

2023 Financial Review

Excellence and equity in the provision
of mental healthcare.



The Royal
Australian &
New Zealand
College of
Psychiatrists



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The Royal Australian and New
Zealand College of Psychiatrists

A.B.N. 68 000 439 047

(A company limited by guarantee
incorporated in Australia)

For the year ended 31 December 2023

Registered Office

309 La Trobe Street
Melbourne Victoria 3000

Directors' Report

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2023.

Directors

The RANZCP Board comprises of eight directors including the President, the President Elect, five directors elected from among the RANZCP's Fellows and a Board appointed director, trainee. The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the RANZCP.

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- » A/Prof Vinay Lakra (up to 31 May 2023)
- » Dr Elizabeth Moore
- » Dr Astha Tomar (from 31 May 2023)
- » Dr Ava Carter (from 31 May 2023)
- » Prof Neeraj Gill (up to 16 October 2023)
- » Dr Pramudie Gunaratne (up to 31 May 2023)
- » Dr Warren Kealey-Bateman (from 16 October 2023)
- » Dr Mark Lawrence
- » Dr Sue Mackersey
- » Dr Nick O'Connor
- » A/Prof Melanie Turner

Information on directors

Associate Professor Vinay Lakra

President (up to 31 May 2023)

Qualifications: MBBS, MD, MHM, GAICD, FRACMA, FRANZCP, FAMS

Experience and expertise: Vinay is the Divisional Director of Mental Health Services at Northern Health, Melbourne.

Vinay joined the Board for a two-year term from May 2018 and served as Chair, Finance Committee until his election to President Elect in May 2019.

As President, from May 2021 to May 2023, Vinay chaired the RANZCP Board and was a Board Director of the Council of Presidents of Medical Colleges (CPMC).

Special responsibilities: Up to 31 May 2023: President; Chair, RANZCP Board; Ex-officio, Finance Committee; Member, Members' Advisory Council; and Board Director, CPMC.

Dr Elizabeth Moore

President Elect (up to 31 May 2023);

President (from 31 May 2023)

Qualifications: MBBS (Adl), FRANZCP, Grad Cert HPE (UWA), MAICD

Experience and expertise: Elizabeth is the inaugural ACT Coordinator-General of the Office of Mental Health and Wellbeing and has worked in both public and private hospital and community settings, holding clinical and/or administrative positions in psychiatry in South Australia, New South Wales, Victoria, and Western Australia.

Elizabeth joined the Board in May 2019 as a Casual Board Director for a 12-month term; was elected to the Board for a two-year term in June 2020; and was elected President Elect in May 2021. In this role, Elizabeth Chaired the Audit Committee, Members' Advisory Council, Awards and Recognition Committee, and PIF Advisory Group.

As President from May 2023, Elizabeth chairs the RANZCP Board and is a Board Director of the Council of Presidents of Medical Colleges (CPMC).

Special responsibilities: Up to 31 May 2023: President Elect; Chair, Members' Advisory Council; Chair, Audit Committee; Chair, Awards and Recognition Committee; Chair, PIF Advisory Group; and Member, Finance Committee.

From 31 May 2023: President; Chair, RANZCP Board; Ex-officio, Finance Committee; Member, Members' Advisory Council; and Board Director, CPMC.

Dr Astha Tomar
President Elect
(from 31 May 2023)

Qualifications: MBBS, FRANZCP, AFRACMA, MAICD

Experience and expertise: Astha Tomar is the Director Clinical Services at Orygen, was previously the Head of Youth Mental Health Services at Peninsula Health in Victoria and works in private practice.

Astha was elected as the President-Elect and joined the Board in May 2023. In this role, Astha chairs the Audit Committee, Members' Advisory Council, Awards and Recognition Committee, and PIF Advisory Group.

Special responsibilities: From 31 May 2023: President Elect; Chair, Members' Advisory Council; Chair, Audit Committee; Member, Finance Committee; Chair, Awards and Recognition Committee; Chair, PIF Advisory Group; and Member, Membership Engagement Committee.

Dr Ava Carter
Board Appointed Director, Trainee
(from 31 May 2023)

Qualifications: MChD, GAICD, GDipDent, BOralHDS (Hons), GradCert ForStForSc

Experience and expertise: Ava is dual qualified in Dentistry and Medicine, receiving her training at Griffith University and the Australian National University respectively. She is currently a Consultation Liaison Advanced Trainee, the Senior Psychiatric Registrar with Canberra Health Services, and Chair of the Social and Scientific Engagement Committee (SSEC) in the ACT Branch.

Ava was appointed by the Board as the Appointed Director, Trainee, for a one-year term from 31 May 2023.

Special responsibilities: From 31 May 2023: Chair, Trainee Advisory Council; Member, Education Committee; Member, Corporate Governance and Risk Committee; and Member, Members' Advisory Council.

Professor Neeraj Gill
Board Director
(up to 16 October 2023)

Qualifications: FRANZCP, MD (Psychiatry), DrPH

Experience and expertise: Neeraj is a psychiatrist at Gold Coast Health and professor and clinical lead for mental health at the School of Medicine, Griffith University, Gold Coast. He is Professor, Public Mental Health, Mental Health Policy Unit, University of Canberra, ACT, and a member of the Queensland Mental Health Review Tribunal.

Neeraj joined the RANZCP Board in June 2020 for a two-year term and chaired the

Finance Committee during this time. Neeraj was re-elected for a further two-year term in May 2023 and continued to Chair the Finance Committee until his resignation from the Board on 16 October 2023.

Special responsibilities: Up to 16 October 2023: Chair, Finance Committee; Member, Practice, Policy and Partnerships Committee; Member, Audit Committee; and Member, Members' Advisory Council.

Dr Pramudie Gunaratne
Board Appointed Director, Trainee
(up to 31 May 2023)

Qualifications: MD, BMed, BA, MMed, MSc, FRANZCP, MAICD

Experience and expertise: Pramudie completed her psychiatry training and was admitted as a Fellow of the RANZCP in December 2022. Pramudie had undertaken her clinical training in multiple health networks across greater Sydney, worked as the registrar to the Chief Psychiatrist in New South Wales and as a consultant to the Brain Health Unit at the World Health Organization in Geneva. She is a research fellow at the Department of Developmental Disability Neuropsychiatry (3DN) at the University of New South Wales

and co-founder of Seriph Clinics, a specialist private service caring for people with complex neuropsychiatric disorders.

Pramudie was appointed to the Board in May 2022 as the inaugural Appointed Director, Trainee for a one-year term.

Special responsibilities: Up to 31 May 2023: Chair, Trainee Advisory Council; Member, Education Committee; Member, Membership Engagement Committee; and Member, Members' Advisory Council.

Dr Warren Kealy-Bateman
Board Director (Casual Vacancy)
(from 16 October 2023)

Qualifications: BA, MBBS, Master of Psychiatry, FRANZCP, AdvCertPH, MBA, MAICD

Experience and expertise: Warren is the Clinical Director of Dubbo and Regions Mental Health Drug and Alcohol. In 2022 Warren was appointed as a member of the NSW Regional Health Ministerial Advisory Panel, following the NSW Parliamentary inquiry into rural health care.

Warren joined the Board on 16 October 2023 as an Elected Director (Casual Vacancy).

Special responsibilities: From 16 October 2023: Chair, Practice, Policy and Partnerships Committee; Member, Members' Advisory Council.

Dr Mark Lawrence

Board Director

Qualifications: BPhED (Otago), MBChB (Otago), Dip Paediatrics (Auckland), FRANZCP

Experience and expertise: Mark works as a Consultant Psychiatrist in the Bay of Plenty, Tauranga. He is an adult psychiatrist working within an integrated model of care with both Kaupapa Māori (Māori Model of care) and mainstream services at Tauranga public hospital. He is a recipient of the Henry Rongomau Bennett Memorial Scholarship (in memory of the first Māori Psychiatrist) and proudly the 9th Māori fellow.

Mark was appointed as a Casual Vacancy Board Director to the RANZCP Board in May 2021 for twelve months and elected for a two-year term in 2022. Mark is the current Chair of the Membership Engagement Committee.

Special responsibilities: Chair, Membership Engagement Committee; Member, Corporate Governance and Risk Committee; and Member, Members' Advisory Council.

Dr Sue Mackersey

Board Director

Qualifications: MBChB, FRANZCP

Experience and expertise: Sue has over 25 years' experience in governance, clinical leadership and management in Australia and New Zealand. Her current leadership role is with rural mental health services in Tairāwhiti where she is Clinical Director and Director of Area Mental Health Services. Sue also works in private practice.

Sue joined the Board in May 2018 for a two-year term, was re-elected for further two-year terms in June 2020 and May

2022. Sue has chaired the Membership Engagement Committee and the Practice, Policy and Partnerships Committee, and is the current Chair of the Finance Committee.

Special responsibilities: Chair, Practice, Policy and Partnerships Committee (up to 16 October 2023); Chair, Finance Committee (from 16 October 2023); Member, Audit Committee; and Member, Members' Advisory Council.

Dr Nick O'Connor

Board Director

Qualifications: MBBS, MMed (Syd), MHA, FRANZCP, FRACMA, GAICD, FHETI

Experience and expertise: Nick is Clinical Lead of the Mental Health Patient Safety Program, NSW Clinical Excellence Commission and is leading work on leadership, culture, patient safety and improvement in NSW Mental Health Services. Nick's previous roles include Chair of the Board of the NSW Mental Health Association, Chair Governing Council Higher Education NSW Health Education and Training Institute, and Co-Chair of the Mental Health Network of the NSW Agency of Clinical Innovation.

Nick joined the Board in May 2017 as a Casual Board Director for a 12-month term, was elected for a two-year term in May 2018, and re-elected for further two-year terms in June 2020 and May 2022. Nick is currently the Chair of the Education Committee.

Special responsibilities: Chair, Education Committee; Member, Membership Engagement Committee; and Member, Members' Advisory Council.

A/Prof Melanie Turner

Board Director

Qualifications: FRANZCP, BAppSci, MBBS, Cert Child Adol Psych, PhD, AFRACMA, Grad Cert Health Management

Experience and expertise: Mel works in the Office of the Chief Psychiatrist in the role of Psychiatrist for Investigations and Inspections and is a Practitioner Member on the South Australian Board of the Medical Board of Australia. Mel is the inaugural presiding member of the Voluntary Assisted Dying Review Board of South Australia and in 2023 was appointed as an Elected Director of the Mental Health Australia Board.

Mel was elected to the Board in May 2022 for a two-year term and is the current Chair of the Corporate Governance and Risk Committee.

Special responsibilities: Chair, Corporate Governance and Risk Committee; Member, Audit Committee; Member, Members' Advisory Council; and Member, Education Committee.

Meetings of Directors

RANZCP Directors' attendance at Board meetings – 1 January to 31 December 2023

Director and position	2023/1 Feb 8	2023/2 Mar 18*	2023/3 Apr 19	2023/4 May 28*	2023/5 Jun 28	2023/6 Aug 3*	2023/7 Aug 11	2023/8 Sep 10*	2023/9 Oct 3	2023/10 Oct 29*	2023/11 Dec 6	Eligible to attend	Attended
A/Prof Vinay Lakra <i>President (Jan-May)</i>	✓	✓	✓	✓	—	—	—	—	—	—	—	4	4
Dr Elizabeth Moore <i>President Elect (Jan-May)</i> <i>President (May-Dec)</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Dr Astha Tomar <i>President Elect (May-Dec)</i>	—	—	—	○	✓	✓	✓	✓	✓	✓	✓	7	7
Dr Ava Carter <i>Appointed Director (May-Dec)</i>	—	—	—	○	✓	✗	✓	✓	✓	✓	✗	7	5
Prof Neeraj Gill <i>Elected Director (Jan-Oct)</i>	✓	✓	✓	✓	✓	✓	✓	✓	✗	—	—	9	8
Dr Pramudie Gunaratne <i>Appointed Director (Jan-May)</i>	✓	✓	✓	✓	—	—	—	—	—	—	—	4	4
Dr Warren Kealy-Bateman <i>Elected Director (Casual Vacancy) (Oct-Dec)</i>	—	—	—	—	—	—	—	—	—	✓	✓	2	2
Dr Mark Lawrence <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Dr Sue Mackersey <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
Dr Nick O'Connor <i>Elected Director</i>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11
A/Prof Melanie Turner <i>Elected Director</i>	✓	✓	✗	✓	✓	✓	✗	✓	✗	✓	✓	11	8

Key: ✓ Attended ✗ Apology ○ Attended as observer only — Not applicable

* Face to face meeting
(All other meetings in this table were held via Zoom)

Principal activities

The principal activities of the RANZCP during the year were to promote the study of psychiatry and investigation and research in psychiatry, to bring together psychiatrists for their common benefit and for scientific discussion, to disseminate knowledge of the principles of psychiatry and to conduct training and examinations for qualifying for membership of the RANZCP.

There was no significant change in the nature of these activities during 2023.

State of affairs

There was no significant change in the state of affairs of the RANZCP during the year

Operations and results

The deficit after income tax expense for the RANZCP for the financial year amounted to \$1,206,343 (2022: \$1,297,705 surplus).

The deficit reduces the RANZCP retained earnings and reflected the RANZCP's strategy to invest in staff resourcing to ensure the College is resourced to meet its needs and deliver on key activities. A significant number of positions were included to support the work of the Education Department and recruited progressively during the year. These positions included project management, change management and administrative staff to address the conditions arising from the Australian Medical Council accreditation report, deliver the development of the overall program of assessments for the RANZCP, support the new Continuing Professional Development requirements imposed by the Medical Board of Australia and develop the applicable policy documentation to support change.

The retained earnings position remains strong placing the RANZCP on a sound financial footing to future-proof the RANZCP's operations and undertake key initiatives to meet strategic priorities outlined in the 2022 – 2025 Strategic Plan for the benefit of all members. Examples of initiatives and strategic priorities during the year included the RANZCP Clinical Practice Guidelines Evaluation, the Mood

Disorders Psychodynamic Psychotherapy Evidence Review, Benchmarking Academic Psychiatry Models in Australia and New Zealand, review of written exams by Australian Council for Educational Review and continued development of the RANZCP website, InTrain and MyCPD applications.

Operating revenue and operating expenditure were both higher in 2023. Travel and meetings increased in 2023 compared with the previous years impacted by the COVID-19 pandemic with the return to travel and face-to-face meetings and in-person events.

The net movement in the fair value of the investment portfolio is unrealised gains of \$1,534,524 (2022: unrealised losses of \$1,702,993) and realised losses of \$224,484 (2022: realised gains of \$220,013).

As at 31 December 2023 the value of the RANZCP investment portfolio with JBWere was \$12,117,400. This includes \$648,214 in the cash management trust and foreign exchange accounts.

The 2023 net gains of \$1,310,040 from the realised gains and unrealised losses on a portfolio value of \$12,117,400 indicated a 10.81% increase in capital for 2023. Taking this into account, the overall portfolio produced a positive return for the RANZCP of 16.02% after expenses in comparison to the ASX 200 Accumulation Index which increased by 7.84% over this period. Over the past 5 years, the portfolio has achieved a return after expenses of 7.94%, slightly higher than the portfolio's investment objective of 6.22% being the Consumer Price Index (CPI) plus 3.00%.

The first half of 2023 was dominated by a tightening of monetary policy by reserve banks and increasing interest rates to ease inflationary pressures on local and overseas economies. Further concerns the war in the Middle East would disrupt supply chains and the stability of China's property market would affect the banking system, contributed to fluctuations in the sharemarkets during 2023. Towards the end of the year, a sharemarket rally ensued on the outlook that inflationary pressures will subside and interest rates will either reduce or be put on hold in 2024. This

resulted in an increase in the value of the portfolio as at 31 December 2023.

In order to position the portfolio from sharemarket volatility, approximately half of the RANZCP portfolio was invested in Australian and International Equities with the other half of the portfolio invested in defensive asset classes such as cash, government bonds and fixed interest securities. The RANZCP portfolio is well diversified and performance continues to be regularly monitored to ensure asset allocations are in accordance with the RANZCP's investment policy. The RANZCP divested from companies directly exposed to fossil fuels

The Specialist Training Program (STP) is well established within the RANZCP with continued management of training posts and support projects. Under the Commonwealth Standard Grant Agreement, a multi-year agreement commencing from 2022 which replaced the Commonwealth Standard Funding Agreement, the RANZCP in 2024 will manage up to 165 FTE training posts for the Specialist Training Placements and Support projects, 3 FTE training posts and 1.31 FTE supervisor positions for the Tasmanian project and 36 FTE training posts for the Integrated Rural Training Pipeline Specialist Training Program (IRTP-STP).

The RANZCP also received funding from the Commonwealth Government during the year under the Flexible Approach to Training in Expanded Settings (FATES) and the Psychiatry Workforce Package (PWP) programs to fund rural director of training positions and the various initiatives from the rural psychiatry training pathways project. Revenue recognised during the year and the corresponding project expenditure is \$7,021,674 (2022: \$2,956,802). In addition, the RANZCP continued to receive funding under a grant agreement with the Department of Veterans' Affairs which commenced from 2021 to manage the salary and related support for up to 10 training posts over three years.

Total revenue recognised during the year for the Specialist Training Placements and Support projects is \$20,870,574 (2022: \$20,463,671) and project expenditure

equals to \$20,870,574 (2022: \$20,463,671). Total revenue recognised during the year for the STP Tasmanian project is \$947,439 (2022: \$715,486) and project expenditure equals to \$947,439 (2022: \$715,486). Total revenue recognised during the year for the Integrated Rural Training Pipeline Specialist Training Program is \$4,964,462 (2022: \$4,793,943) and project expenditure equals to \$4,964,462 (2022: \$4,793,943). Total revenue recognised during the year for the Military and Veterans' Psychiatry Training Program is \$1,258,996 (2022: \$839,478) and project expenditure equals to \$1,258,996 (2022: \$839,478). The RANZCP also received from the Commonwealth and State Governments funding for other projects with revenue recognised totalling \$986,708 (2022: \$378,226) and corresponding project expenditure of \$986,708 (2022: \$378,227).

Dividends

The Constitution of the RANZCP prohibits it from paying dividend.

Indemnities and insurances

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an auditor of the RANZCP. The RANZCP insurance provides coverage for staff and Fellows undertaking activities under College business.

Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the RANZCP or intervene in any proceedings to which the RANZCP is a party for the purpose of taking responsibility on behalf of the RANZCP for all or any part of those proceedings.

The RANZCP was not a party to any such proceedings during the year.

Subsequent events

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments

There are no likely developments in the operations of the RANZCP that will result in significant change to the core operations in subsequent financial years upon which the directors consider there is a need to comment at this time.

Directors' benefits

Since the end of the previous financial year no director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable shown in this report) by reason of a contract made by the RANZCP with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Directors are required to pay membership subscriptions at the rates applying to other members and are entitled to discounts only when such discounts are available to all members.

Key objectives and strategic priorities overview

The RANZCP vision is excellence and equity in the provision of mental healthcare.

1. Training, education and learning that increases capability and quality

The RANZCP is committed to training, continued learning, education and research that builds capability and facilitates the delivery of high-quality psychiatric treatment, care and support to the community.

In 2023 the College continued developing best educational practice that supports candidates' needs and meets community expectations in psychiatry. The College has worked towards strategic development and quality improvement to address the AMC requirements set out in their 2022 Accreditation Report. Through a more robust Clinical Competency Assessment the RANZCP has enabled a greater number of trainees and SIMG candidates to progress in their trajectory towards Fellowship.

The College continued to explore contemporary assessment literature and methodology to develop a longer-term programmatic vision and a workplace model to assess the RANZCP candidates' clinical skills that ensures a generation of well-equipped psychiatrists servicing our communities.

The RANZCP has continued to work closely with recognised subject matter experts in Medical Education to develop approaches and options for the short-term and long-term assessment programs. The RANZCP has also held numerous consultations with the stakeholders and relevant committees across the College – Committee for Training, Committee for Examinations, Trainee Advisory Council, Binational Committee for Trainees, Committee for Specialist International Medical Graduate Education (SIMGE), Membership Engagement Committee, Members' Advisory Council, Community Collaboration Committee, Directors of Training, Education Committee and the Board, and meetings with the Branches, and held several Stakeholder Forums to inform and engage our Fellows and Trainees in the design of the new Program of Assessment of clinical skills, and sought input from those who are directly involved in Training and Assessment.

The RANZCP has arrived through the consultation process at the assessment program design that adopts a more holistic approach to assessment and competency / performance through multi-data evaluation of assessment activities and clinical competency development in the workplace environment.

Following the 2022 AMC Accreditation review of the RANZCP, Education is undertaking numerous quality improvement and development initiatives to address the conditions set for the College by the AMC. This includes but is not limited to: governance, policy, curriculum, trainee engagement and communication, cultural safety content and first nations education, training program, assessment and SIMGE frameworks.

In 2023, the RANZCP has continued with the education projects with the aim of strengthening our Fellowship Program,

to better align training with assessment, developing targeted programs and respond to the AMC requirements.

- » The Entrustable Professional Activities (EPA) Working Group continues to work on the EPAs to refine the purpose and number of current EPAs and achieve the global best practice for the core EPAs. This will feed into the Assessment Framework, transitioning to a more workplace-based assessment. There will be a proposal developed for consultation early in 2024.
- » A Supervisor Project to develop supervisor resources and support for the RANZCP Supervisors, and to equip them with the skills required in the evolving training and assessment of the Fellowship Program. The RANZCP launched the Supervisor Workshops at the Pre-Congress in May 2023 and will continue to hold face to face workshops to enhance engagement and training for our supervisors.
- » A six-month online Mental Health Rehabilitation Program is being launched for NSW Fellows.
- » Further InTrain work continues to include automation and digitalisation of the SIMG and assessment applications and the development of additional functionalities to enhance the processes in Education and address work in relation to the Continuing Professional Development (CPD), Accreditation, AMC conditions, SIMGE and Certificate of Postgraduate Training in Clinical Psychiatry.
- » Through the SAP Litmos Learning Management System (LMS) the RANZCP introduced online Learning Paths and Collections to allow related courses groups, content and videos on specific topics.
- » Continuing with the development of Online Learning to specifically address educational development and trainee support in line with the AMC conditions and recommendations for improvement.
- » Continuing to focus on improvement recommendations from the Medical Board of Australia Medical Training Survey (MTS), in consultation with

stakeholders to engage and facilitate their implementation.

- » With the new CPD standard (from 1/1/2023), the RANZCP sets the CPD standards for psychiatrists and continues enhancing the RANZCP CPD program that is relevant, accessible and of the highest quality for its members, with the current work progressing on value proposition and marketing.
- » The Comparability Assessment Framework (CAF) Working Group is completing its review of the CAF tool used to assess overseas psychiatrists' comparability to RANZCP training.
- » The Review of the Formal Education Courses to enhance consistency of delivery and content, equity, and access to these courses, and enhance governance oversight and trainee experience.
- » Critical Essay Question (CEQ) Review by ACER to determine its fit for purpose role and explore alternative avenues for assessing the skills tested through the CEQ that may not be strictly under the examination environment.
- » Introduction of five Advanced Certificates of Training with the development of an implementation plan, and working with the Sections to ensure appropriate provision and support in the Fellowship Program.
- » Writtens subcommittee quality improvement review of the written examinations, the use of Blueprinting, marking guides and the item statistics, and progress made in the examination feedback as the work continuing to meet key operational activities for the examinations' delivery and the requirements made by the AMC. Further process improvement relates to examiner workshops, standard setting, review of the objectives and the assessment standards of the Scholarly Project, and the related policies.

In 2024, Education will progress towards the work addressing the AMC conditions and will engage with the stakeholder groups for continuous input and discussions on the future education programs at the College. The RANZCP

appreciates the efforts and commitment from various education committees and those across the College with so many Fellows dedicated and supportive of the work in Education and development of numerous initiatives to contribute to better Fellowship Program, trainee experience, and competent future generations of Psychiatrists.

2. Advocacy and collaboration to improve access and equity

The RANZCP will continue to lead and collaborate on initiatives that reduce barriers and stigma, and promote equitable access to psychiatric treatment, care and support. The RANZCP advocates and collaborates to improve access to mental health services and equity in mental health outcomes across community groups.

The RANZCP partners with people who have lived experience of mental illness, together with families, whānau carers and supporters, to promote mental health care and recovery. Most significantly in 2023, the RANZCP developed its new Lived Experience Strategy, which to enable the College to embed lived experience throughout policy, education, and all levels of governance. This is significant change in approach for the College, and the Strategy was developed over several months with considerable feedback from committees and the external lived experience community. It will be rolled out over the next three years, beginning with the addition of a Lived Experience team on-staff.

Also during 2023 RANZCP began development of a Framework for Cultural Safety, which will increase awareness and understanding required to best serve and support the indigenous communities in Australia and New Zealand. Cultural safety is of paramount importance for the RANZCP and this new Framework will embody the sentiment of the published statements on the significance of Te Tiriti o Waitangi, of Pacific Mental Health in Aotearoa New Zealand, and the support for recognition of Aboriginal and Torres Strait Islander peoples through a First Nations Voice to Parliament.

Key objectives and strategic priorities overview (cont.)

The RANZCP is committed to engaging and collaborating with governments and key stakeholders on psychiatry workforce strategies and to support high quality care. The RANZCP forms strong working relationships with governments and mental health organisations at national, state and territory levels to position the profession as a leader within mental health. In 2023 that included:

- » direct engagement with candidates in the New South Wales and New Zealand elections, both of which resulted in the new governments pledging to support RANZCP's asks in regard to the workforce crisis.
- » advocating for the psychiatry workforce which remains a priority with coordinated approaches across Australia and New Zealand to address the workforce shortage. The RANZCP identified a number of opportunities for investment including increasing the number of trainee positions (NZ) and extending the Psychiatry Interest Forum to attract the next generation of psychiatrists.
- » Members also provided their expertise on a wide variety of external committees and advisory groups to ensure psychiatry expertise is incorporated into policy change and initiatives.

The RANZCP and its international working groups continue to scope opportunities to build workforce capacity in Pacific Island countries.

In September, the Child and Adolescent Psychiatry International Relations (CAPIR) subcommittee facilitated the Pasifika Study Group in Rarotonga, in the Cook Islands. This biennial event is supported by the Pasifika Medical Association (PMA) and held before the PMA conference. Participants came from across the Pacific region including Fiji, Samoa, Vanuatu and the Cook Islands and started the day by sharing their work in mental health. The group then used case vignettes to stimulate problem-focused small group discussion before formal presentations. This year marked 10 years since the first Pasifika Study Group was held in

Melbourne and attendees reflected on the benefits they received from the study group including the ideas and learnings they took back to their services and the reconnection with professional networks.

RANZCP members continued to offer free online training in child and adolescent mental health for health workers in Pacific island countries as part of a commitment to improve access and equity. Offered in collaboration with St Vincent's Postgraduate Overseas Specialist Training (POST) and Fiji National University, in 2023 the 12-week OPHELIA program had 164 people from 13 countries registered with 117 people attending at least 1 session.

The key objectives of the Practice, Policy and Partnerships Committee (PPPC) is to execute priorities in the College's strategic plan as they relate to clinical, professional and ethical practice of psychiatry as well as connections and partnership, both internally and externally to the College and the profession. In 2023, PPPC achieved remarkable progress in various areas, including the development of the Lived Experience Strategy, the effective response to the Australian TGA's decision regarding psychedelic-assisted therapy with the College publishing a comprehensive suite of evidence based resources for psychedelic-assisted therapy for members and the community, and the update of several key policy documents including [Position Statement 103: The role of psychiatrists in working with Trans and Gender Diverse people](#).

3. Connected and contemporary College for community and member benefit

The RANZCP members and employees are committed to being part of an accountable, connected and contemporary organisation.

Providing support for members, and ensuring that all members are supported, engaged, respected and heard is a core objective of the RANZCP. The College is committed to enhancing the value of membership in particular through the provision of relevant services and resources which address the specific practice, professional and educational needs of members.

The RANZCP's Membership Engagement Committee (MEC) has a broad high-level oversight of membership engagement activities, including providing guidance in relation to member support programs and advising on effective communication strategies.

In 2023, the MEC finalised the RANZCP's gender equity statement of commitment and a new five-year action plan with specific and measurable goals for increasing gender equity in psychiatry, across the domains of leadership and accountability, advocacy, College data gathering, and research.

Member wellbeing has remained a priority, and the MEC also released a separate Member Wellbeing Action Plan and published a new RANZCP Position Statement on the safety and wellbeing of psychiatrists and those in psychiatry training, underscoring the importance of this for competent and safe psychiatry practice. A new RANZCP Member Support Program was launched, providing all members with access to confidential counselling, support or coaching from qualified professionals through an independent and external service.

More broadly, the RANZCP worked with our trainee body to develop a new two-year engagement strategy, and also provided thousands of members with educational and networking opportunities through our many conferences and events held across the year.

In 2023 this included a new focus on trainees through establishment of the Trainee Advisory Committee and BiNational Trainee Committee, which provide avenues for trainees to both contribute and be heard. Initiatives which have come from the trainee discussions include making all meeting papers for these committees open and available to all trainees in the RANZCP network, providing greater transparency.

The Branch Chairs Forum also resumed in 2023, with its scheduling lining up with the Member Advisory Council meetings. This Forum gives Branch Chairs a platform as a united group and allows the RANZCP to hear from jurisdictional leaders through a dedicated channel.

Industry engagement

To promote transparency in relation to the RANZCP's engagement with industry, the RANZCP acknowledges the following support of College activities:

- » *The Australian and New Zealand Journal of Psychiatry* (ANZJP): CSL Seqirus.
- » Congress 2023: Boehringer Ingelheim, Servier Laboratories, Janssen, CSL Seqirus, Lundbeck Australia, Aspen Australia, Eisai Australia, Juno Pharmaceuticals, Pfizer Australia, Southern XP, Takeda Pharmaceuticals, Viartis.
- » Section of Neuropsychiatry 2023 Conference: Juno Pharmaceuticals, Cortexa.
- » Faculty of Adult Psychiatry 2023 Conference: Juno Pharmaceuticals.
- » Queensland Branch 2023 Conference, and Faculty dinner: Servier Laboratories, Janssen, Takeda Pharmaceuticals, CSL Seqirus, Eisai Australia.
- » International Medicine in Addiction 2023 Conference: Camurus, AbbVie, Indivior, Viartis

Climate change and environment

The RANZCP is committed to reducing its carbon footprint. The RANZCP will continue to distribute the 2023 annual report to members electronically, and our subscription renewals and fee invoices are distributed electronically as the default option. Meeting papers for our committees are all distributed electronically, and our newsletters and other communications with members are all digital. The RANZCP journals *Australasian Psychiatry* (APY) and *Australian and New Zealand Journal of Psychiatry* (ANZJP) have been predominantly online only journals since 2020.

Since 2021, the RANZCP investment portfolio has remained divested from companies directly exposed to fossil fuels and continues to monitor and work with its investment advisors to ensure the portfolio reflects the values of the RANZCP and aligns with the interests of its stakeholders.

In 2023, further efforts were made to reduce the environmental impact from our conferences. Many conferences were run as hybrid events, giving participants the option to register virtually. The amounts of printed materials, satchels and single-use items has been reduced or eliminated.

At our annual RANZCP Congress in May 2023, we offset carbon emissions for staff and speakers and supported a Plant a Tree Program in the Yarra Yarra Biodiversity Corridor of Western Australia, with one tree for each delegate planted as part of a large-scale revegetation program.

The RANZCP takes a strong position on the issue of the climate emergency, including having commissioned a Climate and Sustainability Steering Group in 2022 to continue to make recommendations to the RANZCP Board regarding actions and advocacy. This group developed a framework for future College action on climate and sustainability during 2024 and 2025. The RANZCP have also actively contributed to the Healthy Climate Future campaign, and made submissions to the [Environment and Communications Legislation Committee's inquiry into the Climate Change Amendment \(Duty of Care and Intergenerational Climate Equity\) Bill 2023](#) and the [Department of Health and Aged Care's \(DoHAC\) consultation on the development of a National Health and Climate Strategy](#).

The RANZCP also has published resources highlighting the effects and interactions of climate change on mental health and the psychiatry profession, including [PS106: The mental health impacts of climate change](#).

Members Liability

	2023	2022
Capital capable of being called up in the event of and for the purpose of winding-up is no more than \$20 per member		
Total number of members	8,182	7,864
Total amount @ \$20 per member	\$163,640	\$157,280

Auditor's independence declaration

Auditor's independence declaration

A copy of the Auditor's independence declaration is set out immediately after the Directors' Report.

On behalf of the directors:



Dr Elizabeth Moore
President
27 March 2024, Melbourne

Directors' declaration

The directors of the RANZCP declare that:

1. The financial statements and notes as set out in pages 16-35 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, *including*:
 - a. Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulations 2022;
 - b. Giving a true and fair view of the RANZCP's financial position as at 31 December 2023 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the RANZCP will be able to pay its debts as and when they become due and payable.

On behalf of the directors:



Dr Astha Tomar
Chair, Audit Committee
27 March 2024, Melbourne



Dr Sue Mackersey
Chair, Finance Committee
27 March 2024, Melbourne



RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000
F +61(0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Royal Australian and New Zealand College of Psychiatrists for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Rsm

RSM AUSTRALIA PARTNERS

K J Dundon

K J DUNDON
Partner

Date: 27 March 2024
Melbourne, Victoria

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Independent auditor's report



RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT

To the Members of The Royal Australian and New Zealand College of Psychiatrists

Opinion

We have audited the financial report of The Royal Australian and New Zealand College of Psychiatrists, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

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

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in The Royal Australian and New Zealand College of Psychiatrists' annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

Rsm

RSM AUSTRALIA PARTNERS

K J DUNDON
Partner

Dated: 8 April 2024
Melbourne, Victoria

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue from continuing activities			
Operating revenue			
Subscriptions		10,320,142	9,661,827
Training and exam fees		8,619,920	7,786,200
Publications		946,734	765,935
Specialist Training Program and other projects		36,049,853	30,147,607
Other operating income		924,407	1,061,233
Total operating revenue	3	56,861,056	49,422,802
Non-operating revenue			
Investment revenue	4	822,916	410,072
Total non-operating revenue		822,916	410,072
Total revenue from continuing activities		57,683,972	49,832,874
Expenses for continuing activities	6		
Salaries and related oncosts		13,872,114	11,482,929
Travel and meeting expenses		1,881,230	1,174,753
Occupancy costs		972,410	1,021,301
Depreciation and amortisation		1,310,225	1,129,511
Finance costs		6,209	8,937
Publications		168,046	128,671
Honorariums		350,884	304,586
Other employment expenses		890,587	574,491
Professional services		2,538,058	1,616,437
Specialist Training Program and other projects		36,049,853	30,147,607
Other operating expenses		850,699	945,946
Total expenses for continuing activities		58,890,315	48,535,169
(Deficit)/Surplus for the year		(1,206,343)	1,297,705
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Gain on revaluation of property, plant and equipment	11	800,709	436,609
Net change in market value of financial assets designated at fair value through other comprehensive income	5	1,310,040	(1,482,980)
Other comprehensive income/(loss) for the year		2,110,749	(1,046,371)
Total comprehensive income for the year attributable to members of RANZCP		904,406	251,334

This statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	44,568,764	37,056,827
Trade and other receivables	8	878,331	845,757
Other assets	9	1,177,642	1,039,575
Other financial assets	10	3,296,036	6,951,900
Financial assets designated at fair value through other comprehensive income	10	11,469,186	9,291,894
Total current assets		61,389,959	55,185,953
Non-current assets			
Property, plant and equipment	11	25,516,149	25,313,976
Intangible assets	12	1,254,103	1,381,821
Right-of-use assets	13	141,463	222,620
Total non-current assets		26,911,715	26,918,417
Total assets		88,301,674	82,104,370
Liabilities			
Current liabilities			
Trade and other payables	14	1,612,650	1,104,906
Contract liabilities	15	36,807,750	32,321,445
Lease liabilities	16	59,929	102,912
Employee benefits	17	2,501,079	2,168,130
Total current liabilities		40,981,408	35,697,393
Non-current liabilities			
Lease liabilities	16	83,908	122,132
Employee benefits	17	390,078	342,971
Total non-current liabilities		473,986	465,103
Total liabilities		41,455,394	36,162,496
Net assets		46,846,280	45,941,874
Equity	18		
Retained earnings		22,247,371	23,428,793
Foundation fund		6,473,913	6,473,913
Asset revaluation reserve		15,605,468	14,804,759
Investment reserve		2,090,572	780,532
Kinsman Bequest		393,817	418,738
General Bequest reserve		35,139	35,139
Total equity		46,846,280	45,941,874

The statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 31 December 2023

	Retained earnings	Foundation fund	Reserves				Total
			Asset revaluation	Investment reserve	Kinsman Bequest	General Bequest	
	\$	\$	\$	\$	\$	\$	\$
Balance at 31 December 2021	22,106,167	6,473,913	14,368,150	2,263,512	443,659	35,139	45,690,540
Surplus after income tax expense for the year	1,297,705	-	-	-	-	-	1,297,705
Other comprehensive income/(loss) for the year, net of tax	-	-	436,609	(1,482,980)	-	-	(1,046,371)
Transfer to/(from)	24,921	-	-	-	(24,921)	-	-
Balance at 31 December 2022	23,428,793	6,473,913	14,804,759	780,532	418,738	35,139	45,941,874
Deficit after income tax expense for the year	(1,206,343)	-	-	-	-	-	(1,206,343)
Other comprehensive income for the year, net of tax	-	-	800,709	1,310,040	-	-	2,110,749
Transfer to/(from)	24,921	-	-	-	(24,921)	-	-
Balance at 31 December 2023	22,247,371	6,473,913	15,605,468	2,090,572	393,817	35,139	46,846,280

The statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 31 December 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members and others (inclusive of GST)		65,091,401	63,088,728
Payments to suppliers and employees (inclusive of GST)		(60,637,888)	(52,753,341)
Dividends, distributions and imputation credits received		420,102	254,531
Interest received		411,797	150,423
Interest and other finance costs paid		(6,209)	(8,937)
Net cash provided by operating activities	19	5,279,203	10,731,404
Cash flows from investing activities			
Payments for property, plant, equipment and intangible assets		(483,779)	(2,204,959)
Payments for investments		(911,983)	(1,975,697)
Receipts from trading in investments		3,728,739	2,488,784
Net cash provided by/(used in) investing activities		2,332,977	(1,691,872)
Cash flows from financing activities			
Repayment of lease liabilities		(100,243)	(113,257)
Net cash used in financing activities		(100,243)	(113,257)
Net increase in cash and cash equivalents held		7,511,937	8,926,275
Cash and cash equivalents at the beginning of the financial year		37,056,827	28,130,552
Cash and cash equivalents at the end of the financial year	7	44,568,764	37,056,827

The statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2023

Note 1: General information

The financial report covers The Royal Australian and New Zealand College of Psychiatrists ("RANZCP") as an individual entity. The Royal Australian and New Zealand College of Psychiatrists is a company limited by guarantee, incorporated and domiciled in Australia.

The operations of the RANZCP are to promote the study of psychiatry and investigation and research in psychiatry, to bring together psychiatrists for their common benefit and for scientific discussion, to disseminate knowledge of the principles of psychiatry and to conduct examinations for qualifying for membership of the RANZCP.

The registered office of the RANZCP is 309 La Trobe Street Melbourne 3000.

The financial report was authorised for issue by the directors on the date of the directors' declaration.

Note 2: Material accounting policies

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The RANZCP has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the RANZCP.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards, and Interpretations of the Australian Accounting Standards Board and complies with other requirements of law, as appropriate for not-for-profit oriented entities. The RANZCP is a not-for-profit entity for the purpose of preparing the financial statements.

Accounting Standards include Australian equivalents to International Financial Reporting Standards. A statement of compliance with International Financial Reporting Standards cannot be made as the RANZCP is considered to be a not-for-profit entity and has prepared the financial statements in accordance with the requirements regarding not-for-profit entities as contained in Australian Accounting Standards.

Reporting basis

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets for which fair value basis of accounting has been applied.

The financial report is presented in Australian dollars.

Accounting policies

(a) Company limited by guarantee

In the event of the RANZCP being wound up, where the assets are insufficient to meet the liabilities, each member of the RANZCP is liable to contribute no more than \$20, refer to note 24.

(b) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions

that affect the reported amounts in the financial statements. Management continually evaluates their judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expense. Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the RANZCP.

Key estimates – Impairment

The RANZCP assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the RANZCP that may lead to impairment of assets. Where impairment triggers exist, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Estimation of useful lives of assets

The RANZCP determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the entity's operations; comparison of terms and conditions to prevailing market rates;

incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable

inputs. Refer to note 20 for further information.

c) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(d) Foreign currencies

Amounts received in foreign currency are translated at the spot rate on the date of the transactions with any balances of foreign currency denominated accounts (NZD) being translated at the rate at the reporting date. All differences are taken to profit or loss.

(e) Taxes

Income taxes

No income tax is payable on the net income for the period as outlined in section 50-5 of the Income Tax Assessment Act 1997 and endorsed by the Commissioner of Taxation and Registrar of the Australian Business register.

As the RANZCP is exempt from income tax the requirements of Australian Accounting Standards in relation to income tax do not apply.

Goods and Services Tax (GST)

Revenue and expenses and assets are recognised net of the amount of GST except:

- » Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- » Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the

GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(g) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the RANZCP is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the RANZCP: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or

as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Note 3 categorises operating revenue based on the timing of when revenue from contracts with customers is recognised.

Subscriptions and training fees

Subscription and training revenue are recognised for the period in which the member has subscribed for. The subscription and training fee is payable annually for the period 1 January to 31 December.

Project grants

Grant revenue is recognised in profit or loss when the RANZCP satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the RANZCP is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Exam fees

Exam fees are recognised when the exam has taken place. Exam revenue received in advance is treated as income in advance until the exam has taken place.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends and distributions

Dividends and distributions are recognised when received or when the right to receive payment is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The RANZCP has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has

irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The RANZCP recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the RANZCP's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair values less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Freehold land and buildings are shown at their fair value, less subsequent depreciation for buildings.

Any accumulated depreciation at the date

of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of land and buildings are charged against fair value reserves directly in equity, all other decreases are charged to the statement of profit or loss and other comprehensive income.

Revaluation – Land and buildings

Refer Note 11 for details of most recent valuation.

Office equipment, furniture and fittings and art collection

Office equipment, furniture and fittings and the art collection are measured on the cost basis less depreciation and impairment losses.

The carrying amount of office equipment, furniture and fittings and the art collection is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Freehold land and the art collection are not depreciable.

The depreciation rates used for each class of asset are:

Buildings	2.5–10%
Furniture and fittings	5–25%
Office equipment	10–33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with

the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(l) Intangible assets

Costs incurred in developing the software, educational curriculum and training material are recognised as an intangible asset when it is probable that the costs incurred to develop the curriculum will generate future economic benefits and can be measured reliably. The expenditure recognised comprises all directly attributable costs, largely consisting of labour and direct costs of material. Other development expenditure that does not meet these criteria are recognised as an expense as incurred. The recognised costs are amortised from the date when the asset becomes available for use.

Intangible assets are classified as having a finite useful life and measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 8 years.

(m) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for

any remeasurement of lease liabilities.

The RANZCP has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(n) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(o) Trade and other payables

Trade payables represent liabilities for goods and services provided to the RANZCP prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Contract liabilities

Contract liabilities represents the consideration received by the RANZCP in advance of the entitlement to revenue until the performance obligation has been satisfied and the exchange for transferring goods or services to a customer has occurred. Contract liabilities includes subscriptions and examination fees, events revenue and government grant funding. Conditions under the grant agreement must be satisfied before the RANZCP is eligible to retain the contribution, and the grant funding will be recognised in the statement of financial position as a liability until those conditions are satisfied.

(q) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) Fair value measurement

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

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

Note 3: Operating revenue

	2023 \$	2022 \$
Revenue from contracts with customers by timing of revenue recognition under AASB 15:		
Revenue recognised over time	53,086,045	45,662,128
Revenue recognised at a point in time	3,775,011	3,760,674
Total operating revenue	56,861,056	49,422,802

Note 4: Investment revenue

	2023 \$	2022 \$
Investments		
Interest		
» From bank	386,101	133,408
Dividends and distributions		
» From other corporations (JBWere Investment Portfolio)	436,815	276,664
Total investment revenue	822,916	410,072

Note 5: Net change in market value of financial assets designated at fair value through other comprehensive income

	2023 \$	2022 \$
Change in market value of financial assets designated at fair value through other comprehensive income		
Unrealised change in market value of financial assets designated at fair value through other comprehensive income	1,534,524	(1,702,993)
Realised change in market value of financial assets designated at fair value through other comprehensive income	(224,484)	220,013
Net change in market value of financial assets designated at fair value through other comprehensive income	1,310,040	(1,482,980)

Note 6: Expenses for continuing activities

	2023 \$	2022 \$
Expenses for continuing activities includes the following specific expenses:		
Superannuation expense		
» Defined contribution superannuation expense	1,231,861	1,020,506
Finance costs relating to lease liabilities:		
» Interest expense	6,209	8,937
Depreciation and amortisation expense includes:		
» Depreciation on property, plant and equipment	771,597	710,276
» Amortisation of intangible assets	438,436	305,818
» Depreciation on right-of-use assets	100,192	113,417
Other operating expenses (Includes reimbursement from the Specialist Training Program for central services)	850,699	945,946

Note 7: Current assets – Cash and cash equivalents

	2023 \$	2022 \$
Cash on hand	1,092	1,826
Cash at bank:		
» General accounts	2,222,572	2,842,637
» Branch, faculty and section accounts	5,586,575	2,485,422
» Project accounts	36,110,311	30,494,235
» Cash management accounts	648,214	1,232,707
Total cash	44,568,764	37,056,827

Note 8: Current assets – Trade and other receivables

	2023 \$	2022 \$
Trade receivables		
Members and trainee subscriptions	812,197	846,207
Other	150,065	204,964
Less allowance for expected credit losses	(341,378)	(322,118)
Sub-total	620,884	729,053
Other receivables		
Investments	103,747	112,729
Net GST receivable	153,700	3,975
Sub-total	257,447	116,704
Total receivables	878,331	845,757

Note 9: Current assets – Other assets

	2023 \$	2022 \$
Prepayments	995,144	835,935
Advances	165,321	194,198
Accrued revenue	17,177	9,442
Total other assets	1,177,642	1,039,575

Note 10: Current assets – Other financial assets and financial assets designated at fair value through other comprehensive income

	2023 \$	2022 \$
Other financial assets		
Short-term deposits – branches, faculties and sections	1,895,105	1,816,251
Short-term deposits – head office	1,400,931	5,135,649
Total other financial assets	3,296,036	6,951,900
Financial assets designated at fair value through other comprehensive income		
Fixed interest securities	4,467,916	4,003,984
Shares	7,001,270	5,287,910
Total financial assets designated at fair value through other comprehensive income	11,469,186	9,291,894
Grand total	14,765,222	16,243,794

Note 11: Non-current assets – Property, plant and equipment

	2023 \$	2022 \$
Freehold land and buildings at valuation	25,191,700	25,039,764
	25,191,700	25,039,764
Furniture and fittings at cost	2,001,386	1,970,704
Accumulated depreciation	(1,904,271)	(1,891,011)
	97,115	79,693
Office equipment at cost	4,010,001	3,919,857
Accumulated depreciation	(3,802,001)	(3,744,672)
	208,000	175,185
Art collections	19,334	19,334
	19,334	19,334
Total property, plant and equipment	25,516,149	25,313,976

Reconciliations

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2023	Land and buildings \$	Furniture and fittings \$	Office equipment \$	Art collections \$	Total \$
Balance at the beginning of the year	25,039,764	79,693	175,185	19,334	25,313,976
Additions	52,235	30,682	90,144	-	173,061
Disposals/Write off	-	-	-	-	-
Asset revaluation increments/(decrements)	800,709	-	-	-	800,709
Depreciation expense	(701,008)	(13,260)	(57,329)	-	(771,597)
Carrying amount at the end of the year	25,191,700	97,115	208,000	19,334	25,516,149

2022	Land and buildings \$	Furniture and fittings \$	Office equipment \$	Art collections \$	Total \$
Balance at the beginning of the year	23,725,952	54,577	118,074	19,334	23,917,937
Additions	1,530,554	35,673	103,479	-	1,669,706
Disposals/Write off	-	-	-	-	-
Asset revaluation increments/(decrements)	436,609	-	-	-	436,609
Depreciation expense	(653,351)	(10,557)	(46,368)	-	(710,276)
Carrying amount at the end of the year	25,039,764	79,693	175,185	19,334	25,313,976

Historical cost of freehold land and buildings	2023 \$	2022 \$
Freehold land and buildings at cost	16,228,851	15,021,819
Accumulated depreciation	(3,659,594)	(3,262,839)
	12,569,257	11,758,980

The directors have assessed the fair value of land and buildings at 31 December 2023 based on desktop valuations conducted by Waterhouse Property and Business Valuers. Consequently, land and buildings were revalued to the amounts shown above as at 31 December 2023. The valuations recorded a net increase in the value of the properties with corresponding increase within the Asset Revaluation Reserve.

Note 12: Non-current assets – Intangible assets

	2023 \$	2022 \$
Balance at the beginning of the year	1,381,821	1,152,385
Additions	310,718	535,254
Amortisation expense	(438,436)	(305,818)
Total intangible assets	1,254,103	1,381,821

Note 13: Non-current assets – Right-of-use assets

	2023 \$	2022 \$
Land and buildings – right-of-use	18,927	17,232
(Disposals)/Additions	-	44,315
Less depreciation	(18,927)	(42,620)
	-	18,927
Plant and equipment – right-of-use	203,693	135,547
Additions	19,035	138,944
Less depreciation	(81,265)	(70,798)
	141,463	203,693
Total right-of-use assets	141,463	222,620

The RANZCP leases land and buildings for its branch offices under agreements of between one and three years with an option to extend. On renewal, the terms of the leases are renegotiated. The RANZCP also leases plant and equipment under agreements of between three and five years.

The RANZCP has leases of office equipment that are either short-term or low-value and have been expensed as incurred and not capitalised as right-of-use asset in accordance with Note 2.

Note 14: Current liabilities – Trade and other payables

	2023 \$	2022 \$
Creditors	513,059	253,550
Accrued expenses	400,317	477,127
Salaries and wages	699,274	374,229
Trade and other payables	1,612,650	1,104,906

Note 15: Current liabilities – Contract Liabilities

	2023 \$	2022 \$
Contract liabilities	36,807,750	32,321,445
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening Balance	32,321,445	23,210,000
Payments received in advance	59,168,847	56,890,532
Transfer to revenue	(54,682,542)	(47,779,087)
Closing balance	36,807,750	32,321,445

Note 16: Current and non-current liabilities – Lease liabilities

	2023 \$	2022 \$
Current		
Lease liability	59,929	102,912
Non-current		
Lease liability	83,908	122,132
Total lease liabilities	143,837	225,044

Note 17: Current and non-current liabilities – Employee benefits

	2023 \$	2022 \$
Current		
Employee benefits	2,501,079	2,168,130
Non-current		
Employee benefits	390,078	342,971
Total employee benefits	2,891,157	2,511,101
Movement in employee benefits		
Opening balance	2,511,101	2,647,994
Additional provisions	1,075,277	489,266
Charges against provision	(695,221)	(626,159)
Closing balance	2,891,157	2,511,101

Note 18: Equity

The Foundation Fund was established in 1984 as an amalgamation of a number of the RANZCP funds.

The asset revaluation reserve was created in 2005 and further increased in the 2009, 2013, and each year from 2015 to 2023 financial years as a result of the revaluations of the RANZCP's land and buildings.

The Kinsman Bequest reserve was established in 1997 and is used to award the Kinsman Research Scholarship. This is paid out of the Kinsman Bequest by the RANZCP to the scholarship recipient's institution under which the research is being conducted.

The General Bequest reserve contains the John Bostock award, the Margaret Tobin award and the Mark Sheldon prize totalling \$35,139.

Note 19: Cash flow reconciliation**Reconciliation of surplus after income tax to net cash provided by operating activities:**

	2023 \$	2022 \$
(Deficit)/Surplus after income tax expense for the year	(1,206,343)	1,297,705
Adjustments for non-cash items:		
Dividends and distributions receivable	(28,142)	35,577
Depreciation of non-current assets	1,310,225	1,129,511
Increase in doubtful debts	19,260	49,939
Change in operating assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	101,866	(353,969)
Other assets	(138,067)	(214,407)
Increase/(decrease) in liabilities:		
Trade and other payables	1,577,269	40,127
Contract liabilities	3,263,079	8,883,814
Employee benefits	380,056	(136,893)
Net cash provided by operating activities	5,279,203	10,731,404

Note 20: Financial instruments

(a) Interest rate risk

	Weighted average interest rate		Fixed interest		Floating interest		Non-interest bearing		Total	
	2023 %	2022 %	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial assets										
Cash	1.7%	0.5%	-	-	44,567,672	37,055,001	1,092	1,826	44,568,764	37,056,827
Short-term deposits and bank bills	4.3%	1.9%	-	-	3,296,036	6,951,900	-	-	3,296,036	6,951,900
Trade and other receivables			-	-	-	-	878,331	845,757	878,331	847,757
Fixed interest securities	5.9%	3.4%	4,467,916	4,003,984	-	-	-	-	4,467,916	4,003,984
Listed shares, income securities and unit trusts			-	-	-	-	7,001,270	5,287,910	7,001,270	5,287,910
Total financial assets			4,467,916	4,003,984	47,863,708	44,006,901	7,880,693	6,135,493	60,212,317	54,146,378
Financial liabilities										
Trade and other payables – current			-	-	-	-	1,612,650	1,104,906	1,612,650	1,104,906
Lease liabilities – current and non-current			143,837	225,044	-	-	-	-	143,837	225,044
Total financial liabilities			143,837	225,044	-	-	1,612,650	1,104,906	1,756,487	1,329,950

Cash on hand and in bank of \$44,568,764 is predominantly held with Westpac. Most of the funds relate to Specialist Training Program funding. This money is specifically to be used for the payment of registrar support costs as well as support activities and administration of the program. Cash on hand and at bank also includes funds held with JBWere as part of the investment portfolio.

(b) Fair value of financial instruments and assets

The fair values and net fair values of financial instrument and assets are determined as follows:

Fair value hierarchy

The following table details RANZCP's assets, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly or indirectly.

Level 3: Unobservable inputs for the assets.

Note 20: Financial instruments (continued)

2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Short-term deposits and bank bills	3,296,036	-	-	3,296,036
Fixed interest securities	4,467,916	-	-	4,467,916
Listed shares, income securities and managed funds	7,001,270	-	-	7,001,270
Land and buildings	-	-	25,191,700	25,191,700
Total assets	14,765,222	-	25,191,700	39,956,922

2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Short-term deposits and bank bills	6,951,900	-	-	6,951,900
Fixed interest securities	4,003,984	-	-	4,003,984
Listed shares, income securities and managed funds	5,287,910	-	-	5,287,910
Land and buildings	-	-	25,039,764	25,039,764
Total assets	16,243,794	-	25,039,764	41,283,558

(i) The following methods and assumptions are used to determine the fair values of assets:**Recognised financial instruments**

Trade receivables and payables: The carrying amount approximates fair values due to their short-term nature.

Non-current investments/securities: For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability.

Land and buildings: These have been valued based on similar assets, location and market conditions. The basis of the valuation of land and buildings is fair value, being the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Note 21: Financial risk management

The RANZCP has exposure to the following risks from use of financial instruments:

- » Credit risk
- » Liquidity risk
- » Market risk

This note represents the RANZCP's exposure to the following risks and processes and policies for managing this risk.

Credit risk

Credit risk is the risk of financial loss to RANZCP if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from RANZCP's receivables from customers and project activities. RANZCP has two main receivables: a) paying members and b) government funding.

a) Annual fees earned from paying members (subscribers) are billed at the beginning of the financial year. More than 95% of RANZCP's members have been paying fees for five years with no credit issues. New members are only raised when they pay their dues and the RANZCP membership criteria are met. Non-payment may lead to suspension from RANZCP's membership base.

Any outstanding fees not recoverable are recorded as bad or doubtful debts at year end. In 2023 overdue fees were 4.1% of total membership fees. Overdue fees (Subscriptions, Trainees, Affiliates and CPD) at year end were \$775,399 (2022: \$811,085). The RANZCP has assessed the recoverability of outstanding fees as at 31 December 2023 and has made an allowance for expected credit losses (see note 8 for details). Any bad debts are written off as incurred.

b) Government funding relates to deliverables in relation to the RANZCP projects. All funding is receivable provided the criteria associated with the deliverables are achieved and debtor invoices are raised at the time all criteria is met. The risk of not receiving outstanding government funds is considered to be minimal provided all outcomes as per project deliverables are fulfilled.

Note 21: Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The RANZCP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient short-term funding to meet its liabilities when due, under both normal and stressed conditions. The risk of incurring losses large enough to cause major impact on business is considered to be minimal. All payments due are considered to be more than adequately covered.

The RANZCP ensures that it has sufficient cash on demand to meet expected operational expenses when they fall due. In 2023 the RANZCP was not in a situation whereby it was not able to adequately cover liabilities and is not expected to be in 2024.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the RANZCP's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The primary goal of the RANZCP's investment strategy is to maximise investment returns within determined risk parameters in order to meet partially the funding obligations to run the RANZCP operations. Management is assisted by external advisors in this regard. In accordance with this strategy, investments are carried at fair value through other comprehensive income because their performance is actively monitored and they are managed on a fair value basis.

The RANZCP market risk is consistent with the overall risk of the performance of the share market. In order to minimise investment value fluctuations, the Board has taken a conservative approach where 42% of the RANZCP's portfolio is held in cash, government bonds and fixed interest securities. A further 25% is invested in domestic equities that are considered to be "blue chip" equities held in publicly traded entities and the remainder 33% in international shares. This reduces our exposure to market risk which is associated with stock market fluctuations.

Sensitivity analysis

Equity price risk

The RANZCP's equity investments are listed on the Australian Securities Exchange and International Exchanges. For such investments designated at fair value through other comprehensive income, the impact of a 10% movement in price to other comprehensive income would have been an increase or decrease of \$1,146,919 (2022: \$929,189) either way, with no effect on the RANZCP cash flow.

Interest rates risk

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and fixed interest securities as a result of changes in interest rates. The impact to the Profit or Loss of a 25 basis points movement in interest rates would result in an increase or decrease of \$130,829 (2022: \$125,146) either way.

Remaining contractual maturities

The following tables detail the RANZCP's remaining contractual maturity for its financial liabilities. The figures in the tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Trade and other payables – current	-	1,612,650	-	-	-	1,612,650
Lease liabilities – current and non-current	-	59,929	37,969	45,939	-	143,837
Total non-derivatives	-	1,672,579	37,969	45,939	-	1,756,487

2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
Trade and other payables – current	-	1,104,906	-	-	-	1,104,906
Lease liabilities – current and non-current	-	102,912	47,498	74,634	-	225,044
Total non-derivatives	-	1,207,818	47,498	74,634	-	1,329,950

Note 22 Related party transactions and Directors' remuneration

Key management personnel compensation

Key management personnel comprise Directors and other persons having authority and responsibility for planning, directing and controlling the activities of the RANZCP. The values below include payments and payables in the form of employee benefits and superannuation contributions:

	2023 \$	2022 \$
Short-term employee benefits	1,576,310	2,160,522
Post-employment benefits	164,192	171,667
Other long-term benefits	36,167	48,181
Termination paid	-	(398,935)
Total key management personnel compensation	1,776,669	1,981,435

Directors of the RANZCP

The Directors of the RANZCP during the financial year are included in the Directors' report.

Key management personnel of the RANZCP:

Name	Date of appointment or resignation if position was not occupied for entire period
Sharon McGowan (Chief Executive Officer)	Appointed 13/02/2023
Callie Kalimniou (Executive General Manager – Education and Operations)	
Daisy Brooke (Executive General Manager – Bi-National Offices and Professional Practice)	Resigned 02/06/2023
Anna Lyubomirsky (Executive Manager – Education and Training)	
Nicola Wright (Executive Manager – Policy, Practice and Research)	
Heng Soong (Executive Manager – Finance and Business Services)	
Jon Cullum (Executive Manager – Membership, Events and Publications)	
Monique Devereux (Executive Manager – Bi-National Offices and Partnerships)	Appointed 05/05/2023

Transactions between related parties

The following honorariums were paid in 2023:

- » \$25,000 paid to the President entitled to an honorarium in 2023 (2022: \$25,000)

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties (2022: Nil).

Loans to/from related parties

There were no loans to or from related parties (2022: Nil).

Note 23: Commitments

The company had no commitments for expenditure as at 31 December 2023 and 31 December 2022.

Note 24: Company limited by guarantee

	2023	2022
Capital capable of being called up in the event of and for the purpose of winding-up		
» Total number of members	8,182	7,844
» Total amount @ \$20 per member	\$163,640	\$156,880

Note 25: Remuneration of auditors

	2023 \$	2022 \$
During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company.		
Audit services		
» Audit of the financial statements	39,270	37,400
» Other assurance services	8,688	8,250

Note 26: Contingent liabilities

The company had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Note 27: Subsequent events

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Contact us

Head Office

309 La Trobe Street
Melbourne VIC 3000
Australia

Toll free 1800 337 448
(calling from Australia)

Toll free 0800 443 827
(calling from New Zealand)

T +61 (0)3 9640 0646
F +61 (0)3 9642 5652
E ranzcp@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

Tu Te Akaaka Roa New Zealand National Office

PO Box 10669
Wellington 6143
Aotearoa New Zealand

T +64 (0)4 472 7247
F +64 (0)4 472 7246
E nzoffice@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

Australian Branches

ACT Branch

PO Box 152
Deakin ACT 2600

T +61 (0)2 6229 2800
F +61 (0)3 9642 5652
E ranzcp.act@ranzcp.org

Office hours

Monday, 9 am–1 pm
Tuesday, 9 am–12.30 pm
Wednesday–Thursday, 9 am–5 pm

New South Wales Branch

PO Box 280
Rozelle NSW 2039

T +61 (0)2 9352 3600
F +61 (0)3 9642 5652
E ranzcp.nsw@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

Northern Territory Branch

c/- ACT Branch
PO Box 152
Deakin ACT 2600

T +61 (0)2 6229 2800
F +61 (0)3 9642 5652
E ranzcp.nt@ranzcp.org

Office hours

Monday, 9 am–1 pm
Tuesday, 9 am–12.30 pm
Wednesday–Thursday, 9 am–5 pm

Queensland Branch

PO Box 261
RBH Post Office
Herston QLD 4029

T +61 (0)7 3426 2200
F +61 (0)3 9642 5652
E ranzcp.qld@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

South Australia Branch

PO Box 103
Fullarton SA 5063

T +61 (0)8 8219 4200
F +61 (0)3 9642 5652
E ranzcp.sa@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

Tasmania Branch

On lutruwita
PO Box 380
Huonville TAS 7109

T +61 (0)3 6235 1800
F +61 (0)3 9642 5652
E ranzcp.tas@ranzcp.org

Office hours

Tuesday–Wednesday, 9 am–5 pm

Victoria Branch

309 La Trobe Street
Melbourne VIC 3000

T +61 (0)3 9601 4924
F +61 (0)3 9642 5652
E ranzcp.vic@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm

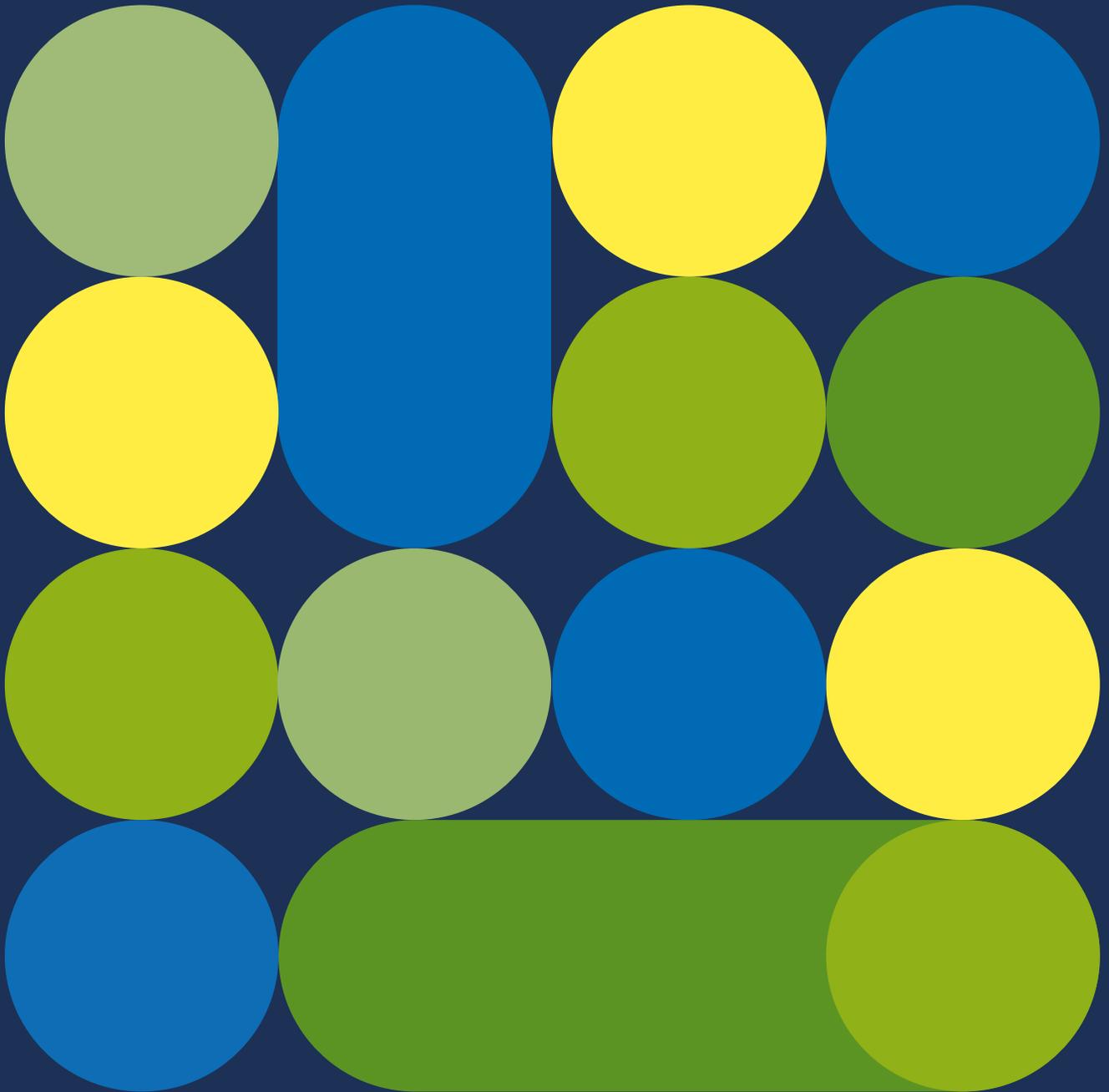
Western Australia Branch

On Whadjuk Noongar Boodja-k
1/31 Broadway
Nedlands WA 6009

T +61 (0)8 6458 7800
F +61 (0)3 9642 5652
E ranzcp.wa@ranzcp.org

Office hours

Monday–Friday, 9 am–5 pm



RANZCP Board

Dr Elizabeth Moore
President

Dr Astha Tomar
President-Elect

Dr Ava Carter
Appointed Director, Trainee

Dr Warren Kealy-Bateman
Director (Casual Vacancy)

Dr Mark Lawrence
Elected Director

Dr Nick O'Connor
Elected Director

Dr Sue Mackersey
Elected Director

A/Prof. Melanie Turner
Elected Director

Chief Executive Officer
Sharon McGowan AM

Company Secretary
Heng Soong (from July 2023)



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