

ANNUAL REPORT 2008





LEADERSHIP | SUPPORT | ADVOCACY

CONTENTS

REPORT FROM THE CHAIR	4
REPORT FROM THE CEO	5
ORGANISATIONAL CHART	6
PROGRAMS	7
Aboriginal Health	
Aged Care GP Panel Initiative	
Australian Better Health Initiative	
Australian Primary Care Collaboratives	
e-Health Support	
Falls Prevention in General Practice	
Immunisation	
Primary Mental Health Care	
Nursing in General Practice	
Quality Use of Medicines	
FINANCIAL REPORT	9
Directors' Report	10
Directors' Declaration	13
Income Statement	14
Balance Sheet	15
Statement of Recognised Income and Expenditure	16
Cash Flow Statement	17
Notes to the Financial Statements	18
Auditors Independence Declaration Under Section 307c of the Corporations Act 2001	28
Independent Audit Report	29

REPORT FROM THE CHAIR



Dr Linda McQueen

Over the last twelve months we have seen a period of rapid change for the organisation. We have moved premises, introduced a new constitution and have a new name – General Practice NSW (GP NSW). We have been busy working on our key strategic goals of strengthening relationships with and the capacity of our members, the NSW Divisions, as well as working with a key stakeholder, NSW Health.

The GP NSW Board has now increased to eight directors with two appointed directors who bring valuable skills to the Board table. The Board has a good mixture of corporate memory, fresh faces and representation.

NSW has approximately a third of the population of Australia (seven million) and a third of the GPs (7,000) in Australia. We have some of the largest Divisions and also some of the smallest. The GP NSW Board is very aware of the need to build capacity in our Divisions to assist them to meet the increasing health needs of their communities.

We have continued to engage with NSW Health on various levels, despite numerous changes at senior levels. NSW now also has a new health minister, The Hon. John Della Bosca. We need to look at partnerships for our patients to have a safe, high quality and integrated journey within the health care system.

GP NSW is a member of GP Unity, which consists of representation from the Royal Australian College of General Practitioners (RACGP) (NSW Faculty), Australian Medical Association (AMA) (NSW), Rural Doctors Network (RDN) and Rural Doctors Association (RDA) (NSW). This group meets quarterly to discuss solutions to common issues. Outcomes from these meetings have included the Prevocational General Practice Placements Program (PGPPP) being implemented in NSW (though not yet in sufficient numbers), and also having the GP NSW CEO on the Area of Need committee to bring issues from Divisions directly to their attention.

We have trialed combined CEO / Chairs meetings this year and are continuing to refine these based on feedback. The format of these meetings is a work in progress so it is valuable for NSW Chairs to attend. We have also held a number of Divisional Executive Network (DEN) meetings and I would like to thank Tricia Rowilson for chairing these meetings and for her valuable contributions at Board meetings.

“We need to look at partnerships for our patients to have a safe, high quality and integrated journey within the health care system.”

GP NSW also meets quarterly with the other State Based Organisations (SBOs) and the Australian General Practice Network (AGPN) to look at national issues. The national agenda has been in the medical press of late. I personally would like to thank Dr Tony Hobbs for his hard work and dedication to the job. Whether you agree or not with Tony’s views, I think all people in the Division movement would attest to the commitment and energy he has given to general practice.

Our CEO, Mr Matt Hanrahan is leaving to become General Manager of Central Coast Health. Matt has performed his job with exceptional skill and we wish him well in his new role. In the interim, we are very fortunate to have Ms Jan Newland as acting CEO. Jan is a very skilled and experienced manager. I wish to thank her for assisting the organisation through this time. I also would like to thank the staff at GP NSW who are energetic, enthusiastic and committed to assisting NSW Divisions.

Finally, I would like to thank my fellow directors for their friendship, support and candour. I would also like to thank the NSW Division community. It is full of talented people with a variety of views and all the richer for it. It has been a pleasure and a privilege working with all of you.

Dr Linda McQueen
Chair

REPORT FROM THE CEO



I am writing this report knowing that I will be leaving GP NSW. Over the last two years there has been great change not only within GP NSW but within the Divisions network and the broader health environment. With the election of a new Labor government there is no doubt there will continue to be change, particularly in the health sector.

GP NSW has a new name, new constitution, new premises and a new management team. There has also been new programs including Australian Better Health Initiative (ABHI), and more recently Diabetes and the Australian Primary Care Collaboratives (APCC). There has been a deliberate focus on delivering services in a more integrated and cohesive way to better support NSW Divisions.

The Board has driven the strategic focus on three key areas; our internal capacity, our ability to increase the capacity of Divisions in NSW and engagement of key stakeholders including our funding bodies, the Australian Government Department of Health and Ageing (AGDHA), NSW Health, AGPN, other SBOs, other GP organisations, State Government and Non Government Organisations (NGOs).

It is critical for any member organisation to seek feedback from its members in order to meet their needs on an ongoing basis. The results of a recent survey of NSW Divisions highlighted the good work that GP NSW does in supporting the Divisions in NSW, and also highlighted areas that need further development. The feedback will contribute to improved service delivery to our members in the future.

The team at GP NSW has a vast array of skills and experience, not only in Divisions of General Practice but the broader health industry. We have worked extremely hard at focusing on the needs of Divisions, and the results of the recent Division survey reflect the commitment and dedication of the staff.

I sincerely thank them for all their support and efforts and admire their willingness to go the extra yard to ensure services are delivered well.

The Board of GP NSW is passionate about the role Divisions play in improving the health of the community through general practice. They bring a vast range of knowledge, skills and experience, are willing to debate the difficult issues and

“The Board of GP NSW is passionate about the role Divisions play in improving the health of the community through general practice.”

to make tough decisions. I have enjoyed their support and it has been a pleasure to work with them.

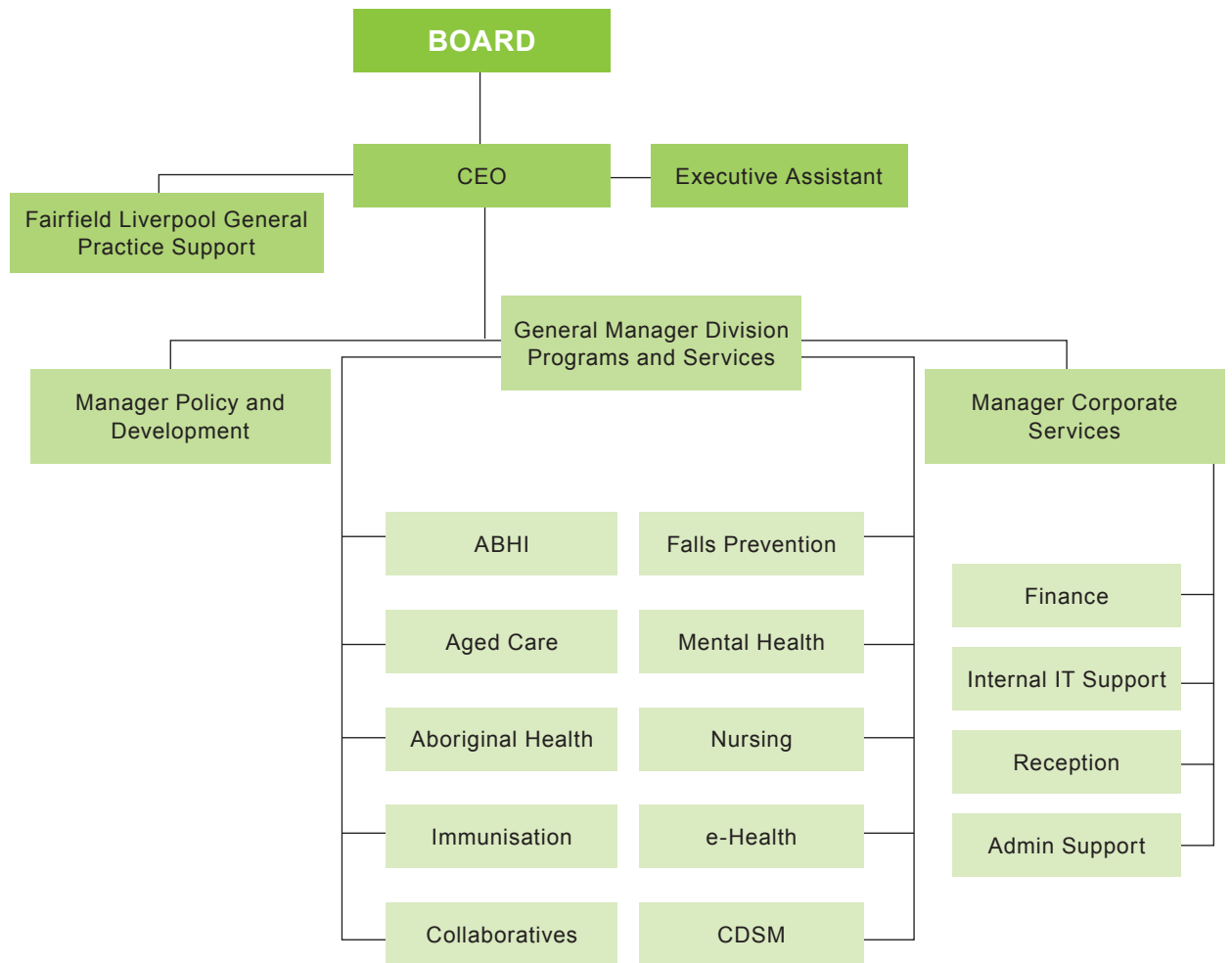
I would like to thank the many stakeholders GP NSW engage with on a daily basis for their support and encouragement.

And finally, on a personal note I would like to thank all the colleagues and friends that I have made over the eight plus years that I have spent in the Divisions network. I look forward to working with you in the future and will continue to advocate for the role that Divisions and general practice play in improving health care.

A handwritten signature in black ink, appearing to read "M. Hanrahan".

Mr Matt Hanrahan
Chief Executive Officer

ORGANISATIONAL CHART



Policy Development
 Data Analysis
 Business Development
 Stakeholder Liaison
 Professional Development
 Division Support

Programs / Services
 Stakeholder Liaison
 Business Development
 Coordination of Education and Training
 Communication and Public Relations

Human Resources
 Quality
 OHS
 Contract Management
 Stakeholder Liaison
 Legals
 Risk Management

PROGRAMS

ABORIGINAL HEALTH

GP NSW and the Aboriginal Health & Medical Research Council (AH&MRC) have collaborated to strengthen relationships between Aboriginal Community Controlled Health Services (ACCHS) and Divisions of General Practice to improve the prevention and management of chronic disease for Aboriginal people. The Program has promoted many successful partnerships and local programs between Divisions and ACCHS and it is pleasing to see an increased uptake of the Child and Adult Health Checks for the Aboriginal and Torres Strait Islander community.

AGED CARE GP PANEL INITIATIVE (ACGPPI)

The ACGPPI facilitated solutions to issues around access to primary care for residents of aged care facilities with input from Divisions, GPs, allied health professionals and residential aged care providers. Unfortunately, it was announced in the 2008 Federal Budget that the ACGPPI would discontinue at the end of June. Some examples of achievements were: improved resident access to primary health care services indicated by increased relevant MBS item usage; development and enhancement of relationships between sectors (which has continued); and development and sharing of resources that improve quality and streamline service provision, for example the Yellow Envelope acute care transfer resource.

AUSTRALIAN BETTER HEALTH INITIATIVE (ABHI)

All NSW Divisions of General Practice are participating in the ABHI program. GP NSW has worked closely with Divisions to develop work plans based on local chronic disease management priority areas. While work areas vary, all Divisions have appointed a non-clinical change agent or regional coordinator to lead systems change and to develop and support more effective partnerships at a local level. Some common themes of Division activity include diabetes, aged care, coronary heart disease, e-health, illness prevention and the interface between acute and community services.

AUSTRALIAN PRIMARY CARE COLLABORATIVES (APCC)

Seventeen Divisions and 62 practices from NSW are participating in the first wave of the Australian Primary Care Collaboratives which encompasses NSW, ACT and QLD. Practices and Division staff have been working hard over the last five months at improving data quality in clinical software systems and assessing each practice's capacity to tend effectively to its patient load.

Two very successful learning workshops have been held with both Divisions and practices requesting extra staff member attendance. Exemplar practices – those who have already implemented improvements in their practices – constitute the majority of presenters and the new and practical ideas stemming from these workshops are very impressive.

During the remaining thirteen months of this program, practices will use their current and accurate data to improve patient outcomes and develop strategies to maximize their capacity to provide timely and patient focused care.

e-HEALTH SUPPORT

The GP NSW e-Health program staff have worked with Divisions to build their capacity in Information Management and e-Health through the rollout of the Information Management Maturity Framework (IMMF). By 30 June 2008, 14 NSW Divisions had initiated the process and 23 Division e-Health Officers had been involved in the implementation of "Healthgrid", a private, on-line computer network connecting Divisions and other health professionals to support communication, collaboration, integrated care initiatives, and learning and development within the health sector.

The GP NSW e-Health Program has also focused on improving data quality in general practice through information and resources relating to data analysis/extraction tools. As at the end of June, 95% of Divisions were using one or more data extraction / analysis tools.

FALLS PREVENTION IN GENERAL PRACTICE

Falls are one of the most common and debilitating health issues for the elderly. A Falls Prevention in General Practice Project Coordinator, funded through the Clinical Excellence Commission (CEC) NSW Health, has complemented the work of Area Falls Coordinators at an Area Health Service level. The Falls Prevention Advisory Committee, including representation from one urban and one rural Division, worked to develop a strategic approach to falls prevention within general practice. Consultations with NSW Divisions, general practitioners and practice nurses were completed in early 2008 and a Strategic Plan is due for completion in late 2008.

PROGRAMS

IMMUNISATION

The GP NSW Immunisation Program has supported Divisions through the development of resources to promote immunisation to the community and enhance accuracy of immunisation encounters reported to the Australian Childhood Immunisation Register (ACIR). The most successful resource has been the post-vaccination care information; "Common Reactions to Vaccination", with over 4000 distributed across NSW.

The program has provided timely and accurate information to assist Divisions to support general practice in implementing the National Cervical Cancer Vaccination Program and the subsequent rollout of the National HPV Register. GP NSW has advocated for the removal of contentious objectors from the General Practice Immunisation Incentive (GP II) coverage rate calculations. There has also been a focus on education via the delivery of a Cold Chain Continuing Professional Development day, ACIR Data Enhancement workshops and an on-line Active Learning Module for immunisation providers.

PRIMARY MENTAL HEALTH CARE

A key highlight of the GP NSW Mental Health Program in 2008 has been engagement of NSW Health Mental Health Drug & Alcohol Officer which has opened up avenues of communication around NSW mental health initiatives. GP NSW is now a member of the Perinatal and Infant Mental Health Sub Committee, the Co-Morbidity Guidelines Advisory Group, the Centre for Rural & Remote Mental Health Advisory Group, the NSW Health Drought Mental Health Assistance Project Steering Committee and the Youth Mental Health Services Advisory Group. The Mental Health Program is also currently developing a Memorandum of Understanding with the Network of Alcohol & other Drugs Agencies (NADA), to guide relationships between NSW Divisions and the non government mental health and drug and alcohol sector.

NURSING IN GENERAL PRACTICE (NIGP)

For the third year GP NSW funded individual Divisions (or consortia of Divisions) to undertake capacity building activities focused on increasing the number of nurses working in general practice, developing resources to build the capacity of practice nurses and supporting a 'team approach' to activities within general practice, with particular reference to chronic disease management. As a result of this funding there are now 2,234 practice nurses working in NSW. There were 116 practice nurse workshops held between July 2007 and June 2008 and 258 individual practice nurses were sponsored to undertake professional development opportunities.

QUALITY USE OF MEDICINES (QUM)

GP NSW works with two organizations, the Pharmacy Guild and the National Prescribing Service (NPS) to promote quality use of medicines. The role of GP NSW is crucial in recognising opportunities for collaboration and capacity building across all primary care programs that could include a QUM component. The Home Medication Review (HMR) Facilitators Program continues to make steady, but slow progress in increasing the uptake of medication review item numbers, particularly in residential aged care facilities. GP NSW also works with NPS to promote initiatives other than those covered by the NPS facilitator's role. In 2007-08 this included promoting the Drug Use Evaluation (DUE) tool for Residential Aged Care Facilities (RACFs) through the Aged Care GP Panel Initiative.



FINANCIAL REPORT

For The Year Ended 30 June 2007

ABN: 68 073 292 921

DIRECTORS' REPORT

The directors present their report together with the financial report of the General Practice NSW for the year ended 30 June 2008 and the auditors' report thereon.

1. GENERAL INFORMATION

a. DIRECTORS

The directors at any time during or since the financial year are:

	Appointed/Resigned
Dr Linda Rona McQueen	
Dr Kenneth Wayne Mackey	
Dr Philip Kingsley Godden	
Dr Vladislav Matic	
Mr Talal Yassine	
Dr Linda Mann	Appointed 8/12/2007
Dr Daniel Peter Ewald	Appointed 8/12/2007
Mr James Nicholas Hortle	Appointed 8/12/2007
Dr Peter John Hopkins	Resigned 8/12/2007
Dr Peter Davis	Resigned 8/12/2007

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

b. PRINCIPAL ACTIVITIES

The principal activities of General Practice NSW Limited during the financial year were as a support body in the fields of training, advice, advocacy and research to Divisions of General Practice in New South Wales.

No significant change in the nature of these activities occurred during the year.

c. COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Dr Kenneth Wayne Mackey – Dr Mackey was appointed to the position of company secretary on the 30 October 1999. His qualifications include M.B.B.S.(Syd), Dip, Obst (RCOG), FACRRM

2. BUSINESS REVIEW

a. OPERATING RESULTS

The surplus of General Practice NSW Limited amounted to \$480,536. Of this amount \$467,308 relates to grant funds received from the Commonwealth to establish the Managed Health Network. These funds were expended in the acquisition of assets that have a life of more than twelve months. The Accounting Standards require that the Financial Statements record the full amount of grant funds received as revenue. However, despite the expenditure being made in the current financial year the related expenses (to be charged to the Income Statement), will only be recorded in future periods. As a result, the accumulated surplus of General Practice NSW will be diminished in future years as these charges are made. This treatment has been highlighted in the Financial Statements and the amount of expenditure that will be charged to the Income Statement in future years has been set aside in a reserve specifically established for this purpose.

3. OTHER ITEMS

a. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The company changed its name from the Alliance of NSW Divisions Limited to General Practice NSW Limited. There were no other significant changes in the state of affairs of the company during the financial year.

DIRECTORS' REPORT

b. AFTER BALANCE DAY EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of General Practice NSW Limited, the results of those operations or the state of affairs of General Practice NSW Limited in future financial years.

c. DIVIDENDS

No dividends have been paid or declared during the financial year as it is prohibited by the company's Constitution.

d. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 28.

4. DIRECTOR INFORMATION

a. INFORMATION ON DIRECTORS

Dr Linda Rona McQueen	Appointed 2/1/2002
Qualifications	M.B.B.S., FRACGP Dip RACOG, FAICD
Special Responsibilities	Director, Chairperson
Dr Kenneth Wayne Mackey	Appointed 20/5/1998
Qualifications	M.B.B.S. (Syd), Dip. Obst (RCOG), FACRRM
Special Responsibilities	Director, Vice Chairperson, Company Secretary, Finance & Audit Committee
Dr Philip Kingsley Godden	Appointed 8/11/2003
Qualifications	M.B.B.S., FRACGP, FAICD
Special Responsibilities	Director, Chairperson of the Corporate Governance Committee
Dr Vladislav Matic	Appointed 30/10/1999
Qualifications	M.B.B.S (Syd) FACRRM, FRACGP, GAICD
Special Responsibilities	Director, Finance & Audit Committee
Dr Linda Mann	Appointed 8/12/2007
Qualifications	DRCOG, Dip RANZCOG, FRACGP
Special Responsibilities	Director, Corporate Governance Committee
Dr Daniel Peter Ewald	Appointed 8/12/2007
Qualifications	B.Med, MPH&TM, M.App. Epid, FRACGP, FACTM, FAFPHM
Special Responsibilities	Director, Corporate Governance Committee
Mr Talal Yassine	Appointed 10/3/2007
Qualifications	BA, LL B (Macq), LL M (SYD), MBA (Deak), SFCDA, FAICD
Special Responsibilities	Director, Corporate Governance Committee
Mr James Nicholas Hortle	Appointed 8/12/2007
Qualifications	ACA, AICD, BEcon (La Trobe)
Special Responsibilities	Director, Chairperson of the Finance & Audit Committee
Dr Peter John Hopkins	Resigned 8/12/2007
Qualifications	M.B.B.S. (Hons), MMedSc., FRACGP
Special Responsibilities	Director, Corporate Governance Committee
Dr Peter Davis	Resigned 8/12/2007
Qualifications	M.B.B.S., Dip. Obst (RCOG), FRACGP, FACRRM
Special Responsibilities	Director, Finance & Audit Committee

b. MEETINGS OF DIRECTORS

During the financial year, 21 meetings of directors (including committees of directors) were held.

Attendance by each director during the year were as follows:

	Directors' Meetings		Finance & Audit Committee Meetings		Corporate Governance meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Dr Linda Rona McQueen	12	12	-	-	-	-
Dr Kenneth Wayne Mackey	12	11	6	6	-	-
Dr Philip Kingsley Godden	12	11	-	-	3	3
Dr Vladislav Matic	12	9	4	4	-	-
Dr Linda Mann	6	5	-	-	2	2
Dr Daniel Peter Ewald	6	5	-	-	2	1
Mr Talal Yassine	11	9	-	-	3	2
Mr James Nicholas Hortle	5	4	4	4	-	-
Dr Peter John Hopkins	6	6	-	-	1	1
Dr Peter Davis	6	4	2	2	-	-

5. INDEMNIFYING OFFICERS OR AUDITORS

a. INSURANCE PREMIUMS PAID FOR DIRECTORS

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium is not disclosed due to the terms of the insurance contracts and to protect commercially sensitive information of the company.

Signed in accordance with a resolution of the directors:



Dr Linda McQueen
 Director
 Sydney
 Dated: 10 September 2008



Mr James Nicholas Hortle
 Director

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 18 to 27, are in accordance with the Corporations Act 2001 and:

- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the directors:



Dr Linda McQueen
Director



Mr James Nicholas Hortle
Director

Sydney

Dated: 10 September 2008

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Revenue	4	4,975,398	3,876,252
Capital Grants Revenue	4	467,308	3,876,252
Employee benefits expense		(1,824,715)	(1,561,876)
Project expenses		(2,683,909)	(1,578,240)
Depreciation & Amortisation		(86,553)	(50,460)
Occupancy expenses		(256,020)	(424,512)
Administration & Other expenses		(110,973)	(165,115)
ACCUMULATED SURPLUS		480,536	96,049
Income tax expense	1(n)	-	-
ACCUMULATED SURPLUS		480,536	96,049

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash equivalents	6	1,926,833	1,260,072
Trade and other receivables	7	804,696	253,645
Other current assets	8	32,548	3,527
TOTAL CURRENT ASSETS		2,764,077	1,517,244
NON-CURRENT ASSETS			
Property, plant and equipment	9	645,939	291,109
TOTAL NON-CURRENT ASSETS		645,939	291,109
TOTAL ASSETS		3,410,016	1,808,353
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	609,883	366,528
Short-term borrowings	11	20,769	19,175
Other current liabilities	12	1,704,222	902,584
Shortterm provisions	13	167,796	64,595
TOTAL CURRENT LIABILITIES		2,502,670	1,352,882
NON CURRENT LIABILITIES			
Trade and other payables	10	87,126	108,908
Long-term borrowings	11	1,818	22,587
Long-term provisions	13	38,744	24,854
TOTAL NON CURRENT LIABILITIES		127,688	156,349
TOTAL LIABILITIES		2,630,358	1,509,231
NET ASSETS		779,658	299,122
EQUITY			
Capital Grants Reserve	19	467,308	-
Accumulated Surplus		312,350	299,122
TOTAL EQUITY		779,658	299,122

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENTS OF RECOGNISED INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2008

2008	Capital Grants Reserve	Accumulated Surplus	Total
	\$	\$	\$
Balance at 1 July 2007	-	299,122	299,122
Accumulated Surplus	-	480,536	480,536
Transfers to and from reserves	467,308	(467,308)	-
BALANCE AT 30 JUNE 2008	467,308	312,350	779,658

2007	Capital Grants Reserve	Accumulated Surplus	Total
	\$	\$	\$
Balance at 1 July 2006	-	203,073	203,073
Accumulated Surplus	-	96,049	96,049
Transfers to and from reserves	-	-	-
BALANCE AT 30 JUNE 2007	-	299,122	299,122

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2008 \$	2007 \$
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		5,584,816	4,048,009
Payments to suppliers and employees		(4,531,009)	(3,876,926)
Interest received		99,437	70,944
Net cash provided by (used in) operating activities	15	1,153,244	242,027
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	31,818
Acquisition of property, plant and equipment		(467,308)	(252,465)
Net cash provided by (used in) investing activities		(467,308)	(220,647)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	58,063
Repayment from borrowings		(19,175)	(16,301)
Net cash provided by (used in) investing activities		(19,175)	41,762
NET INCREASE(DECREASES) IN CASH HELD		666,761	63,142
Cash at the Beginning of the Financial Year		1,260,072	1,196,930
CASH AT END OF FINANCIAL YEAR	6	1,926,833	1,260,072

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES

a. GENERAL INFORMATION

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

General Practice NSW Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of General Practice NSW Limited complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

b. BASIS OF PREPARATION

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

c. COMPARATIVES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

d. PROPERTY, PLANT AND EQUIPMENT

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

Plant and equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straightline basis over their useful lives to General Practice NSW Limited commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Plant and Equipment	8% - 33 % DV / PC
Motor Vehicles	12.5% DV
Leasehold Improvements	25% PC

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

e. FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, General Practice NSW Limited assess whether there is objective evidence

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1. ACCOUNTING POLICIES CONTINUED

that a financial instrument has been impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in the entity's that share similar credit risk characteristics.

Impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

f. CASH AND CASH EQUIVALENT

Cash and cash equivalents include cash on hand and deposits held at call with banks.

g. EMPLOYEE BENEFITS

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the net present value of the estimated future cash outflows to be made for those benefits. Long service leave is accrued in respect of all employees with more than 5 years service with the Company.

Termination benefits are recognised as an expense when the company demonstrably committed without realistic possibility of withdrawal to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

h. PROVISIONS

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

i. REVENUE

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Grant Funds are recognised as income in accordance with the grant terms and conditions. Where monies have been received from funding bodies but monies have not been expended at balance date this portion has been treated as a liability, unexpended grant monies. Grant funds expended on capital purchases are also recognised as income.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

j. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES CONTINUED

k. UNEXPENDED GRANT FUNDS

The company recognises grant funding that has been received or is receivable at balance date but unspent as a liability consistent with the policy noted at 1(i). These funds fall into two categories being unspent funds on continuing projects or unspent funds returnable to the funding provider at completion of the project.

l. LEASES

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

m. INCOME TAXES

The Company is exempt from income tax under Section 5030 of the Income Tax Assessment Act 1997.

n. FINANCE LEASES

Finance lease assets are capitalised, recording an asset and a liability equal to the present value of the minimum payments, including any guaranteed residual values. Finance lease assets are amortised on a straight-line basis over their estimated useful lives. Payments are allocated between the reduction of the liability and the interest expense for the period.

o. DEFERRED LEASE INCENTIVE

The company recognises the lease incentive as income over the term of the lease.

p. DOUBTFUL DEBTS

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

q. FUNCTIONAL AND PRESENTATIONAL CURRENCY

These financial statements are presented in Australian dollars, which is the company's functional currency.

r. CHANGE IN ACCOUNTING POLICY

The company previously recognised amounts paid in respect of leasehold improvements as a prepayment to the value of \$147,398. This amount has been reclassified as property plant and equipment with the comparative figure adjusted to conform to changes in presentation for the current financial year.

s. PRESENTATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 10 September 2008. The directors have the power to amend the financial report at any time.

2. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and positions held of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Dr Linda Rona McQueen	Director
Dr Kenneth Wayne Mackey	Director
Dr Philip Kingsley Godden	Director
Dr Vladislav Matic	Director
Dr Linda Mann	Director
Dr Daniel Peter Ewald	Director
Mr Talal Yassine	Director
Mr James Nicholas Hortle	Director
Dr Peter John Hopkins	Director
Dr Peter Davis	Director

Other Key Management Personnel

Mr Matt Hanrahan	Chief Executive Officer
------------------	-------------------------

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

2. KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

	Shortterm benefits	Post employment benefit	Total
	\$	\$	\$
2008			
Total compensation	345,435	-	345,435
2007			
Total compensation	285,793	-	285,793

	2008	2007
	\$	\$
3. AUDITORS' REMUNERATION		
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	16,000	15,500
Other Services	-	4,100
Total Remuneration	16,000	19,600

4. REVENUE

Grants received	4,836,148	3,746,923
Interest received	99,437	70,944
Other	39,813	58,385
	4,975,398	3,876,252
Capital Grants received	467,308	-
Total Revenue	5,442,706	3,876,252

5. PROFIT FROM ORDINARY ACTIVITIES

a. EXPENSES

Net surplus before income tax expense has been arrived at after charging the following items:

Rental expense on operating leases	233,512	366,020
Depreciation	49,703	50,460
Amortisation	36,850	-
	86,553	50,460

6. CASH AND CASH EQUIVALENTS

Cash on hand	524	1,500
Cash at bank	1,862,396	1,056,010
Cash on deposit	63,913	202,562
	1,926,833	1,260,072

The effective interest rate for the year is 4.95% (2007: 4.77%);

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

6. CASH AND CASH EQUIVALENTS CONTINUED

	2008	2007
	\$	\$
Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	1,926,833	1,260,072
	1,926,833	1,260,072

7. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	693,689	253,645
Provision for doubtful debts	(11,100)	-
	682,589	253,645
Accrued Income	122,107	-
	804,696	253,645

8. OTHER ASSETS

CURRENT

Prepayments	32,548	3,527
	32,548	3,527

9. PROPERTY PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and Equipment		
At cost	805,794	443,842
Less accumulated depreciation	(321,743)	(368,360)
Total plant and equipment	484,051	75,482
Motor vehicles		
At cost	113,105	113,105
Less accumulated depreciation	(61,765)	(44,876)
Total motor vehicles	51,340	68,229
Leasehold Improvements		
At cost	147,398	147,398
Less accumulated depreciation	(36,850)	-
Total Leasehold Improvements	110,548	147,398
Total property, plant and equipment	645,939	291,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

a. MOVEMENTS IN CARRYING AMOUNTS

	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Current Year				
Balance at the beginning of year	75,482	68,229	147,398	291,109
Additions	467,308	-	-	467,308
Disposals	(25,925)	-	-	(25,925)
Depreciation expense	(32,814)	(16,889)	(36,850)	(86,553)
Carrying amount at the end of year	484,051	51,340	110,548	645,939
Prior Year				
Balance at the beginning of year	84,640	22,696	-	107,336
Additions	20,306	84,761	147,398	252,465
Disposals	(477)	(17,755)	-	(18,232)
Depreciation expense	(28,987)	(21,473)	-	(50,460)
Carrying amount at the end of year	75,482	68,229	147,398	291,109

10. TRADE AND OTHER PAYABLES

	2008 \$	2007 \$
SHORT TERM		
Unsecured liabilities		
Trade payables	215,940	8,684
Amounts received in advance	32,400	-
Deferred Lease Incentive	36,303	36,303
Goods & Services Tax	14,145	30,923
Employment costs	63,448	47,532
Sundry payables and accrued expenses	247,647	243,086
	609,883	366,528
LONG TERM		
Unsecured liabilities		
Deferred Lease Incentive	87,126	108,908
	87,126	108,908

11. BORROWINGS

SHORT TERM		
Secured liabilities		
Finance lease	20,769	19,175
	20,769	19,175
LONG TERM		
Secured liabilities		
Finance lease	1,818	22,587
	1,818	22,587

a. TOTAL CURRENT AND NONCURRENT SECURED LIABILITIES

Finance lease	22,587	41,762
	22,587	41,762

Finance Lease Liability

Secured over assets that are under the Finance Lease Agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

12. OTHER LIABILITIES

	2008	2007
	\$	\$
SHORT TERM		
Government grants	1,704,222	902,584
	1,704,222	902,584

13. PROVISIONS

Analysis of Total Provisions

Current	167,796	64,595
Noncurrent	38,744	24,854
	206,540	89,449

Employee entitlements

	\$
Opening balance at 1 July 2007	89,449
Additional provisions	146,152
Amounts used	(29,061)
Balance at 30 June 2008	206,540

14. ECONOMIC DEPENDENCY

The company is dependent on government grants for the majority of its revenue.

15. CASH FLOW INFORMATION

a. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS AFTER INCOME TAX

Cash flows excluded from profit attributable to operating activities		
Operating Surplus	480,536	96,049
Noncash flows in surplus		
Depreciation & amortisation	86,553	50,460
Net (gain) / loss on disposal of property, plant and equipment	25,925	(13,587)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	(551,051)	(20,659)
(Increase)/decrease in prepayments	(29,021)	5,232
Increase/(decrease) in trade payables and accruals	221,573	(94,464)
Increase/(decrease) in unexpended grant funding	801,638	269,809
Increase/(decrease) in provisions	117,091	(50,814)
	1,153,244	242,026

16. CAPITAL AND LEASING COMMITMENTS

a. OPERATING LEASE COMMITMENTS

Noncancellable operating leases contracted for but not capitalised in the financial statements

Payable minimum lease payments		
not later than 12 months	215,195	196,784
between 12 months and 5 years	430,389	622,389
	645,584	819,173

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

16. CAPITAL AND LEASING COMMITMENTS CONTINUED

The property lease is non cancellable lease with a four year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3.75%. A bank guarantee exists for \$59,179 to cover all of the obligations under the lease.

17. FINANCIAL INSTRUMENTS

a. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, shortterm investments, accounts receivable and payable.

The reporting company limited by guarantee does not have any derivative financial instruments at year end.

Financial Risks

The main risks General Practice NSW Limited is exposed to through its financial instruments, are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The company is exposed to interest rate fluctuations on its cash at bank, cash on deposit and on fixed interest securities. The company actively monitors interest rates for cash at bank and on deposit to maximise interest income. The company accepts the risk in relation to fixed interest securities as they are held to generate income on surplus funds.

Sensitivity Analysis

As at reporting date, the company had the following variable rate cash exposure:

	2008	2007
Cash at bank	1,862,396	1,056,010
Cash on deposit	63,913	202,562
Borrowings	(22,587)	(44,029)
	1,903,722	1,214,543

At 30 June 2008, if interest rates had changed by +/-1% from the year end rates with all other variables held constant, surplus for the year would have been \$19,037 lower/higher (2007: \$12,145)

Liquidity risk

The company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Net fair value

There is no material difference between the carrying value of the assets and liabilities and the fair values of the assets and liabilities.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

18. CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards issued or amended and are applicable to the association but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standard Affected	Outline of Amendment	Application Date of Standard	Application Date for the Entity
2007-3 Amendments to Australian Accounting Standards	AASB 107: Cashflow Statements AASB 119: Employee Benefits AASB 135: Impairment of Assets AASB 114: Segment Reporting	The disclosure requirements of AASB 114: Segment Reporting: have been replaced due to the issuing of AASB 108: Operating Segments in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report.	1 January 2007	1 July 2007
AASB 8: Operating Segments	AASB 114: Segment Reporting	As above	1 January 2009	1 July 2009
AASB 2007-6: Amendments to Australian Accounting Standards	AASB 1: Firsttime Adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 107: Cash Flow Statements AASB 116: Property, Plant and Equipment	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset.	1 July 2009	1 July 2009
AASB: 123 Borrowing Costs	AASB 123: Borrowing Costs	As above	1 January 2009	1 July 2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income.	1 January 2009	1 July 2009
AASB 101	AASB: 101 Presentation of Financial Statements	As above	1 January 2009	1 July 2009

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

19. CAPITAL GRANTS RESERVE

The reserve recognises plant and equipment purchased with grant funds.

20. SEGMENT REPORTING

The company operates in geographical segment predominately being New South Wales and in one business segment being the medical industry.

21. MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the articles of the Company state that each Member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the Company. At 30 June 2008 the number of Members was 32

22. COMPANY DETAILS

a. REGISTERED OFFICE

The registered office of the company is:
General Practice NSW Limited
Level 8
76-80 Clarence Street
Sydney NSW 2000

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there has been:

- (i) no contravention of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.

Cutcher & Neale

Assurance Pty Limited

(An authorised audit company)



Mark O'Connor

Director

Newcastle

Dated: 9 September 2008

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of General Practice NSW Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENCE

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of General Practice NSW Limited on 9 September 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

AUDITOR'S OPINION

In our opinion the financial report of General Practice NSW Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Cutcher & Neale

Assurance Pty Limited

(An authorised audit company)



Mark O'Connor


Director

Newcastle

Dated: 11 September 2008







General Practice **NSW**

ABN 68 073 292 921

HEAD OFFICE

Level 8, 76-80 Clarence Street
Sydney NSW 2000
Phone: 02 9239 2900
Fax: 02 9239 2999

BRANCH OFFICE

Offices 8-9, 321 Harbour Drive
The Promenade
Coffs Harbour NSW 2450
Phone: 02 6652 3866
Fax: 02 6652 6033