, medical devices, epidemiology and allied health.	
<b>Mr Robert Stewart AM</b>		<b>Community Director</b>	
	Experience	Rob Stewart AM is a highly experienced company Director, having served on many boards across the healthcare, information technology and production sectors in both the United States and Australia, and earlier holding General Management positions in a variety of Australian companies. In addition, he is a former National Managing Partner in leading Australian law firm Minter Ellison.	
<b>Dr Gregory Stewart</b>		<b>Member Director</b>	
	Qualifications	MBBS, MPH, FAFPHM	
	Experience	NSW Health COVID-19 Public Health Response Branch, Deputy Public Health Controller and Senior Medical Advisor.  After forty years in the NSW Health system as a clinician, public health physician and senior manager, Dr Greg Stewart retired in April 2020 from his position as Director, Primary Integrated and Community Health for South Eastern Sydney Local Health District (2011–20). His career spanned a full range of management and public health activities in NSW Health. Greg was recalled to duty from July to October 2020 in the NSW Health COVID-19 Public Health Response Branch where he was a Deputy Public Health Controller and Senior Medical Advisor, working on a range of activities related to prevention and response to the COVID-19 pandemic.	
<b>Mr Tony Tenaglia</b>		<b>Community Director and Honorary Treasurer</b>	
	Qualifications	MBA, GAICD	
	Experience	Tony joined the College effective 31 July, 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. Terms are 2018 to 2021, term extended 2021 to 2024.	

# Corporate Information

**ABN 90 270 343 237**

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## **Directors**

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

Professor John Wilson AM

Dr Jacqueline Small

Dr George Laking

Dr Tina Ahluwalia

Professor Paul Komesaroff AM

Professor Jennifer Martin

Ms Monica Schlesinger

Dr Gregory Stewart

Mr Robert Stewart AM

Mr Tony Tenaglia

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## **Company Secretary**

Ms Kim Davis

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## **Registered office and principal place of business**

145 Macquarie Street, Sydney NSW 2000

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## **Auditors**

Grant Thornton

ABN 130 913 594





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## Auditor's Independence Declaration

To the Responsible Entities of The Royal Australasian College of Physicians

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of The Royal Australasian College of Physicians for the year ended 31 December 2020, 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.

A handwritten signature in cursive script that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd  
Chartered Accountants

A handwritten signature in cursive script that reads "James Winter".

James Winter  
Partner – Audit & Assurance

Sydney, 19 March 2021

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# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	NOTE	2020 \$	2019 \$
<b>General fund</b>			
Revenue from provision of services		60,118,451	61,150,452
Grant funding		4,843,355	-
Investment, interest and other income		2,746,874	2,262,694
<b>Total revenue and other income</b>	3	<b>67,708,680</b>	<b>63,413,146</b>
<b>Expenditure</b>			
Employee benefits		43,111,815	36,397,796
Travel, accommodation and meetings		1,548,245	7,415,536
Impairment loss on investments		-	-
Other	4	20,167,264	19,215,695
<b>Total expenditure</b>		<b>64,827,324</b>	<b>63,029,027</b>
<b>General fund surplus</b>		<b>2,881,356</b>	<b>384,119</b>
<b>RACP Foundation fund</b>			
<b>Revenue</b>			
Grant funding		53,419	-
Donations		633,682	1,169,555
Investment, interest and other income		2,961,585	3,949,059
<b>Total revenue and other income</b>	3	<b>3,648,686</b>	<b>5,118,614</b>
<b>Expenditure</b>			
Grants paid or payable		1,929,304	2,485,868
Other		707,124	712,966
<b>Total expenditure</b>		<b>2,636,428</b>	<b>3,198,834</b>
<b>RACP Foundation fund surplus</b>		<b>1,012,258</b>	<b>1,919,780</b>
<b>Total surplus</b>		<b>3,893,614</b>	<b>2,303,899</b>

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

	NOTE	2020 \$	2019 \$
<b>Surplus for the year</b>			
		<b>3,893,614</b>	<b>2,303,899</b>
<b>Other comprehensive income:</b>			
Net gain/(loss) on revaluation of financial assets		(354,355)	4,214,259
Foreign currency translation gain/(loss)		95,460	135,677
<b>Total comprehensive income for the year</b>		<b>3,634,719</b>	<b>6,653,835</b>

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 2020

	NOTE	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	46,376,812	39,677,071
Receivables	6	6,696,316	5,733,730
Other current assets	7	2,496,181	1,581,400
Other financial assets	8	4,604,170	4,599,938
<b>Total current assets</b>		<b>60,173,479</b>	<b>51,592,139</b>
<b>Non-current assets</b>			
Other financial assets	8	103,470,231	101,059,780
Property, plant and equipment	9	7,144,893	7,026,214
Intangibles	10	407,737	1,180,819
Right of Use Assets	11	5,840,384	6,733,097
Other non-current assets	12	1,447,032	1,449,693
<b>Total non-current assets</b>		<b>118,310,277</b>	<b>117,449,603</b>
<b>Total assets</b>		<b>178,483,756</b>	<b>169,041,742</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	13	59,240,105	54,317,761
Employee Benefits Provisions	14	4,990,134	3,278,229
Lease Liabilities	15	2,872,257	2,562,587
<b>Total current liabilities</b>		<b>67,102,496</b>	<b>60,158,577</b>
<b>Non-current liabilities</b>			
Employee Benefits Provisions	14	274,674	241,819
Lease Liabilities	15	3,569,228	4,738,707
<b>Total non-current liabilities</b>		<b>3,843,902</b>	<b>4,980,526</b>
<b>Total liabilities</b>		<b>70,946,398</b>	<b>65,139,103</b>
<b>Net assets</b>		<b>107,537,358</b>	<b>103,902,639</b>
<b>Funds</b>			
General funds	19	52,072,015	49,190,659
RACP Foundation funds	19	48,148,676	47,136,418
Reserves	19	7,316,667	7,575,562
<b>Total Funds</b>		<b>107,537,358</b>	<b>103,902,639</b>

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 2020

	NOTE	2020 \$	2019 \$
<b>General and Foundation funds</b>			
Balance, 1 January		96,327,077	94,023,178
General fund surplus		2,881,356	384,119
RACP Foundation fund surplus		1,012,258	1,919,780
<b>Balance, 31 December</b>	19	<b>100,220,691</b>	<b>96,327,077</b>
<b>Fair value through other comprehensive income reserve</b>			
Balance, 1 January		5,494,366	1,280,107
Other comprehensive income		(354,355)	4,214,259
<b>Balance, 31 December</b>		<b>5,140,011</b>	<b>5,494,366</b>
<b>Foreign currency translation reserve</b>			
Balance, 1 January		2,081,196	1,945,519
Foreign currency translation gain (loss)		95,460	135,677
<b>Balance, 31 December</b>		<b>2,176,656</b>	<b>2,081,196</b>
<b>Total Funds</b>		<b>107,537,358</b>	<b>103,902,639</b>

# Statement of Cash Flows

For the year ended 31 December 2020

	NOTE	2020 \$	2019 \$
<b>Cash flow from operating activities</b>			
Cash receipts from training fees, memberships and operations		65,432,878	62,184,500
Cash payments applied in operations		(63,073,512)	(59,004,724)
Payments to Specialist Training Program posts		(46,650,748)	(59,622,842)
Proceeds from Government for Specialist Training Program posts		52,996,727	37,922,906
Interest received		67,202	198,342
Proceeds from Government grants		114,945	344,836
<b>Net cash provided by/(used in) operating activities</b>	16	<b>8,887,492</b>	<b>(17,976,982)</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(1,943,997)	(1,910,043)
Payments for investments		(1,531,993)	(6,478,083)
Proceeds from disposal of property, plant and equipment		(109,114)	(192)
Proceeds from investments		4,576,247	2,655,232
<b>Net cash from (used in) investing activities</b>		<b>991,143</b>	<b>(5,733,086)</b>
<b>Cash flow from financing activities</b>			
Payments for finance lease liability		(3,080,425)	(2,946,162)
<b>Net cash from (used in) financing activities</b>		<b>(3,080,425)</b>	<b>(2,946,162)</b>
Net increase in Cash and cash equivalents		6,798,210	(26,656,230)
Cash and cash equivalents at the beginning of the year		39,677,071	66,227,129
Effects of exchange rate fluctuations on the balance of cash held in denominated foreign currencies		(98,469)	106,172
<b>Cash and cash equivalents at the end of the year</b>	5	<b>46,376,812</b>	<b>39,677,071</b>

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 2020

### 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 2020 was authorised for issue in accordance with a resolution of the Directors (Responsible Entities) on 19 March 2021.

#### Overview of operations

During 2020 the College's operations were impacted by the sector and economy wide effects of the COVID-19 pandemic. The 2020 financial outcome was significantly supported by administrative expenditure savings and the assistance of the Australian Government JobKeeper and Cash Flow Boost support subsidies. This enabled the College to maintain its increased expenditure on our staff so that the College could continue planned projects, maintain and adapt its service delivery to its members and support our staff at a most disrupted and challenging time. The College remained in an operating surplus position consistent with the prior year.

### 2. Statement of accounting policies for the year ended 31 December 2020

#### 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 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.

#### Lease term

The Directors considered the extension option on the commercial buildings and have determined that due to the market rent reviews and the remaining term of the non-cancellable lease term, it is not reasonably certain that the company will choose to exercise the option and therefore the lease payments that would arise during the optional extension periods have not been included in the lease liability.

#### c. Revenue

Revenue arises mainly from subscriptions from members and Fellows as well as admissions, training, and examination fees.

To determine whether to recognise revenue, the College follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the College have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations. 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**

Where the consideration from membership subscriptions consists of a recurring fixed amount over the term of the contract and the member receives and consumes the benefits of the services as the College provides them then revenue is recognised on a straight-line basis over the term of the contract. Costs are recognised on an accrual basis. Application to fellowship fees is recognised over the expected period of a Fellow's membership of the College

#### **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. Receivables**

The College makes use of a simplified approach in accounting for 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 College 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 service, direct payroll and payroll related costs of employees' time spent on the project. Acquired software is also capitalised.

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

## Depreciation 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	
New Zealand assets	As per NZ Inland Revenue Rates	

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 appreciates 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,
3. financial assets at fair value through other comprehensive income (FVOCI).

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 their contractual cash flows, 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. Dividend 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. Payables**

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. Contract and service obligation liabilities**

**Service obligation liabilities**

Service obligation liabilities generally represent the unspent grants, awards, sponsorships, or other fees (e.g., members' subscriptions) that are 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 grant and fees. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is presented as non-current.

**Unexpended contract funds**

The liability for unexpended contract funds are unspent government contract funds held until disbursed when certain conditions are fulfilled by third parties, usually within 12 months of receipt.

**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. Lease accounting**

At inception of a contract, the College assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether the contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.

The College has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The College has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

The College has elected not to separate non-lease components from lease components and has accounted for all leases as a single component.

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the College's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured where there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The College has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the College recognises the payments associated with these leases 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 19):

General funds

RACP Foundation funds

Fair value through other comprehensive income: and,  
Foreign exchange translation reserves

**s. Foreign currency**

All foreign currency transactions are shown in Australian dollars.

**Foreign currency transactions**

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

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

**Foreign currency operations**

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

### 3. Revenue

	2020 \$	2019 \$
<b>Revenue from provision of services</b>		
Subscriptions and other Fellow receipts	25,838,308	24,064,518
Admissions, training and examination fees	30,355,419	32,395,484
Government program administration fees	2,701,987	2,548,329
Other	1,222,737	2,142,121
	<b>60,118,451</b>	<b>61,150,452</b>
<b>Donations and grant funding (not subject to performance obligations)</b>		
Government COVID-19 stimulus funding - General fund	4,843,355	-
Government COVID-19 stimulus funding - Foundation Fund	53,419	-
Donations from Fellows and other grants - Foundation fund	633,682	1,169,555
	<b>5,530,456</b>	<b>1,169,555</b>
<b>Other income</b>		
Interest and dividend income - General fund	1,840,229	2,109,654
Interest and dividend income - Foundation fund	1,556,649	2,228,166
Gain on disposal of financial assets - General fund	906,645	153,040
Gain on disposal of financial assets - Foundation fund	1,142,359	1,434,832
Other - Foundation fund	262,577	286,061
	<b>5,708,459</b>	<b>6,211,753</b>
<b>Total revenue</b>	<b>71,357,366</b>	<b>68,531,760</b>
Revenue attributable to the General Fund	67,708,680	63,413,146
Revenue attributable to the Foundation Fund	3,648,686	5,118,614
	<b>71,357,366</b>	<b>68,531,760</b>

### 4. Expenses

	2020 \$	2019 \$
<b>General fund</b>		
Rent and outgoing/occupancy cost	777,811	770,161
Lease Interest Expense	336,490	373,282
Repairs and maintenance	357,484	257,217
Depreciation and amortisation	4(a) 5,356,746	4,703,989
Printing, publication and postage	1,169,380	1,966,244
Contract, professional and consulting fees	5,734,129	5,200,726
Bank and investment management fees	874,342	826,227
Web hosting and information technology consumables	416,472	454,821

continued	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Insurance expense	157,363	130,512
General office stationery	588,643	697,255
Telephone	270,359	240,972
Training tools, development and delivery	80,541	31,132
IT hardware and software maintenance and support	2,088,839	1,963,636
Hospital assessment costs (Clinical exams)	329,855	804,931
OTP interview fees paid to Fellows	153,309	85,199
Bad and doubtful debt provision	91,963	92,784
Other expenses	1,383,538	616,607
<b>Total other expenditure (General fund)</b>	<b>20,167,264</b>	<b>19,215,695</b>

#### 4(a). Depreciation and amortization

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Depreciation - property, plant and equipment	1,791,563	1,160,684
Depreciation - right-of-use-assets	2,776,839	2,751,709
Amortisation - intangibles	788,344	791,596
	<b>5,356,746</b>	<b>4,703,989</b>

## 5. Cash and cash equivalents

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	42,185,717	13,558,425
Short term deposits with financial institutions	4,191,095	26,118,646
<b>Total cash and cash equivalent</b>	<b>46,376,812</b>	<b>39,677,071</b>

#### Restricted funds

Cash and cash equivalents include \$30,569,451 (2019 \$27,954,246) 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 contract funding at year-end is disclosed in Note 13.

Also included in the balance is RACP Foundation funds of \$1,424,291 (2019 \$2,115,656). 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. Receivables

	2020 \$	2019 \$
Receivables	5,903,590	5,179,629
Less: Allowance for credit losses	(251,900)	(303,477)
Other accrued income	1,044,626	857,578
	<b>6,696,316</b>	<b>5,733,730</b>

### Reconciliation of allowance for credit losses

Opening balance as at 1 January		303,477
Prior year debts collected		(155,274)
Debts written off against provision		(140,743)
Add: Allowance for credit losses		244,440
		<b>251,900</b>

## 7. Other current assets

	2020 \$	2019 \$
<b>Prepaid expenses</b>	<b>2,496,181</b>	<b>1,581,400</b>

## 8. Other financial assets

	2020 \$	2019 \$
<b>Current</b>		
Bank bills and term investments	912,512	1,239,761
Financial assets at fair value through other comprehensive income (FVOCI)	3,691,658	3,360,177
	<b>4,604,170</b>	<b>4,599,938</b>
<b>Non-current</b>		
Bank bills and term investments	65,555	66,037
Financial assets at fair value through other comprehensive income(FVOCI)	103,404,676	100,993,743
	<b>103,470,231</b>	<b>101,059,780</b>

### Restricted funds

The current at fair value through other comprehensive income financial assets includes funds for RACP Foundation \$1,835,423 (2019 \$2,353,489) and is not available for general working requirements.

The non-current at fair value through other comprehensive income financial assets also includes funds for RACP Foundation \$48,876,665 (2019 \$47,364,445).

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 \$	Furniture, Fixtures and Fittings \$	Plant and Equipment \$	IT Hardware \$	Total \$
Balance at 31 December 2019	5,632,949	2,548,337	2,594,119	1,631,836	5,029,517	17,436,758
Additions	-	184,022	36,248	506,963	2,237,422	2,964,655
Disposals	-	(364,171)	(535,728)	(440,055)	(3,554,702)	(4,894,656)
<b>Balance at 31 December 2020</b>	<b>5,632,949</b>	<b>2,368,188</b>	<b>2,094,639</b>	<b>1,698,744</b>	<b>3,712,237</b>	<b>15,506,757</b>

### Accumulated depreciation

Balance at 31 December 2019	3,111,762	1,641,907	1,660,097	1,020,600	3,966,433	11,400,799
Depreciation expense	120,773	318,162	177,056	114,474	1,061,098	1,791,563
Disposals	-	(364,171)	(506,921)	(378,457)	(3,535,993)	(4,785,542)
Forex translation	12,677	-	5,489	398	(72)	18,492
<b>Balance at 31 December 2020</b>	<b>3,245,212</b>	<b>1,595,898</b>	<b>1,335,721</b>	<b>757,015</b>	<b>1,491,466</b>	<b>8,425,312</b>

### Net carrying amount

at 31 December 2019	2,521,187	906,430	934,022	611,236	1,063,084	6,035,959
2019 Fixed Assets under construction						990,255
						<b>7,026,214</b>
at 31 December 2020	2,387,737	772,290	758,918	941,729	2,220,771	7,081,445
2020 Fixed Assets under construction						63,448
						<b>7,144,893</b>

## 10. Intangibles

	2020 \$	2019 \$
<b>Software (Intangibles)</b>		
Balance at the beginning of the year	1,180,819	1,925,894
Acquisition	15,262	46,521
Amortisation	(788,344)	(791,596)
<b>Balance at the end of the year</b>	<b>407,737</b>	<b>1,180,819</b>

## 11. Right of use assets

	2020 \$	2019 \$
Balance at the beginning of the year	6,733,097	9,484,806
Additions	1,884,126	-
Depreciation	(2,776,839)	(2,751,709)
<b>Balance at the end of the year</b>	<b>5,840,384</b>	<b>6,733,097</b>

## 12. Other non-current assets

	2020 \$	2019 \$
<b>Library</b>		
At cost	1,082,960	1,085,621
<b>Paintings, antiques and historical objects</b>		
At cost	364,072	364,072
<b>Total other non-current assets</b>	<b>1,447,032</b>	<b>1,449,693</b>

## 13. Trade and other payables

	2020 \$	2019 \$
Payables	1,607,457	1,833,294
Accruals	9,525,583	7,718,543
Service obligation liabilities for subscriptions, exam fees and application to fellowship fees	16,181,065	16,120,215
Unexpended contract funds	31,926,000	28,645,709
<b>Total trade and other payables</b>	<b>59,240,105</b>	<b>54,317,761</b>

## 14. Employee Benefits Provisions

	2020 \$	2019 \$
<b>Current</b>		
Employee entitlements	4,990,134	3,278,229
<b>Total current provisions</b>	<b>4,990,134</b>	<b>3,278,229</b>
<b>Non-current</b>		
Employee entitlements	274,674	241,819
<b>Total non-current provisions</b>	<b>274,674</b>	<b>241,819</b>
	<b>5,264,808</b>	<b>3,520,048</b>



## 15. Lease liabilities

	2020 \$	2019 \$
<b>Current</b>		
Lease Liabilities	2,872,257	2,562,587
<b>Non-current</b>		
Lease Liabilities	3,569,228	4,738,707
<b>Total Lease Liabilities</b>	<b>6,441,485</b>	<b>7,301,294</b>

## 16. Reconciliation of cash

	2020 \$	2019 \$
<b>Net surplus for the year</b>	<b>3,893,614</b>	<b>2,303,899</b>
<b>Add/(subtract) non-cash items</b>		
Depreciation of property, plant and equipment	1,791,563	1,160,684
Amortisation of intangibles	788,344	791,596
Right of use asset amortisation	2,776,839	2,751,709
Lease interest shown as Financing	336,490	373,282
<b>Add/(subtract) investing items</b>		
(Profit)/loss on disposal of property, plant and equipment	109,113	192
(Profit)/loss on sale of investments	(2,049,005)	(1,587,873)
Investment distributions re-invested	(3,597,095)	(4,002,720)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in trade and other debtors	(1,897,858)	(484,878)
Increase/(decrease) in trade and other creditors and accruals	4,988,531	(19,733,093)
Increase/(decrease) in provisions	1,746,956	450,220
<b>Net cash provided by/(used in) operating activities</b>	<b>8,887,492</b>	<b>(17,976,982)</b>

## 17. Commitments and contingencies

### a. Capital expenditure commitments

There is no known capital commitment.

### b. 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.

Contingent liabilities may exist in relation to regulatory investigations currently being conducted. As the matters are currently under investigation there are as yet no findings, so it is not possible to estimate the liabilities. However potential liabilities may be material

### c. Events after the Balance Date

Nil

## 18. Related party disclosures

### a. 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 \$13,183 (2019: \$28,497) incurred by some Directors for their legal advice regarding matters considered to be related to the College.

### b. 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 \$201,459 (2019 \$235,755) for rent and outgoings from the Specialty Societies.

Some 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.

### c. 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.

	2020 \$	2019 \$
<b>Total compensation</b>	<b>2,883,632</b>	<b>3,275,055</b>

## 19. Details of funds

### General funds

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

	2020 \$	2019 \$
General Funds		
Balance, 1 January	49,190,659	48,806,540
General Fund surplus	2,881,356	384,119
<b>Balance, 31 December</b>	<b>52,072,015</b>	<b>49,190,659</b>

## 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.

	2020 \$	2019 \$
RACP Foundation Funds		
Balance, 1 January	47,136,418	45,216,638
RACP Foundation Fund surplus	1,012,258	1,919,780
<b>Balance, 31 December</b>	<b>48,148,676</b>	<b>47,136,418</b>
<b>Total General and Foundation Fund</b>	<b>100,220,691</b>	<b>96,327,077</b>

## 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.

## 20. 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.

## 21. 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 are not included in the information below.

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

	2020 \$	2019 \$
Gross Income from Fundraising	410,000	360,000
Cost of Fundraising	-	-
Funds expended for awards	(260,000)	(360,000)
<b>Net Surplus from Fundraising</b>	<b>150,000</b>	<b>-</b>

### (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.

## 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 2020 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.



John Wilson

Director

19 March 2021



Antonio Tenaglia

Director

19 March 2021

## Declaration by Responsible Member of the Governing Body

I, Peter McIntyre, 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 2020 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 2020 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.

Peter McIntyre



Sydney, 19 March 2021



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## 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 2020, 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 2020 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;
- 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 2020, 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) Monies received by The Royal Australasian College of Physicians, as a result of fundraising appeals conducted during the year ended 31 December 2020, 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.

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### 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.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

### 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

Sydney, 19 March 2021

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