

ADVOCACY LEADERSHIP



SUPPORT

ANNUAL REPORT 2009

The background features a light green gradient. On the left, there is a vertical bar with a teal-to-green gradient. Three sets of concentric circles in various shades of green and teal are scattered across the page: a large set in the upper right, a medium set in the lower left, and a partial set in the lower right.

LEADERSHIP | SUPPORT | ADVOCACY

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REPORT FROM THE CHAIR

It has been a privilege to Chair the Board of General Practice NSW (GP NSW) since November 2008. It has been a memorable year for the Division movement and I believe GP NSW has been placed in a most satisfactory position to remain recognised as an important influence for General Practice and the NSW Division Network. I would like to acknowledge the important contribution of the Board and CEO through 2008/09 to lead GP NSW to such a recognised position.

Critical to the success of GP NSW has been the contributions of our CEO, Jan Newland, senior management and staff. Formal and anecdotal reports confirm GP NSW is held in high regard by our members and widely throughout the Divisions Network. The committees of the Board have excelled and emphasise GP NSW's commitment to governance at a high level.

GP NSW has maintained its strong connections and representative role. Emil Djakic and David Butt of AGPN have been great allies of GP NSW and stalwarts in developing the Division Network. Through the General Practice National Leadership Group, GP NSW continues to contribute to, and participate in, the national health policy debate.

The AGPN Primary Health Care Position Statement, the Report from the National Health and Hospital Review Commission, the Preventative Health Strategy Report and the

Primary Health Care Strategy Report have been a challenge for both GP NSW and our member Divisions to absorb and debate. At this stage firm commitments and dollars are yet to materialise but the Network is ready and poised for the changes that will occur over the next few years.

NSW Health has also been closely looking at changes to its services following the recommendations of the Garling Report. In particular, GP NSW has been working to promote the role of General Practice in community health, patient self management, Hospital-in-the-Home and the Severe Chronic Disease program which is currently being scoped in NSW. GP NSW, especially through its CEO, has positioned General Practice and Divisions, in anticipation of Primary Health Care Organisations as the major health managers outside the acute care sector.

GP NSW eagerly looks forward to another year of progress and development as an integral part of the Australian health care system.



Dr Ken Mackey
Chair

REPORT FROM THE CEO

2008/09 has been a year of anticipation for the NSW Divisions Network with a number of proposed national reforms under consideration. The release of these reports offers General Practice and Divisions an opportunity to address the challenges of an ageing population and increased chronic disease by placing General Practice at the centre of primary health care for the community. It has been inspiring to participate in discussions on the future within individual Divisions, as a Network and with key partners.

Swine flu posed a significant challenge to NSW general practices. GP NSW worked closely with NSW Health, in particular Dr Kerry Chant and her team, to ensure the rapid release of vital updates and key information.

NSW Divisions stepped up to the plate and supported general practices within their area throughout this difficult time. Much work remains to streamline the NSW pandemic response, but the partnerships formed will support this into the future.

For GP NSW it has been a year of strengthening our business by introducing a new risk management system, the use of customer relationship software to track staff interactions with NSW Divisions, the opportunity to begin training in the Queensland finance / payroll system and to conduct a restructure of program teams and management to deliver better services to our customers, the NSW Divisions Network. We were also proud to have achieved ISO9001 re-accreditation.

The organisation was delighted to administer the transition of the Liverpool and Fairfield Divisions and the subsequent smooth handover

to the successful tenderers, Macarthur Division of General Practice. We are confident that the new entity will provide high quality services to the expanded number of general practices and communities.

We said goodbye to Matt Hanrahan (previous CEO) to take up a senior position with Northern Sydney Central Coast Health. Matt was a significant loss to the NSW Divisions Network and I am proud to be able to continue his good work.

The office is looking much brighter with corporate colours and we invite our Division colleagues who need a Board room or who are in Sydney and need a room to work, to take advantage of our facilities.

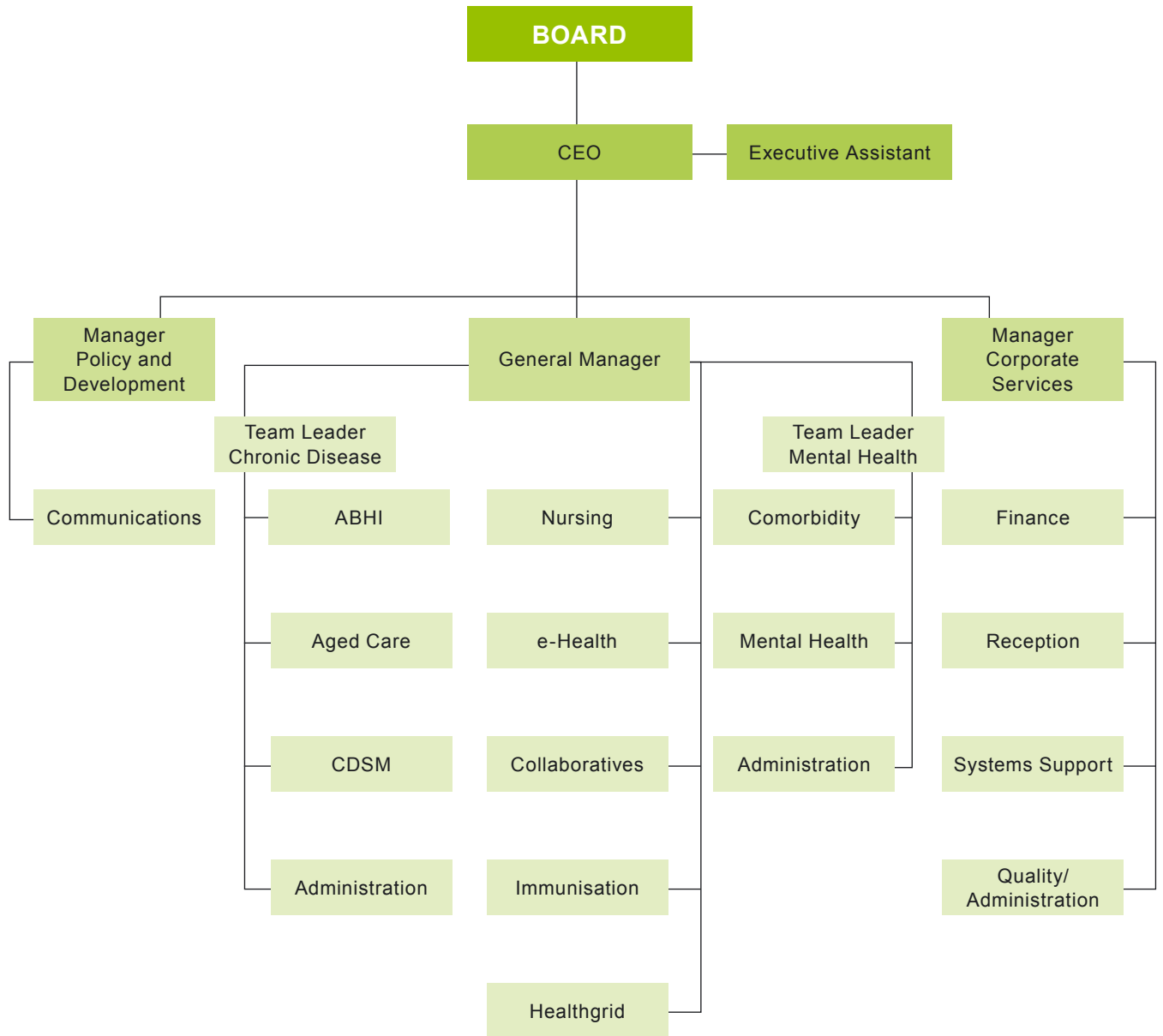
A huge thank you to Eve Craddock for the hard work she's put in as Chair of the Divisions Executive Network and we look forward to building on Eve's work with Rene Pennock as the new Chair for 2010.

My personal thanks to our wonderful staff, Board, key stakeholders and colleagues for their support and advice throughout what has been a busy, demanding and sometimes uncertain year for all of us. I am very confident that NSW Divisions are well placed to take up the challenges of primary health care reform and look forward to working with you to achieve a positive outcome for the community.



Jan Newland
Chief Executive Officer





Policy Development
 Data Analysis
 Business Development
 Stakeholder Liaison
 Professional Development
 Division Support
 Communication and Public Relations

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

Human Resources
 Finance
 OHS
 Quality
 Contract Management
 Stakeholder Liaison
 Legals
 Risk Management
 Information Management

DIRECTORS AND STAFF AS AT 30 JUNE 2009

DIRECTORS

<i>Chair</i>	Dr Ken Mackey	Riverina Division of General Practice & Primary Health
<i>Vice Chair</i>	Dr Phil Godden	Central Coast Division of General Practice
<i>Director</i>	Dr Vlad Matic	NSW Outback Division of General Practice
<i>Director</i>	Dr Dan Ewald	Northern Rivers General Practice Network
<i>Director</i>	Dr Linda Mann	Central Sydney General Practice Network
<i>Director</i>	Dr Jenny Beange	Dubbo / Plains Division of General Practice
<i>Director</i>	Mr Nick Hortle	Board Appointed Director

STAFF

Jan Newland	Chief Executive Officer
Alberto Tinazzi	eHealth Support Officer
Alex Swain	Aboriginal Health Coordinator
Angela Augustinsen	Receptionist
Caroline Curtin	General Manager
Cassandra Smiles	Systems Support Officer
Ciara Kelly	Contract Administration & Chronic Disease Team Program Assistant
Dora Tomaras	Immunisation & Mental Health Program Assistant
Frank Zivkovic	eHealth Support Officer
Jacqueline Owens	eHealth Support Officer
Jody Dopper	Corporate Services Manager
Jo Lucisano	Quality Improvement Manager
Kirsten Ward	Immunisation Coordinator
Liz Meadley	Nursing in General Practice Program Manager
Matthew Foster	Website & Customer Support Officer
Meg Bennett	Mental Health Development & Liaison Officer
Noela Walker	Quality Control & Events Officer
Paula Cahill	Comorbidity Coordinator
Pat Simmonds	Australian Primary Collaboratives Care Regional Manager
Sarah Bradfield	NSW ABHI Integration Coordinator
Sarah van de Scheur	Executive Assistant
Sherryn Streeter	Nursing in General Practice Program Coordinator
Tanja McLeish	Team Leader - Chronic Disease
Wendy Campbell	Division Support Program Officer
Winnie Lei	Finance Officer

PROGRAMS

ABORIGINAL HEALTH

GP NSW has continued to work with the NSW Aboriginal Health & Medical Research Council to strengthen relationships and work further towards meeting the goals of the “Close the Gap” campaign. As an active participant of the NSW Aboriginal Health Forum, GP NSW has contributed to discussions and planning to improve access to mainstream medical services for Aboriginal people in NSW. GP NSW has continued to offer support to Divisions to strengthen relationships with Aboriginal Community Controlled Health Organisations.

AGED CARE

GP NSW is responsible for the management and delivery of the allied health component of the Commonwealth Government Aged Care Access Initiative in NSW and in the past year has rolled out the program to all NSW Divisions. The aim of the program is to increase access to allied health care for permanent residents of Commonwealth aged care facilities. Significant progress has been made by NSW Divisions in this program which is apparent in feedback from residential aged care facilities, such as “We have not had to send any residents to hospital for wound reviews since we began this collaboration”. Similarly, allied health professionals have reported “There has been increased communication between GP’s and allied health as a result of these programs” and “allied health professionals were not aware of the need for their service and have seen great results.”

AUSTRALIAN BETTER HEALTH INITIATIVE

The Australian Better Health Initiative (ABHI) Integration program is in its final year of funding, with programs across NSW Divisions making significant gains in improving chronic disease management by better linking general practice with other health care providers to assist the delivery of more ‘seamless’ patient health care. Critical to the success of these projects has been the use of technological solutions to help drive and implement change. State-wide evaluations are now planned to identify the key enablers and challenges to integration to inform future health policy.

AUSTRALIAN PRIMARY CARE COLLABORATIVES

The aim of the Australian Primary Care Collaboratives program (APCC) is to support general practices in delivering systematic and sustainable improvements in the quality of care they provide to their patients. GP NSW

liaises closely with the Improvement Foundation Australia to provide comprehensive assistance to Divisions. NSW Network APCC participation has increased from 17 Networks to 25 and from 66 practices to 152 over the past year. Waves of practices have increased from 1 to 5 and includes systems improvement in diabetes, coronary heart disease, access and care redesign, chronic obstructive pulmonary disease and chronic disease prevention and self-management.

GP NSW has strengthened ties with the ACT Division of General Practice through APCC support and knowledge exchange. The NSW Aboriginal Health and Medical Research Council are now participating in the APCC with four Aboriginal Medical Services on the National Wave.

CHRONIC DISEASE SELF MANAGEMENT

GP NSW commenced the Chronic Disease Self Management (CDSM) project in November 2008, with the early phase of the project focused on detailed planning and set-up (scoping CDSM activity, establishing contacts and employing staff). GP NSW has subsequently partnered with Southern Cross University (SCU) to develop and deliver a module for health professionals on Chronic Disease Self Management in General Practice. Fourteen NSW Divisions have received funding to deliver the package with SCU to general practice and other health professionals working with chronic disease patients.

EHEALTH

GP NSW eHealth personnel have been proactive in developing useful tools and resources for distribution to Division staff across NSW through the eHealth ListServ. They have also developed a highly effective search tool through HealthGrid which indexes Division resources and information nationally. Additionally, the launch of the Online Training Laboratory this year has allowed ‘anywhere’ access to demonstrate Clinical Software, extraction tools and decision support tools to Divisions. Divisions are increasingly using the the Online Laboratory to provide clinical software training sessions to their GP members.

GP NSW has also forged ahead with the development of a NEHTA compliant Statewide Service Directory and has actively engaged Divisions in the development and maintenance of the Information Management Maturity Framework and provided regular train the trainer sessions in clinical software, eHealth PIP and prescribing and data quality, helping to build on national quality processes.

IMMUNISATION

GP NSW continues to support increases in state immunisation rates. In February 2009 the average childhood immunisation coverage rates across NSW Divisions reached an all-time high of 93.06%. The immunisation program continues to develop and distribute a variety of promotional resources to support immunisation providers. The most popular resource to date has been the 'Common Reaction to Vaccination' tear-off pads with over 10,000 copies disseminated across NSW in 2008/09. A formal evaluation of this resource has been undertaken in partnership with the University of NSW and submitted for publication in academic literature.

GP NSW has played a key role in the NSW response to H1N1 Influenza 09. All NSW Divisions attended training in H1N1 Influenza pandemic response which was coordinated by GP NSW within a limited and challenging timeframe. This experience has served to further strengthen the collaborative relationship between the NSW Divisions network and NSW Health. Two papers associated with GP NSW activity in this area have also been submitted for publication in academic journals.

NURSING IN GENERAL PRACTICE

The NSW Nursing in General Practice Program (NiGP) has now completed its fourth year. GP NSW staff have conducted over 220 Division visits between July 2005 and June 2009 and there are now 2496 practice nurses working in NSW general practices, which is an increase of almost 300 nurses since June 2008*. Significant achievements of the NiGP have included the development of national Wound Management Competency Standards for General Practice Nurses in collaboration with the Australian Practice Nurses Association (APNA), La Trobe University, Hunter New England Health, Sydney South West Area Health Service, Nurse Consultant / Wound Management Educator and Greater Western Area Health Service. The standards have been ratified by Australian Wound Management Association and are freely available on the APNA website. APNA has agreed to maintain / update the standards as necessary. A further achievement has been the development of a training framework and workshop resources by the NSW NiGP Professional Development working party** to assist in the roll out of Healthy Kids Check Training for Practice Nurses. The resources have been fully utilised by all 23 Divisions who facilitated training opportunities for Practice Nurses.

* Data from Division reports and standard data set, June 2009

** Consists of GP NSW and seven NSW Divisions: GP Access, Hastings Macleay General Practice Network, Hunter Rural Division of General Practice, Northern Rivers General Practice Network,

NSW Central West Division of General Practice, Southern Highlands Division of General Practice and St George Division of General Practice

MENTAL HEALTH

The aim of the Mental Health Program at GP NSW is to provide a platform and support for the implementation and ongoing management of the Australian Government's Primary Mental Health Care Programs, develop strategic links and partnerships and provide general practice input into relevant state and national planning initiatives. Ongoing collaboration with the NSW Mental Health Drug and Alcohol Office over the past year has led to membership of GP NSW staff on several key advisory groups, including the NSW Clinical Guidelines for the Care of Persons with Co-morbid Mental Illness and Substance Use Disorders in Acute Care Settings Working Group, the NSW State Suicide Planning Group and the Youth Mental Health Services Advisory Group.

An agreement with the NSW Mental Health Drug & Alcohol Office resulted in General Practice input into the Physical Health Care of Mental Health Consumers Guidelines with promotion and distribution to NSW Divisions to support implementation of the guidelines in the primary care setting.

FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors present their report on the company for the financial year ended 30 June 2009.

1. GENERAL INFORMATION

DIRECTORS

The names of the Directors in office at any time during, or since the end of, the year are:

	Appointed/Resigned
Dr Kenneth Wayne Mackey	
Dr Philip Kingsley Godden	
Dr Vladislav Matic	
Dr Linda Mann	
Dr Daniel Peter Ewald	
Mr James Nicholas Hortle	
Dr Jennifer Beange	Appointed 14/11/2008
Dr Linda Rona McQueen	Resigned 14/11/2008
Mr Talal Yassine	Resigned 14/11/2008

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

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 30 October 1999. His qualifications include M.B.B.S.(Syd), Dip, Obst (RCOG), FACRRM, FAICD.

PRINCIPAL ACTIVITIES

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

There have been no significant changes in the nature of General Practice NSW Limited's principal activities during the financial year.

BUSINESS REVIEW

OPERATING RESULTS

The surplus from ordinary activities amounted to \$167,988 (2008: \$480,536).

The prior year's surplus related 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. As a result, 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 2008 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.

For The Year Ended 30 June 2009

ABN: 68 073 292 921

DIRECTORS' REPORT CONTINUED

2. OTHER ITEMS

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the financial year.

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 the company, the results of those operations or the state of affairs of the company in future financial years.

AUDITORS INDEPENDENCE DECLARATION

The lead auditors independence declaration for the year ended 30 June 2009 has been received and can be found on page 26 of the financial report.

3. DIRECTOR INFORMATION

INFORMATION ON DIRECTORS

Dr Kenneth Wayne Mackey	Appointed 20/5/1998
Qualifications	M.B.B.S. (Syd), Dip. Obst (RCOG), FACRRM, FAICD
Special Responsibilities	Director, Chairperson, Company Secretary
Dr Philip Kingsley Godden	Appointed 8/11/2003
Qualifications	M.B.B.S., FRACGP, FAICD
Special Responsibilities	Director, Governance Committee
Dr Vladislav Matic	Appointed 30/10/1999
Qualifications	M.B.B.S (Syd) FACRRM, FRACGP, GAICD
Special Responsibilities	Director, Governance Committee
Dr Linda Mann	Appointed 8/12/2007
Qualifications	DRCOG, Dip RANZCOG, FRACGP
Special Responsibilities	Director, Chairperson of the Governance Committee, Remuneration Committee
Dr Daniel Peter Ewald	Appointed 8/12/2007
Qualifications	B.Med, MPH&TM, M.App. Epid, FRACGP, FACTM, FAFPHM
Special Responsibilities	Director, Audit & Risk Committee
Mr James Nicholas Hortle	Appointed 8/12/2007
Qualifications	ACA, AICD, BEcon (La Trobe)
Special Responsibilities	Director, Chairperson of the Audit & Risk Committee, Remuneration Committee
Dr Jennifer Beange	Appointed 14/11/2008
Qualifications	M.B.B.S (UNSW)
Special Responsibilities	Director, Governance Committee
Dr Linda Rona McQueen	Appointed 20/12/2002 / Resigned 14/11/2008
Qualifications	M.B.B.S., FRACGP Dip RACOG, FAICD
Special Responsibilities	Director
Mr Talal Yassine	Appointed 10/3/2007 / Resigned 14/11/2008
Qualifications	BA, LL B (Macq), LL M (SYD), MBA (Deak), SFCDA, FAICD
Special Responsibilities	Director

DIRECTORS' REPORT CONTINUED

MEETINGS OF DIRECTORS

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Risk Committee Meetings		Governance Meetings		Remuneration Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Dr Kenneth Wayne Mackey	6	6	2	2	-	-	1	1
Dr Philip Kingsley Godden	6	6	3	3	1	1	-	-
Dr Vladislav Matic	6	6	2	1	2	2	-	-
Dr Linda Mann	6	6	-	-	3	3	1	1
Dr Daniel Peter Ewald	6	6	3	3	1	1	-	-
Mr James Nicholas Hortle	6	5	5	5	-	-	1	1
Dr Jennifer Beange	4	3	-	-	2	1	-	-
Dr Linda Rona McQueen	2	2	-	-	-	-	-	-
Mr Talal Yassine	2	-	-	-	1	1	-	-

4. INDEMNIFYING OFFICERS OR AUDITORS

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 Kenneth Wayne Mackey
 Director
 Sydney
 Dated: 22 October 2009



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 10 to 29, 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 2009 and of the performance for the year ended on that date of the company.
2. 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 Kenneth Wayne Mackey
Director
Sydney
Dated: 22 October 2009



Mr James Nicholas Hortle
Director

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Revenue	4	9,212,475	4,975,398
Capital Grants Revenue	4	-	467,308
Employee benefits expense		(3,081,046)	(1,824,715)
Project expenses		(5,336,577)	(2,683,909)
Depreciation & Amortisation	5	(221,959)	(86,553)
Occupancy expenses		(316,671)	(256,020)
Administration & Other expenses		(88,234)	(110,973)
ACCUMULATED SURPLUS		167,988	480,536
Income tax expense	1(k)	-	-
ACCUMULATED SURPLUS		167,988	480,536

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

BALANCE SHEET

AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,279,997	1,926,833
Trade and other receivables	7	228,777	804,697
Other assets	8	27,381	32,548
TOTAL CURRENT ASSETS		2,536,155	2,764,078
NON-CURRENT ASSETS			
Property, plant and equipment	9	485,605	645,938
TOTAL NON-CURRENT ASSETS		485,605	645,938
TOTAL ASSETS		3,021,760	3,410,016
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	310,668	541,179
Financial liabilities (short term)	11	1,818	20,769
Short-term provisions	12	144,719	167,796
Other liabilities	13	1,527,534	1,772,924
TOTAL CURRENT LIABILITIES		1,984,739	2,502,668
NON CURRENT LIABILITIES			
Financial liabilities (long term)	11	-	1,818
Other long-term provisions	12	49,638	38,744
Other liabilities	13	39,735	87,126
TOTAL NON CURRENT LIABILITIES		89,373	127,688
TOTAL LIABILITIES		2,074,112	2,630,356
NET ASSETS		947,648	779,660
EQUITY			
Reserves	14	437,751	467,308
Accumulated Surplus		509,897	312,352
TOTAL EQUITY		947,648	779,660

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

2009	Accumulated Surplus	Capital Grants Reserve	Operating Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2008	312,352	467,308	-	779,660
Accumulated Surplus	167,988	-	-	167,988
Transfers to and from reserves				
Capital grants reserve	197,545	(197,545)	-	-
Operating reserve	(167,988)	-	167,988	-
SUBTOTAL	197,545	(197,545)	167,988	167,988
BALANCE AT 30 JUNE 2009	509,897	269,763	167,988	947,648

2008	Accumulated Surplus	Capital Grants Reserve	Operating Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2007	299,124	-	-	299,124
Accumulated Surplus	480,536	-	-	480,536
Transfers to and from reserves				
Capital grants reserve	(467,308)	467,308	-	-
SUBTOTAL	13,228	467,308	-	480,536
BALANCE AT 30 JUNE 2008	312,352	467,308	-	779,660

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 2009

	Note	2009 \$	2008 \$
CASH FROM OPERATING ACTIVITIES			
Receipts from customers		9,420,797	5,653,519
Payments to suppliers and employees		(9,095,070)	(4,599,711)
Interest received		112,022	99,437
Net cash provided by (used in) operating activities	15	437,749	1,153,245
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9(a)	(63,818)	(467,308)
Net cash provided by (used in) investing activities		(63,818)	(467,308)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment from borrowings		(20,768)	(19,175)
Net cash provided by (used in) financing activities		(20,768)	(19,175)
NET INCREASE (DECREASES) IN CASH HELD		353,163	666,762
Cash at the Beginning of the Financial Year		1,926,834	1,260,072
CASH AT END OF FINANCIAL YEAR	6	2,279,997	1,926,834

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 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. GENERAL INFORMATION

The financial report is for General Practice NSW Limited as an individual entity, incorporated and domiciled in Australia. General Practice NSW Limited is a company limited by guarantee.

b. BASIS OF PREPARATION

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities.

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 as indicated 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 buildings and capitalised leased assets, is depreciated on a straightline basis over the asset's useful life to the company 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
At cost	12.5% PC
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, the company assesses whether there is objective evidence that a financial

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

instrument has been impaired. In the case of available for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are 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 benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

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.

k. INCOME TAXES

The company is exempt from income tax under Section 50-30 of the Income Tax Assessment Act 1997.

l. LEASES

FINANCE LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straightline basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

DEFERRED LEASE INCENTIVES

Lease incentives under operating leases are recognised as a liability and amortised on a straightline basis over the life of the lease term.

m. 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.

n. UNEXPECTED GRANTS

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.

0. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were approved and authorised for issue by the Board of Directors on 1 October 2009. 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 Kenneth Wayne Mackey	Director
Dr Philip Kingsley Godden	Director
Mr Talal Yassine	Director
Dr Linda Mann	Director
Dr Daniel Peter Ewald	Director
Mr James Nicholas Hortle	Director
Dr Jennifer Beange	Director
Dr Linda Rona McQueen	Director
Dr Vladislav Matic	Director

Other Key Management Personnel

Mrs Jan Newland	Chief Executive Officer (Permanent CEO from 21/04/2009)
Mr Matt Hanrahan	Former Chief Executive Officer
Mr Gary Disher	Former Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

2. KEY MANAGEMENT PERSONNEL COMPENSATION CONTINUED

	Shortterm benefits	Post employment benefit	Total
	\$	\$	\$
2009			
Total compensation	474,559	33,765	508,324
2008			
Total compensation	319,406	26,029	345,435

	2009	2008
	\$	\$

3. AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	16,800	16,000
Grant Acquittals 2008 (not accrued for)	11,900	
Grant Acquittals 2009 (accrued for)	12,000	
Taxation advice	1,543	
Other advisory services	4,000	
Total Remuneration	46,243	16,000

4. REVENUE

Grants received	8,981,168	4,836,149
Interest received	112,022	99,437
Other revenue	119,285	39,812
	9,212,475	4,975,398
Capital Grants revenue	-	467,308
Total Revenue	9,212,475	5,442,706

5. PROFIT FOR THE YEAR

a. EXPENSES

Depreciation	185,109	49,703
Amortisation	36,850	36,849
	221,959	86,552
Rental expense on operating leases	289,314	233,512
	289,314	233,512

6. CASH AND CASH EQUIVALENTS

Cash on hand	500	524
Cash at bank	1,602,162	1,862,496
Short term bank deposit	677,335	63,813
	2,279,997	1,926,833

The effective interest rate on shortterm bank deposits was 3.2% (2008: 4.9%); these deposits have an average maturity of 90 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

6. CASH AND CASH EQUIVALENTS CONTINUED

	2009	2008
	\$	\$
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	2,279,997	1,926,834
	<u>2,279,997</u>	<u>1,926,834</u>

7. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	239,887	697,299
Provision for doubtful debts	(11,110)	(11,110)
	<u>228,777</u>	<u>686,189</u>
Accrued Income	-	118,508
	<u>228,777</u>	<u>804,697</u>

8. OTHER ASSETS

CURRENT

Prepayments	27,381	32,548
	<u>27,381</u>	<u>32,548</u>

9. PROPERTY PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

Plant and Equipment		
At cost	867,418	805,792
Less accumulated depreciation	(494,164)	(321,743)
Total plant and equipment	<u>373,254</u>	<u>484,049</u>
Motor vehicles		
At cost	113,105	113,105
Less accumulated depreciation	(74,452)	(61,765)
Total motor vehicles	<u>38,653</u>	<u>51,340</u>
Leasehold Improvements		
At cost	147,399	147,399
Improvements	(73,700)	(36,850)
Total Leasehold Improvements	<u>73,699</u>	<u>110,549</u>
Total property, plant and equipment	<u>485,605</u>	<u>645,938</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

9. PROPERTY PLANT AND EQUIPMENT CONTINUED

a. MOVEMENTS IN CARRYING AMOUNTS

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

	Plant and Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
Current Year				
Balance at the beginning of year	484,049	51,340	110,549	645,938
Additions	63,818	-	-	63,818
Disposals	(2,192)	-	-	(2,192)
Depreciation expense	(172,422)	(12,687)	(36,850)	(221,959)
Carrying amount at the end of year	373,253	38,653	73,699	485,605

10. TRADE AND OTHER PAYABLES

	2009 \$	2008 \$
CURRENT		
Unsecured liabilities	-	-
Trade payables	382,727	215,940
Sundry payables and accrued expenses	17,820	247,647
Employment costs	99,652	63,449
Goods & Services Tax	(189,530)	14,145
	310,668	541,179

11. BORROWINGS

CURRENT		
Secured liabilities	-	-
Finance lease obligations	1,818	20,769
	1,818	20,769
NON CURRENT		
Secured liabilities	-	-
Finance lease obligations	-	1,818
	-	1,818

a. TOTAL CURRENT AND NONCURRENT SECURED LIABILITIES

Finance lease obligations	1,818	22,587
	1,818	22,587

Finance Lease Liability

The finance lease is secured over assets under the Finance Lease Agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

12. PROVISIONS

	Employee Entitlements
	\$
Opening balance at 1 July 2008	206,540
Additional provisions	206,572
Amounts used	(218,755)
Balance at 30 June 2009	194,357

	2009	2008
	\$	\$
Analysis of Total Provisions		
Current	144,719	167,796
Noncurrent	49,638	38,744
	194,357	206,540

13. OTHER LIABILITIES

CURRENT

Government Grants		
Department of Health and Ageing	1,013,944	1,165,082
New South Wales Health	43,588	331,432
Australian General Practice Network	400,678	148,395
Other funding bodies	29,589	59,312
	1,487,799	1,704,221
Sponsorship in advance	-	32,400
Deferred lease incentive	39,735	36,303
	1,527,534	1,772,924

NON CURRENT

Deferred lease incentive	39,735	87,126
	39,735	87,126

14. RESERVES

a. CAPITAL GRANTS RESERVE

The reserve recognises plant and equipment purchased with grant funds.

b. OPERATING RESERVE

The operating reserve records funds set aside for future projects planned by the company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

15. CASH FLOW INFORMATION

a. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH SURPLUS

	2009	2008
	\$	\$
Net surplus/(deficit) for the period	167,988	480,536
Cash flows excluded from profit attributable to operating activities	-	-
Noncash flows in profit		
Amortisation	36,850	36,850
Depreciation	185,109	49,703
Net (gain)/loss on disposal of property, plant and equipment	2,192	25,925
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	575,918	(551,050)
(Increase)/decrease in prepayments	5,167	(29,020)
Increase/(decrease) in deferred income	(245,390)	870,340
Increase/(decrease) in trade payables and accruals	(277,902)	152,871
Increase/(decrease) in provisions	(12,183)	117,090
	437,749	1,153,245

16. CAPITAL AND LEASING COMMITMENTS

a. FINANCE LEASE COMMITMENTS

Payable minimum lease payments		
not later than 12 months	1,818	21,818
between 12 months and 5 years	-	1,818
Minimum lease payments	1,818	23,636
Less future finance changes	-	(1,049)
Present value of minimum lease payments	1,818	22,587

b. OPERATING LEASE COMMITMENTS

Noncancellable operating leases contracted for but not capitalised in the financial statements		
Payable minimum lease payments		
not later than 12 months	243,314	215,195
between 12 months and 5 years	241,349	430,389
	484,663	645,584

The property lease is a 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. ECONOMIC DEPENDENCE

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

18. MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the company. At 30 June 2009 the number of members was 33 (2008: 33).

19. SEGMENT INFORMATION

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

20. COMPANY DETAILS

REGISTERED OFFICE

The registered office of the company is:

General Practice NSW Limited
Level 8
76-80 Clarence Street
Sydney NSW 2000

21. FINANCIAL INSTRUMENTS

a. FINANCIAL RISK EXPOSURES AND MANAGEMENT

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

The company is limited by guarantee and does not have any derivative financial instruments at balance date.

(i) FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risks the company 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.

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.

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.

b. FINANCIAL INSTRUMENTS

(i) NET FAIR VALUES

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

(ii) SENSITIVITY ANALYSIS

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

INTEREST RATE RISK SENSITIVITY ANALYSIS

At 30 June 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Change in profit	2009	2008
Increase in 1%	22,777	19,037
Decrease in 1%	(22,777)	(19,037)
Change in equity		
Increase in 1%	22,777	19,037
Decrease in 1%	(22,777)	(19,037)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

22. CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards issued or amended and are applicable to the Company 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 136: Impairment of Assets	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the association does not fall within the scope of AASB 8.	1 January 2009	1 July 2009
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 directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the association as it already capitalise borrowing costs related to qualifying assets.	1 January 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 and makes changes to the statement of changes in recognised income and expenditure.	1 January 2009	1 July 2009
AASB 101	AASB 101: Presentation of Financial Statements	As above	1 January 2009	1 July 2009

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 2009 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: 21 October 2009

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 2009, and the income statement, statement of changes in equity 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 21 October 2009, 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 2009 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: 23 October 2009

NOTES





LEADERSHIP



ADVOCACY

SUPPORT

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Sydney NSW 2000
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