



Annual Report

2017





Our Vision: Leading surgical performance, professionalism and improving patient care



The Royal Australasian College of Surgeons (RACS)

RACS is the leading advocate for surgical standards, professionalism and surgical education in Australia and New Zealand. RACS is a not-for-profit organisation that represents more than 7,000 surgeons and 1,300 surgical trainees and International Medical Graduates.

RACS also supports healthcare and surgical education in the Asia-Pacific region and is a substantial funder of surgical research.

There are nine surgical specialties in Australasia: Cardiothoracic surgery, General surgery, Neurosurgery, Orthopaedic surgery, Otolaryngology Head-and-Neck surgery, Paediatric surgery, Plastic and Reconstructive surgery, Urology and Vascular surgery.

Vision

Leading surgical performance, professionalism and improving patient care.

Mission

The leading advocate for surgical standards, education and professionalism in Australia and New Zealand.

RACS Values

- Service
- Integrity
- Respect
- Compassion
- Collaboration

2017 HIGHLIGHTS

BUILDING RESPECT



More than 84% Fellows, SET Trainees and International Medical Graduates (IMGs) completed the 'Operating with Respect' eModule, which helps to identify discrimination, bullying and sexual harassment and how to deal with it.

More than 2,000 participants attended the Foundation Skills for Surgical Educators Course.

VALUE

170 education activities organised this year with more than half free of charge to RACS Fellows, Trainees and IMGs.

1,001 junior doctors subscribed to the RACS JDocs program that supports new doctors.

There were 54,269 visits to the online Education Portal by Fellows compared to 30,436 in 2016 (a 44% increase).



ADVOCACY



More than 60 submissions made to government and other agencies with 130 meetings held with health ministers, ministerial staff or government officials in Australia and New Zealand.

RACS #EarHealthForLife campaign advocated for a national approach to improving ear health. The campaign gained significant support from federal and state ministers and the Council of Australian Governments (COAG).

PHILANTHROPY

RACS provided research, travel and education awards worth more than \$2 million in 2017.

Aboriginal, Torres Strait Islander and Māori, medical students, doctors and surgical Trainees: scholarships increased from \$30,000 to \$130,000.

Asia-Pacific region: more than 40 specialist clinical visits and 1,989 life-changing procedures conducted; 1,063 local health professionals trained and 16 scholarships awarded.



2017 HIGHLIGHTS

PROFESSIONALISM AND SURGICAL STANDARDS



4,000 participants attended RACS professional development activities. A total of 151 skills courses held across Australia and New Zealand for 2,460 participants.

FELLOW CONTRIBUTIONS

More than 80 RACS Fellows donated their time to deliver over 170 Professional Development activities in 2017.

More than 1,190 surgeons and doctors including 640 Fellows volunteered approximately 16,100 hours of their time to teach Skills courses in 2017.



PARTNERING FOR CHANGE



15 new memorandums of understanding signed with hospitals, health services and State governments in Australia and New Zealand to help build a culture of respect and improve patient safety.

AMC ACCREDITATION

RACS education, training and continuing professional development programs achieved Australian Medical Council and the Medical Council of New Zealand accreditation.

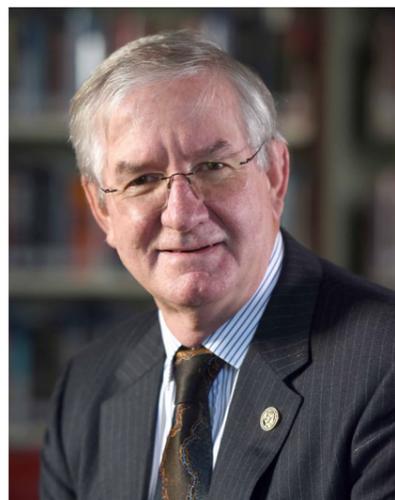


GENDER DIVERSITY



32% of RACS Councillors are women, an increase from 29% in 2016. Women, on average, represent about 25% of all Board positions in Australia and about 20% in New Zealand.

President's Report



**RACS President,
Mr John Batten**

The year 2017 has been a busy one that has seen the hard work of our Fellows, Trainees and International Medical Graduates (IMGs) and staff either exceeding or achieving the key deliverables in our strategic plan.

I am particularly pleased to note that RACS once again satisfied the Australian Medical Council (AMC) and the Medical Council of New Zealand (MCNZ) accreditation which found that our education, training and continuing professional development programs substantially meet accreditation standards. This means that we have accreditation for another four years until 2022.

It will be important for RACS and the Specialty Societies to work collaboratively to implement the recommendations made by the AMC. Accreditation provides assurance to the community that RACS has trained its Fellows to a high standard and that the RACS and FRACS brands can be trusted symbols for the delivery of excellence in surgical care.

The AMC also commended RACS for the courage and leadership shown in addressing concerns relating to discrimination, bullying and sexual harassment in the practice of surgery and developing and implementing the Building Respect, Improving Patient Safety Action Plan.

Education is an important part of effecting cultural change. It helps us recognise unacceptable behaviours in the workplace and teaches us skills to be better surgical supervisors. An enormous amount of effort went into delivering Foundation Skills for Surgical Educators courses, developing and launching the Operating with Respect (OWR) face-to-face course and the new Surgeons as Leaders in Everyday Practice course. I wish to thank the Fellows, medical educators and staff involved in these courses.

As part of the Action Plan, this year RACS signed agreements with 15 organisations to collaborate on issues that include surgical education, cultural change and complaints management.

We are committed to this long-term, multi-faceted approach to bringing about meaningful cultural change in

surgical practice and I wish to thank all who have supported this.

During the year we held a successful Annual Scientific Congress in Adelaide and welcomed a record 1,768 delegates. The Congress was preceded by a meeting of the International Conference for Surgical Education and Training which attracted many high profile international speakers. In May 2018 we will hold the Annual Scientific Congress in conjunction with the American College of Surgeons and the Australian and New Zealand College of Anaesthetists (ANZCA). The Congress, which will be held in Sydney, promises to be a great forum to share and learn more about our profession.

We also continued with our advocacy work in areas such as sustainability of healthcare; maldistribution of the workforce; alcohol related harm, and trauma. A key area of focus was working with the Australian Society of Otolaryngology Head-and-Neck Surgery (ASOHNS) and key medical, research and Aboriginal and Torres Strait Islander peak bodies to highlight the unacceptably high rates of ear disease in Aboriginal and Torres Strait Islander communities.

In October 2017, we welcomed our new CEO, Mary Harney. Ms Harney has extensive experience in the public health, commercial, biotechnology, pharmaceutical, and agricultural sectors. Her previous roles have included CEO at the Gardiner Dairy Foundation, Chief Operating Officer of Research, and Director of the Office for Cancer Research at the Peter MacCallum Cancer Centre.

Thank you to all our Fellows, Trainees and IMGs involved in RACS Committees and activities. I especially wish to thank RACS staff, our Regional Committees and the Specialty Societies. Our achievements would not have been possible without your input and support.

I look forward to working with you in 2018 to provide the best training and delivery of surgical care to the communities we serve.

During my few months at RACS I have been meeting with our internal and external stakeholders to better understand our organisational context. I believe it is important to solicit views, listen and identify areas of concern to better plan for future innovation. My first week at RACS was during Council Week, which is held three times per year. It was evident to me that we have some work to do particularly in improving our relationship with Specialty Societies. To that end, RACS President John Batten and I met with the Specialty Societies in late January to early February 2018. I am confident that we can work collaboratively to enhance our strengths and overcome our challenges.

As part of the redefining process for RACS we also embarked on an employee engagement survey, starting with focus groups and followed by an online survey. Pleasingly, more than 77% of staff completed the survey. The survey asked staff for their thoughts on what could be done to help shape RACS' future. Once the results are collated staff will work together to find solutions for identified issues. Such engagement, if harnessed appropriately can be powerful in realising opportunities that can improve the internal environment and allow us to enhance the services and value we provide to our Fellows, Trainees and IMGs.

I've also been exposed to many examples of the impressive work at RACS—surgical education and training; the regional scientific meetings; the Building Respect, Improving Patient Safety initiative, and the extraordinary amount of *pro bono* work generously conducted by our Fellows. In particular, the advocacy work undertaken by RACS in New Zealand and at the federal and state levels in Australia is significant.

I was fortunate to witness some of the training activities conducted by RACS during Trauma Week, one of RACS' most significant events of the year. This was not only important in providing practical training for surgeons, but through our external communication

it helped strengthen community awareness of trauma and how it is managed.

The work undertaken by the Foundation for Surgery is yet another example where RACS excels. Thanks to contributions from our Fellows, many surgeons receive scholarships and grants that help them continue with their education, research and training. Our community outreach was also strengthened through our Global Health program, which supports thousands of patients in the Asia-Pacific to receive specialist consultation and treatment, and delivers Skills courses and specialist training for surgeons and other medical staff in these countries.

As we move into 2018 and prepare our 2019 – 2021 strategy, I believe we need to look at how we can position RACS to lead in the future. We need to ask some important questions—do we have the best fit-for-purpose structure? How can we refine our value proposition and grow our brand? Importantly, we need to also ask how such elements will help to define our strategy and goals going forward.

I would also like to take this opportunity to restate to our Fellows, Trainees, IMGs and Specialty Societies that RACS is here to work with you and advocate for you in the collective goal of aiming for the highest standards of surgical practice.

I look forward to working with you all in 2018.

CEO's Report



**Chief Executive Officer,
Mary Harney**

Professionalism and Surgical Standards

Professionalism and Surgical Standards

Professional Development Courses

RACS has been recognised for over 90 years as the authoritative body for standards and training in surgical practice in Australia and New Zealand. This work would not have been possible without the support of RACS Fellows. During the year, more than 80 RACS Fellows donated their time to deliver over 170 Professional Development activities in 2017.

The Professional Development department coordinated training activities that included short courses, conferences, webinars and residential programs for 4,000 participants.

The Foundation Skills for Surgical Educators (FSSE) course attracted over 2,000 participants. Half of the FSSE courses were hosted by our regional offices in Australia and New Zealand. One third of FSSE courses were made available to surgeons working in rural or remote areas.

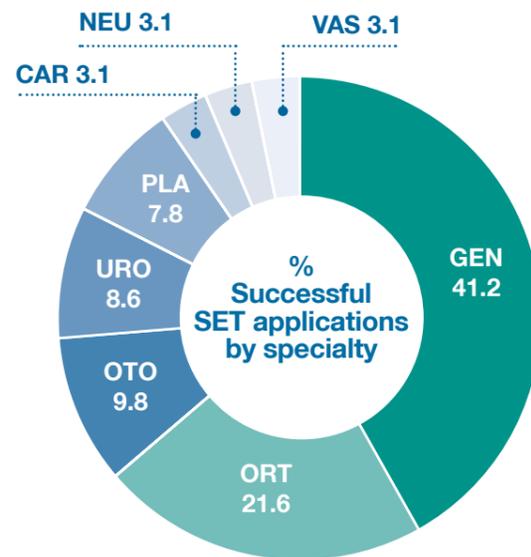
New Surgical Trainees

Surgery remains a popular career option for junior doctors with the number of applicants outweighing the number of positions available in the Surgical Education and Training (SET) programs across the nine specialities of RACS.

For the 2018 intake of trainees 255 doctors accepted positions in the SET programs. We also noted an encouraging 25% increase in the number of women accepting positions in the program.

Legend

CAR Cardiothoracic Surgery	PAE Paediatric Surgery
GEN General Surgery	PLA Plastic and Reconstructive Surgery
NEU Neurosurgery	URO Urology
ORT Orthopaedic Surgery	VAS Vascular Surgery
OTO Otolaryngology Head-and-Neck Surgery	



Supporting Trauma Verification

RACS has been supporting the advancement of trauma verification for almost two decades as the quality of a hospital's trauma 'system of care' could be the difference between injury and fatality.

Over the last 17 years the RACS Trauma Verification program has been providing multidisciplinary verification services for hospitals across Australia and New Zealand. Qualifying a hospital's readiness to accept trauma patients requires a stringent verification process, one that includes multiple assessments of processes as well as thorough examination of the trauma workforce and equipment.

In 2017, the trauma verification program undertook two new initiatives—the first working with the Australian Defence Force

as part of the Talisman Sabre Exercise. The team undertook verification of the 2nd General Health Battalion's deployed military hospital. This was the first time an Australian military hospital had undergone an external verification process benchmarking their services against civilian standards.

At the request of the New Zealand Transport Agency the Verification Program undertook a trauma system review of New Zealand in late November. The scope of the week long review included all four of New Zealand's Major Trauma Regional Networks, national and regional trauma leaders and other key government and non-government stakeholders.



Skills Courses

The Skills Training Department conducted a total of 151 courses across Australia and New Zealand for 2,460 participants thanks to the contribution of 1,190 surgeons and doctors who volunteered their time. This included 640 Fellows who volunteered approximately 16,100 hours to teach Skills courses in 2017.

Significant curriculum reviews were conducted for various course programs such as Early Management of Severe Trauma (EMST), Operating with Respect (OWR), Training and Professional Skills (TIPS), and Care of the Critically Ill Surgical Patient (CCrISP®).

We also enhanced the Skills Training eLearning environment through the development of new online modules such as CCrISP® and EMST pre-course learning for participants (2018 launch); Human Factors (2018 launch), and the Critical Literature Evaluation and Research (CLEAR) blended learning curriculum (2019 launch).

The Annual Scientific Congress

Surgeons and visiting specialists from around the world converged on the Adelaide Convention Centre for a series of workshops, discussions, plenaries and masterclasses at the 86th RACS Annual Scientific Congress (ASC).

The ASC, held in May 2017, brought together a record 1,768 delegates and some of the world's leading medical and surgical minds who focused on the theme of Safe and Sustainable Surgery.

Successful media coverage provided strong evidence to substantiate that the issues raised and the research findings presented during the Congress were not only significant, but were also of interest to the broader population.



Achievements Against 2017 Strategic Imperatives



Progress made in the Building Respect, Improving Patient Safety Campaign

This multi-year program of work comprises a number of complementary strategies, ranging from awareness raising, education, skills development, policy, advocacy and partnerships, to transparent and timely complaints management, sanctions and peer support for complainants and respondents.

Further actions included a focus on diversity and inclusion, recognising that ‘...RACS’ capacity to enhance the contribution of surgeons to the broader community is influenced by its own representativeness of the community’.

With a focus on supporting the ‘whole surgeon’, we placed significant emphasis on increasing awareness and knowledge of the non-technical skills required to support a positive working culture that leads to better patient outcomes.

- Delivered 109 Foundation Skills for Surgical Educators courses to more than 2,000 participants
- Achieved 84% completion rate of the Operating with Respect e-learning module for Fellows, International Medical Graduates, and Trainees
- Received 81 complaints and closed 70 complaints coming through the RACS Complaints Hotline
- Developed and piloted a Surgeons as Leaders in Everyday Practice and delivered 14 face-to-face Operating with Respect courses
- Signed 15 new memorandums of understanding with hospitals, health jurisdictions, universities and medical colleges – bringing us to 29 MOUs in total – in recognition of the need to work in partnership to achieve our goals.

Gender Diversity

Building a diverse and inclusive culture in the surgical profession is a key focus for RACS. We established a goal of increasing the representation of women in Surgical Education and Training (SET) to 40% by 2021, and increasing the representation of women on RACS Boards and committees to 20% by 2018 and 40% by 2020.

How are we tracking?

In 2017:

- 29% of Surgical Trainees were women.
- Within RACS top 25 Committees, 23% were women.
- 32% of RACS Councillors were women.
- 22% of new Fellows were women.
- 12% of total active Fellows were women.



Achievements Against 2017 Strategic Imperatives

Achieving Medical Accreditation

In 2017 RACS underwent an assessment of its surgical training and CPD programs as part of the accreditation by the Australian Medical Council (AMC) and the Medical Council of New Zealand (MCNZ). This process was a stimulus for reflection, self-assessment, and quality improvement. Achieving accreditation attests to the quality of the programs and confirms that graduates have achieved the knowledge, skills and professional attributes to practise the profession. RACS’ last full accreditation was in 2007, with a comprehensive accreditation in 2011.

RACS was assessed for performance against 10 accreditation standards, with enhanced focus on trainee wellbeing, patient safety, Indigenous health, continuous professional development (CPD) and IMG assessment. Community expectations were also an important reference point.

RACS submitted a detailed submission addressing the 10 AMC standards, presenting an analysis of our performance since the last accreditation; changes since the last submission; plans for the future, and our strengths and challenges.

The AMC presented its preliminary findings in June to Council and its final report in December 2017. The AMC accreditation finding for RACS was that it is reasonably satisfied that the education, training and the continuing professional development programs of RACS substantially meet the accreditation standards. RACS was commended for its achievements in relation to its education and professional development programs since the last AMC assessment and was granted accreditation for another four years. RACS will report annually on progress against 35 conditions.



L-R: In August 2017 John Biviano, Kelvin Kong, Chris Perry and Lawrie Malisano met with Australian Minister for Indigenous Health Ken Wyatt (centre) to discuss high rates of ear disease among Aboriginal and Torres Strait Islander children.



Developing and maintaining strong external relationships

In 2017 RACS strengthened its engagement with external bodies including Specialty Societies, government, private health and medical indemnity insurers and other medical colleges. Our advocacy priorities in 2017 included:

- Indigenous Health – closing the gap particularly, the Ear Health for Life campaign
- Sustainability of health care, including funding and costs of healthcare
- Alcohol related harm
- Trauma
- Surgeons’ health and wellbeing

Through the work of our Fellows, Councillors, Regional Committees and the Specialty Societies, RACS:

- Made more than 60 submissions to government or other agencies in 2017
- Had over 130 meetings with health ministers, ministerial staff or government officials in 2017
- Provided representatives to the varying committees undertaking the Medicare Benefits Schedule (MBS) review in Australia

- Participated in the Federal Health Minister’s Private Health Insurance review
- Provided input to Choosing Wisely Australia and choosing Wisely New Zealand
- Participated in the Male Champions of Change Science, technology, engineering and maths (STEM) Group
- Met and engaged with other medical colleges through Council of Presidents of Medical Colleges and Council of Medical Colleges (NZ)
- Represented surgeons in the “Mesh Down Under” advocacy group organised by the New Zealand Ministry of Health
- Worked closely with indigenous groups including AIDA, Te Ora and NACCHO
- Collaborated with national and state/territory alliances including National Alliance for Action on Alcohol (NAAA), Queensland Coalition for Action on Alcohol (QCAA) and the Alcohol Policy Coalition (APC) for the reduction of alcohol related harm.

Achievements Against 2017 Strategic Imperatives



Scholarships increased from \$30,000 to \$130,000 for Indigenous medical students and doctors

Inspiring the next generation of Māori Surgeons

In partnership with Te Ohu Rata O Aotearoa (Te ORA) (Māori Medical Practitioners Association) RACS had the opportunity to engage with prospective Māori surgeons at their 2017 Hui-ā-Tau. Dr John Mutu-Grigg, Orthopaedic Surgeon and Ben Wheeler, General Surgeon, members of RACS Indigenous Health Committee attended the meeting to speak with Māori medical students and doctors with an interest in pursuing a career in surgery.

"It's an amazing privilege to be able to lend support to the upcoming generation of aspiring Māori surgeons. In 2015 Māori medical school enrolments reached population parity. I'm excited to be part of RACS work towards the day when we can say the same for the surgical profession," said Dr Mutu-Grigg.

Support for Te ORA is an essential component of the RACS Māori Health Action Plan which focuses on advocacy for equity, development of a culturally appropriate workforce for Māori, research and audit and cultural competence.

Dr John Mutu-Grigg and medical students



Aboriginal, Torres Strait Islander and Māori Health

RACS made great progress with the Reconciliation and Māori Health Action Plans during 2017.

The General Surgical Training Board became the third board to commit to implementing the RACS Aboriginal and Torres Strait Islander Surgical Trainee Selection initiative, which was designed to address the low participation of Aboriginal and Torres Strait Islander doctors in the surgical specialties that RACS trains in. RACS aims to increase the number of Aboriginal and Torres Strait Islander surgeons in the Fellowship to a minimum five per cent of registered Aboriginal and Torres Strait Islander medical practitioners.

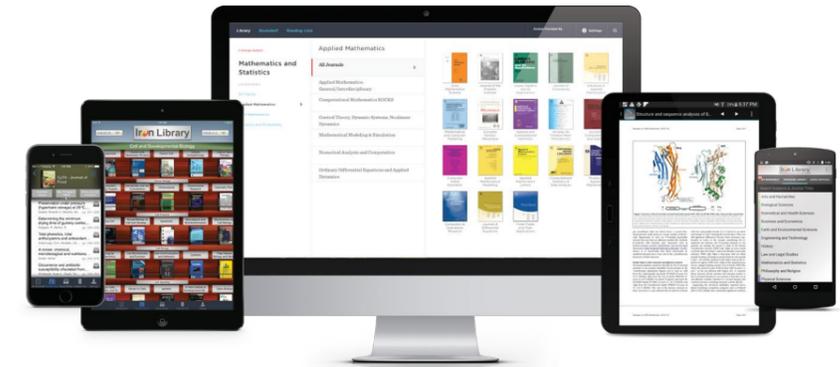
Professor Martin Nakata Pro Vice Chancellor, Indigenous Education and Strategy at the James Cook University in Townsville, was appointed as a RACS Educational Advisor. Professor Nakata is an internationally recognised Torres Strait Islander academic and researcher. In recent years his work has focused on promoting successful participation of Aboriginal and Torres Strait Islanders in higher education.

The annual scholarship pool for Aboriginal, Torres Strait Islander and Māori, medical students, doctors and surgical Trainees increased from \$30,000 to \$130,000 with the support of the Foundation for Surgery and Johnson and Johnson Medical Devices.

The Aboriginal and Torres Strait Islander Health Network was launched to provide an opportunity for Fellows interested in becoming more involved with RACS work that supports reconciliation.

RACS, the Australian Society of Otolaryngology Head-and-Neck Surgery (ASOHS) and key medical, research and Aboriginal and Torres Straits Islander peak bodies worked together under the banner #EarHealthForLife to advocate for a national approach to improving ear health. The campaign gained significant support from federal and state ministers and the Council of Australian Governments (COAG).

Achievements Against 2017 Strategic Imperatives



Library Services

The BrowZine App or web version, which simplifies journal access and resource management with the facility to create a personal collection of favourite articles, was made available in 2017. Uptake was impressive with over 10,000 individual sessions, 15,000 full-text downloads and almost 33,000 Table of Contents views.

Copyright licences to ensure RACS compliance with both the educational and business activities of the organisation were put in place in 2017. Awareness, training and online resources were made available to all staff.

Linkable lists of recommended readings to accompany short courses, meetings and seminars were introduced in 2017.

Topics included 'Surgeons as Everyday Leaders', 'Safety in Surgery' and 'End of Life'.

An eTOC (electronic Table of Contents) alert service has been in place since early 2015. Subscriber numbers have grown to 873 across the 13 specialty, sub-specialty and topic-based sets. The top five subscribed sets were: Orthopaedic Surgery, Plastic and Reconstructive Surgery, Medical Education, Gastric and Oesophageal Surgery and Otolaryngology.

ClinicalKey, a large collection of key e-journals and e-books along with extensive multimedia materials, continues to be the most accessed online e-resource within the Library's many collections.

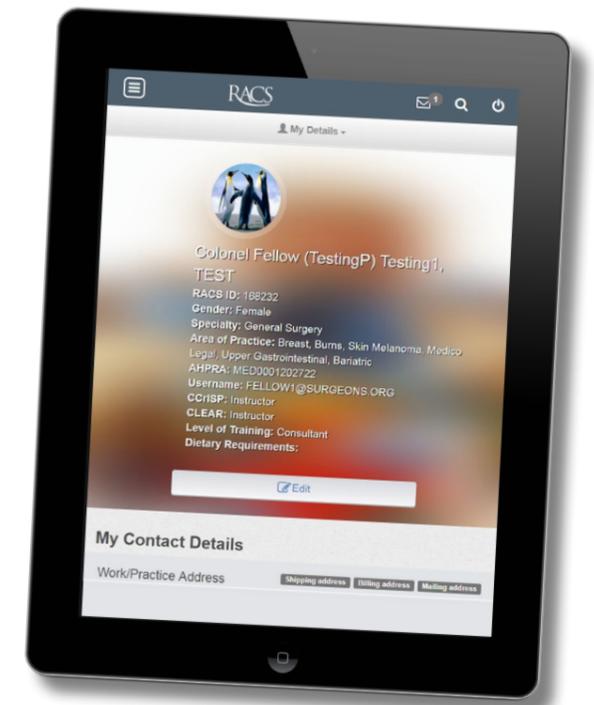
Growing the Digital College

Under the banner of the Digital College program, RACS remains committed to providing greater online access to our services for Fellows, Trainees and IMGs. Managed under the Information Technology and Governance Committee, the Digital College focused on investing resources to address the areas important to our users and to ensure we are delivering value for money within a secure online environment.

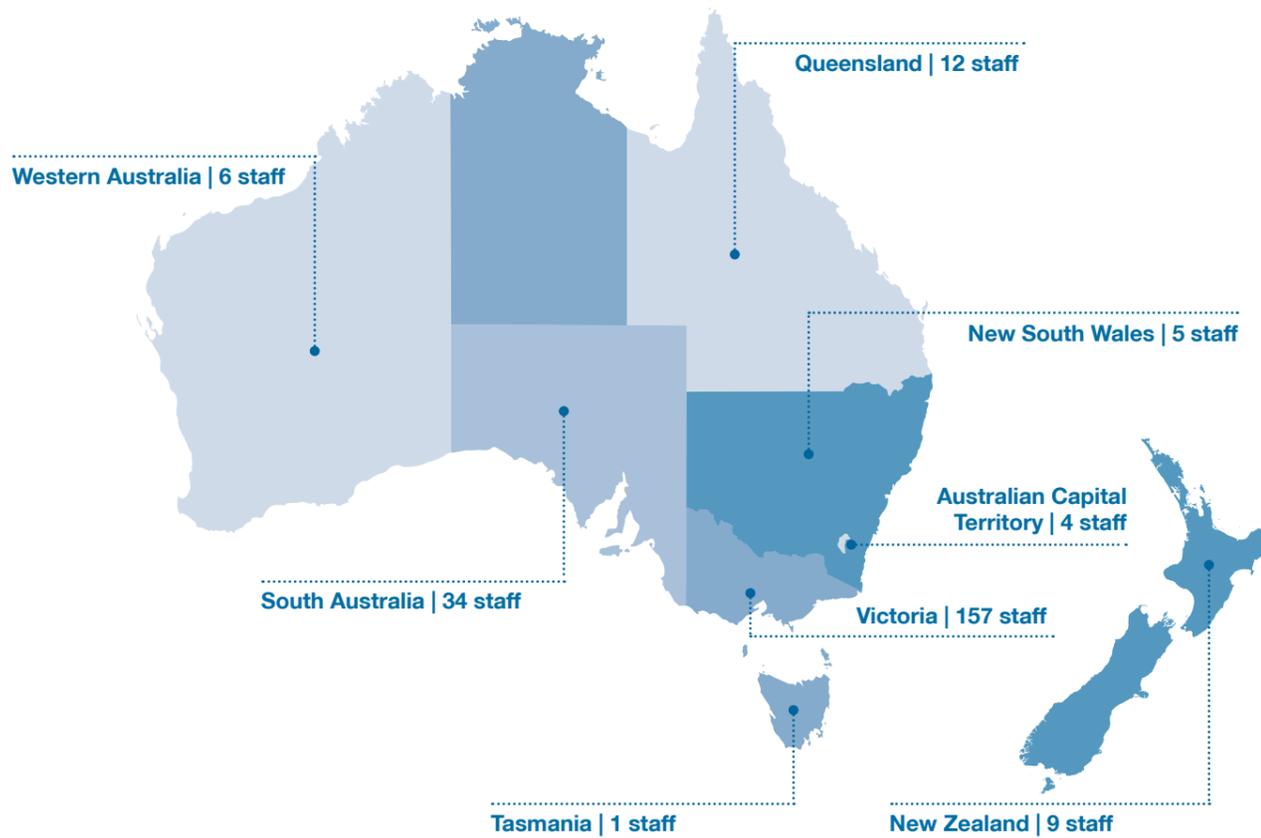
In 2017, we introduced enhancements to the online RACS Portfolio—the Faculty Dashboard and the JDocs View. The Faculty Dashboard directly supports more than 1,000 Fellows, Trainees, IMGs and consultants from other specialties who regularly teach RACS Skills courses on a pro-bono capacity. This 'one stop' section now allows Faculty members to view upcoming courses, download a transcript of past courses, access relevant course resources and manage preferences.

The JDocs View enhancement included the ability for Fellows mentoring junior doctors to access the interactive JDoc Framework and other educational resources.

The online RACS Portfolio is visited 15,000-20,000 times per month and providing enhanced features has been much of the focus over the last few years. The Portfolio records professional development activities, event registration and is a single point access to RACS services, like the library, the logbook and e-Learning modules.



RACS in New Zealand and Australia



RACS has 228 staff in Australia and New Zealand with offices in Wellington, Canberra, Sydney, Melbourne, Adelaide, Hobart, Adelaide, Perth and Brisbane.

RACS opens new ACT Regional Office in Canberra

In February 2017, RACS relocated to new premises in Deakin, ACT and held a grand opening in April attended by various dignitaries. Pictured (left to right) ACT Minister for Health Meegan Fitzharris, past President Mr Phil Truskett AM, Commonwealth Assistant Minister for Health David Gillespie, past ACT Chair A/Prof Siva Gananadha and Ngunnawal elder Aunty Agnes officially opened the new RACS ACT office in February 2017.



RACS in New Zealand and Australia

Outstanding Service to Community Awards

RACS Regions are encouraged to consider recognition for long-serving surgeons who have made an impact in their local community through distinguished service. This year, RACS recognised 13 surgeons with Certificates for Outstanding Service.

- Assoc. Prof Stephen Bradshaw, Vascular Surgeon, ACT
- Assoc. Prof Alan Cheng, ENT Surgeon, NSW
- Mr Andrew MacDiarmid, Orthopaedic Surgeon, NZ
- Mr John Matheson, Orthopaedic Surgeon, NZ
- Dr Lawrence Perrett, retired, General Surgeon, QLD
- Dr Paul Muscio, Orthopaedic Surgeon, QLD
- Dr John Knott, General Surgeon, QLD
- Mr Peter Byrne, Retired General Surgeon, SA
- Mr Alan Scott, retired General Surgeon, TAS
- Mr John Clifford, Orthopaedic Surgeon, VIC
- Mr Andrew Beischer, Orthopaedic Surgeon, VIC
- Mr Sam Khamhing, General Surgeon, WA
- Mr Steven Lai, General Surgeon, WA



Dr Phil Worley and Mr Peter Byrne, SA (right).



Health Advocacy and Government Relations

The Regional Chairs are strong advocates for RACS in their regions. They provide advice on local issues and policies that impact on the delivery of quality patient outcomes. Highlights include advice to the SA government on the Transforming Health initiative and the opening of the new Royal Adelaide Hospital (pictured above), input to the Regional Post Fellowship Scheme in Queensland, advocating for and supporting the alignment of the NSW Collaborative Hospitals Audit of Surgical Mortality (CHASM) with RACS systems, and expert advice to the surgical mesh review in New Zealand.

Annual Scientific Meetings and Regional Events

There were five Annual Scientific Meetings held across Australia and one in New Zealand. The combined attendance at these events was over 425 people, primarily RACS Fellows. NSW had its most successful 'Surgeon's Month' on record, with over 300 people attending events during the month of November. These included a Preparation for Surgical Educational Training event, Women in Medicine, Academic Surgery events and a recognition evening.

Thank you to all the staff, Chairs and Committee members for their work in 2017.



RACS NSW Chair, Dr Raffi Qasabian (right) presents Professor Raymond Sacks (left) his NSW State Committee Merit certificate and medal at the NSW Surgeons' Evening 2017. The NSW State Committee Merit Award is for distinguished service to surgery in NSW. Mr Paul Stalley and Professor Henry Pleass also received this Award in 2017.

Our Fellows, Trainees and International Medical Graduates

5,999 ACTIVE FELLOWS

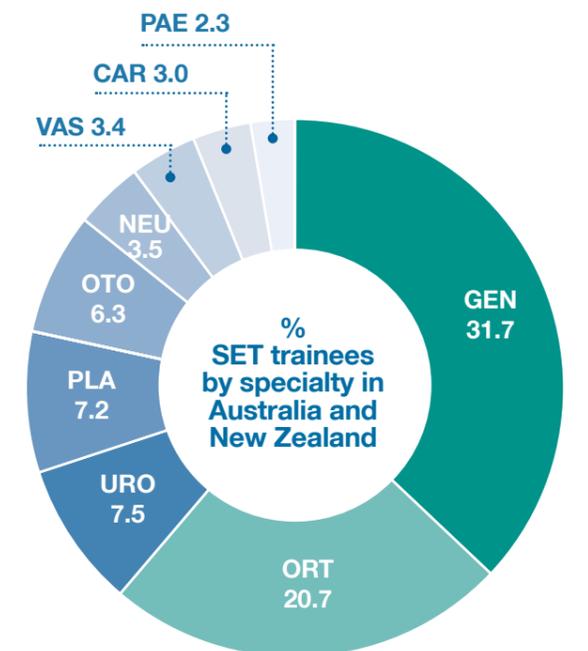
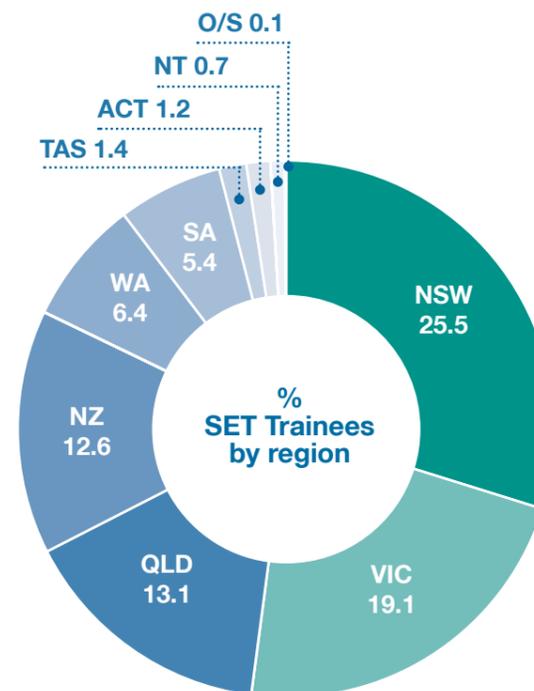
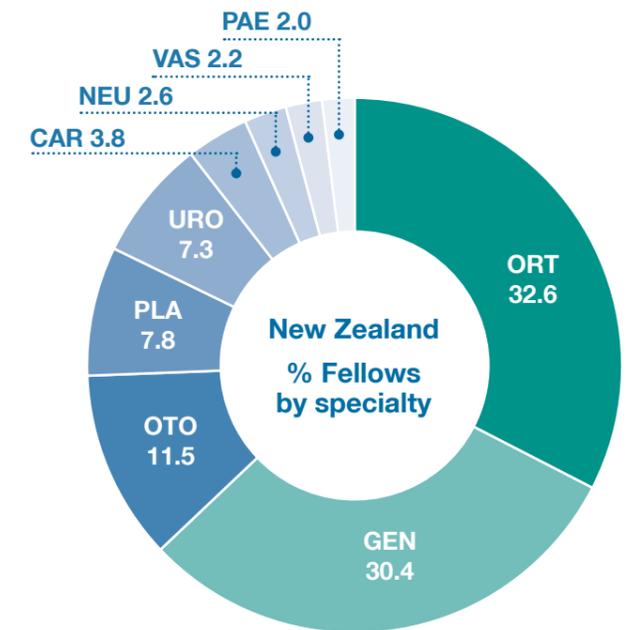
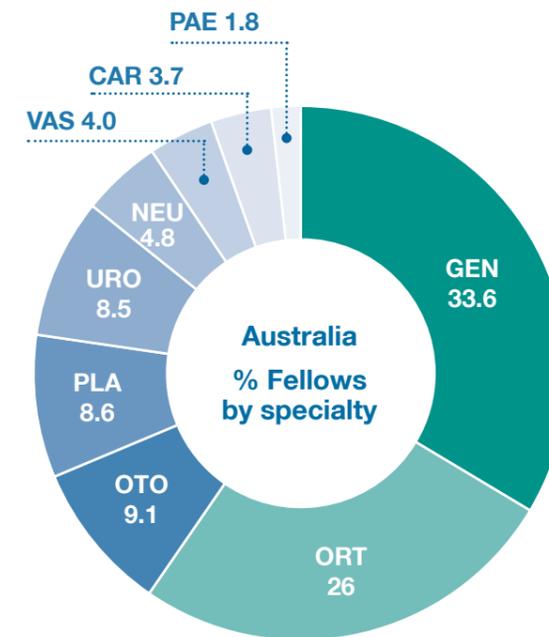
978 RETIRED FELLOWS

1,179 TRAINEES

84 INTERNATIONAL MEDICAL GRADUATES



Our Fellows, Trainees and International Medical Graduates



Legend

- | | | | |
|------------|--------------------------------------|------------|------------------------------------|
| CAR | Cardiothoracic Surgery | PAE | Paediatric Surgery |
| GEN | General Surgery | PLA | Plastic and Reconstructive Surgery |
| NEU | Neurosurgery | URO | Urology |
| ORT | Orthopaedic Surgery | VAS | Vascular Surgery |
| OTO | Otolaryngology Head and Neck Surgery | | |

As at the end of 2017 RACS had 5,999 Active Fellows, 978 retired Fellows, 1,179 Trainees and 84 International Medical Graduates in Australia and New Zealand.

RACS in the community

Currently, more than five billion people worldwide do not have access to safe, affordable surgical care when they need it most. RACS supports healthcare and surgical education in the Asia-Pacific region, Aboriginal and Torres Strait Islander and Māori health and is a substantial funder of surgical research. This support has been enabled through the generous contributions of governments, Fellows, Trainees, IMGs and friends of RACS.

The Foundation for Surgery - The philanthropic arm of RACS

Through the RACS Australian and New Zealand Scholarships and Grants Committee, 47 scholarships were provided to surgeons, trainees and researchers to improve excellence in surgical practice and patient care. These included nine continuing research awards, 28 research awards and 10 travel awards. In 2017, the Foundation for Surgery also supported three Aboriginal students and four Māori doctors to attend the Annual Scientific Congress, and one Aboriginal doctor to undertake career development. These awards, along with the Johnson and Johnson scholarships, are part of a strategy to develop Aboriginal and Torres Strait Islander and Māori surgeons through the RACS Indigenous Health Committee (see Page 12).

The Foundation for Surgery thanks those who donated to the Pledge-a-Procedure campaign and helped raise \$180,000 to support aspiring Aboriginal and Torres Strait Islander and Māori surgeons.



RACS Global Health Programs

RACS manages Global Health programs and projects in various developing countries across the Asia-Pacific region. Thanks to funding support from donors including the Australian government and the Foundation for Surgery, RACS Global Health provides specialist medical education, training, capacity development and medical aid to 18 countries in the Asia-Pacific region.

In 2017, RACS Global Health released its new Strategic Plan 2017 – 2021, which places greater emphasis on workforce development and facilitating regional collaboration. Project activities throughout the year culminated in the delivery of more than 40 specialist clinical visits, 1,989 life-changing procedures performed, 1,063 local health professionals trained, and 16 scholarships awarded.

What have we learned?

Partnership starts from the beginning

Successful projects begin with involving partners in project design, informing needs and acknowledging what collaborative success looks like together.

Asking 'why' is the most important question

Projects have a strong understanding of 'what' and 'how', though our most efficacious and sustainable programs have a clear, shared understanding of 'why'.

Monitoring value-add is key

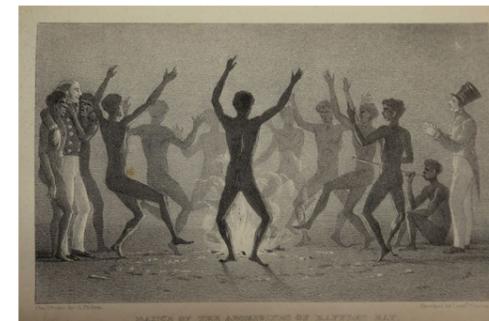
Recognising what value for money looks like for RACS Global Health leads to enriched economy, efficiency, and effectiveness for both RACS and our stakeholders.

RACS in the community

RACS Collections

RACS possesses significant collections of art, historical books, surgical instruments and other artefacts, which have been built up mainly through donation, by Fellows, families of Fellows and friends of the College.

During the year, the RACS Museum welcomed more than 300 visitors, including visits from the staff of the Auckland Hospital Museum, the Melbourne Museum and the ANZAC Memorial in Sydney.



The Museum received historic medical books donated by Felix Behan, FRACS under the Cultural Gifts Program. The Museum also received a fine historic book titled *Narrative of a Voyage round the World*, by Thomas Braidwood Wilson MD (1792-1843), Surgeon RN. This rare book (illustration from the book pictured, left), published in London in 1835, was a gift from Emeritus Professor John Hall, FRACS.

We also continued work on the total restoration of William Cowper's *Anatomia Corporum Humanorum* (Utrecht 1750), the most significant book written by an English anatomist in the 18th century.

Archives and Records

Archives and Records had a successful year in 2017. Highlights included the digitisation of 26 archival films from the collection. Digitisation of this fragile and significant material ensures that it will be accessible well into the future.

Other successes included developing display material such as the *Surgeons in Conflict*, and *RACS and Trauma*. The displays were promoted via electronic media and are accessible as flip-books on the RACS website.

Compared to 2016, visits to the Archives section of the RACS website grew by 60%. These included several hundred visits to the flip-books and the same number to the selection of digitised films.

Contribution to Research

In 2017, the RACS Research and Evaluation incorporating ASERNIP-s department undertook various research initiatives to advance the existing body of knowledge in clinical disciplines. The research, which incorporated work by the Australian Safety and Efficacy Register of New Interventional Procedures – surgical (ASERNIP-s) included 'Age, performance and revalidation', 'Current evidence to guide the conduct of effective Morbidity and Mortality meetings', 'Concurrent or overlapping surgery', 'Leaving surgical training: some of the reasons are in surgery', and 'Extended DVT prophylaxis after hip and knee arthroplasty'.

The RACS Morbidity Audits Department facilitated the public release of the RACS Systematised Nomenclature of Medicine (SNOMED) Surgical Procedure Reference Set through the Australian Digital Health Agency, a move that will benefit other organisations around the world who are implementing SNOMED in surgical related e-health systems.

As at the end of 2017, the audits of surgical mortality had 32 articles published in a range of peer review journals. Each RACS region held successful educational workshops based on its own data on themes ranging from end of life matters, communication issues to clinical leadership.

The RACS Academic Surgery Department continued to progress an initiative that sought to ensure that the next generation of clinical researchers are fully supported through training pathways. In addition, an initiative was commenced to implement a bi-national network of multi-centred trials that are led by surgical trainees.



Treasurer's Report



**RACS Treasurer,
Associate Professor
Julie Mundy**

Overall Performance

This year has seen several factors impact on the overall performance of our core operations and also saw considerable resources and time being committed to the accreditation review by the Australian Medical Council (AMC) and New Zealand Medical Board (MCNZ). It was a very pleasing result that RACS come through this review so strongly.

That said, we have achieved overall revenues of \$68.1M (\$66.6M in 2016) due to a sound return of over 12% from our investments portfolio, which funds our future scholarships, grants and philanthropic work of the Foundation for Surgery.

Our expenses for the year were well contained and finished under budget at \$66.8M (\$63.4M in 2016), thanks to controls being applied to travel and other operational areas. Our largest cost increase was in personnel, where we accommodated transition of senior management positions.

We fell just short of our Council agreed strategic surplus goal, achieving \$1.3M (\$3.2M in 2016). This includes our on-going commitment to the Building Respect, Improving Patient Safety (BRIPS) action plan and increasing our operational capabilities, especially around examination delivery improvements. To that end in 2017, we funded 109 free Foundation Skills for Surgical Educators courses with 2,075 participants.

Key Revenue Streams

Key revenue streams for the year can be broken down into:

- Subscriptions and entrance fees of \$16.5M with an additional 246 new Fellows in 2017, being higher than the \$15.4M in 2016;
- Training, examination and assessment fees of \$24.4M, which was lower than the \$25.4M in 2016, primarily due to demand dropping for the early examinations and some courses;
- Project income and management fees from external parties of \$15.0M, which is below the external funding of \$16.0M provided in 2016; and
- Strong sponsorship of \$3.3M associated with the Annual Scientific Congress (ASC) and donations for the Foundation being above the \$3.0M received in 2016.

Key Expenses

Key expense streams for the year can be broken down into:

- Personnel costs of \$24.9M (\$23.2M in 2016) with increases in salaries managed to an external market benchmark and recognising that \$4.2M was externally funded;
- Externally funded grants of \$7.4M mainly related to hospital training post payments funded under the Specialist Training Program (STP) (down from \$8.1M in 2016);
- Travel and accommodation of \$6.1M (\$5.4M in 2016), which was under budget and caters primarily for revenue generating activities; and
- Specialist Society funding costs of \$4.3M (\$4.2M in 2016).

Core Operations

This includes Fellowship services, education and training, the ASC and other events and the funding of the associated leadership, governance and administrative structures. In 2017, we saw an increase in costs chiefly due to staff transitions and some anticipated lower demand for the early examinations revenue and our Skills courses. On the latter, Council has instigated a strategic review of the Skills courses' curriculum and delivery practices to ensure we remain at the forefront of surgical training in the region.

Foundation for Surgery

The Foundation activities encompass scholarships, fellowships and research grants as well as direct oversight of our philanthropic endeavours. Scholarship commitments of \$1.8M have been maintained during 2017 and are consistent to 2016. As at September 2017, we had helped to fund over 2,788 life changing surgical procedures funded by the Foundation.

Investments Portfolio – Funding the Foundation

An important change was actioned in 2017, where we now report our investments under a new accounting policy, which was a necessary change in preparation for a

Directors' Declaration

2019 mandated requirement. Our investment portfolio showed a positive return of over 12% and revenue of \$4.3M in 2017 plus another \$4M into a reserve for unrealised gains (\$2.0M in 2016). In particular, we must thank Mr Brian Randall OAM and Mr Peter Wetherall, who have both retired as Honorary Advisors during 2017. Both have committed so much of their time over the years to ensuring our philanthropic work has been well funded and supported with suitable investment strategies.

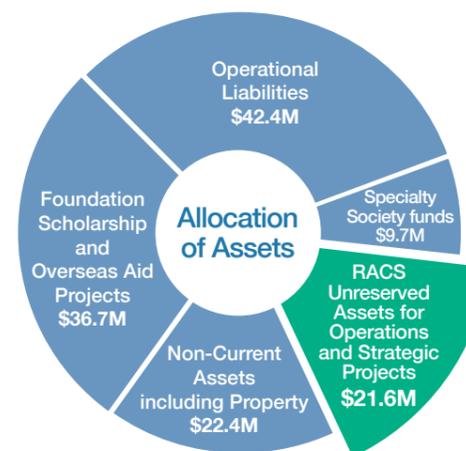
Leading Surgical Performance

Over 2017, Council has continued to support advocacy and investments to ensure we can better serve the Fellowship and the broader community. Activities worth noting are:

1. Recognition of achievements, ASC visitors grants and presentations of awards and prizes have been distributed to the value of \$0.9M (\$1.0M in 2016).
2. An increase in the number of Fellows requesting and being supported with interest free travel loans for overseas studies and research.
3. The on-going investments for delivery of new examination delivery capabilities, including the tablet marking solution that has been deployed for our clinical exams in 2017.
4. Delivering a successful 86th ASC with higher than expected attendance at what is the premium surgical educational event for the region.

Summary of Financial Position

Overall, RACS funds and Foundation for Surgery reserves have increased to \$80.8M (\$75.2M in 2016), underpinned by the strong performance of our investment portfolio. Current liabilities have increased relating largely due to government grants received in advance now at \$8.2M (\$4.5M in 2016).



RACS financial position is sound and underpinned by the invaluable *pro bono* work provided by our Fellows. Over a long period of time RACS and the Foundation for Surgery funds and assets have grown through donations, bequests, property sales and strategic investments. Overall, the majority of these assets are reserved for a stated purpose such as funding a scholarship or other philanthropic activities of the Foundation for Surgery.

This chart summarises the unreserved RACS assets (\$21.6M).

The Statement of Cash Flows indicates a net cash inflow provided from operating activities of \$0.6M. This is a result of the combined effects of timely and increasing receipting of annual subscription and training fees using our eCommerce or online payment solutions.

In Closing

I would like to acknowledge the services of our Honorary Advisers for which we remain indebted. I note my thanks to Mr Anthony Lewis (Audit, Investment, Finance & IT), Mr Stuart Gooley (Audit, Finance & IT), Mr Chesley Taylor (Investment), Mr Michael Randall OAM (Investment), Mr Reg Hobbs (Property) and Mr John Craven (Information Technology) and for their generous and valued support during the year. RACS remains extremely grateful to all our Honorary Advisers for their wise counsel and support.

RACS continues to maintain a strong Balance Sheet and is financially well positioned to meet its ongoing commitments and I recommend these accounts to the Fellows.

The Directors of the Royal Australasian College of Surgeons declare that the summarised financial report set out below have been derived from and are consistent with the full financial report of the Royal Australasian College of Surgeons for the year ended 31 December 2017. The full financial report can be provided upon request and is available via the RACS website at www.surgeons.org

On behalf of the Directors

**Mr John C. Batten - President
Associate Professor
Julie A. Mundy - Treasurer**

Melbourne, 23 March 2018

Independent Audit Report to Members of Royal Australasian College of Surgeons

We have audited the summarised financial report of the Royal Australasian College of Surgeons as at 31 December 2017, comprising the Statement of Comprehensive Income, Statement of Financial Position, and Statement of Cash Flows, in accordance with Australian Auditing Standards. The summarised financial report has been derived from the Royal Australasian College of Surgeons annual statutory financial report for the year ended 31 December 2017.

Audit opinion

In our opinion, the information reported in the summarised financial report is consistent with the annual statutory report from which it is derived and upon which we expressed an unqualified audit opinion. For a better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the annual statutory financial report.

**Ernst & Young, Paul Gower - Partner
23 March 2018**

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
REVENUE		
Revenue from operating activities	63,836,927	64,608,682
Income from investments	4,311,764	1,994,394
Revenue	68,148,691	66,603,076
EXPENDITURE		
Personnel costs	24,873,453	23,245,796
Consultants fees - clinical	1,108,751	890,338
Consultants fees - management	1,692,990	2,041,635
Telephone, teleconference and audio visual costs	1,589,487	999,095
Printing, stationery and photocopying	1,400,063	1,286,353
Postage and courier costs	607,476	677,759
Information system costs	1,413,019	1,287,847
Travel and accommodation	6,144,321	5,441,328
Associations and library publications	1,095,053	1,177,728
Audit, legal and professional fees	1,153,882	442,016
Bank fees and merchant charges	610,931	718,995
Rent	1,493,946	1,501,321
Utilities and other property costs	1,118,880	1,012,089
Insurance	424,120	317,049
Project equipment purchases, hire and repairs	612,643	641,175
Training manuals and consumables used in education and field projects	761,023	662,271
Scholarships, fellowships and research grants	1,787,938	1,769,335
Awards, other grants, gifts and prizes	870,402	1,025,500
Grants – funded from external sources	7,364,167	8,083,366
Facilities hire and catering costs	3,453,437	3,824,080
Depreciation and amortisation expense	2,244,294	2,138,587
Specialist societies funding costs	4,278,527	4,182,972
Other expenses from operating activities	715,028	33,914
Expenditure	66,813,831	63,400,549
SURPLUS FOR THE PERIOD	1,334,860	3,202,527
Other Comprehensive Loss Items that will not be reclassified subsequently to profit or loss:		
Net gain / (loss) on revaluation of financial assets	4,029,620	-
Foreign currency translation	188,485	(424,424)
Other Comprehensive Loss for the Year	4,218,105	(424,424)
Total Comprehensive Income	5,552,965	2,778,103

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

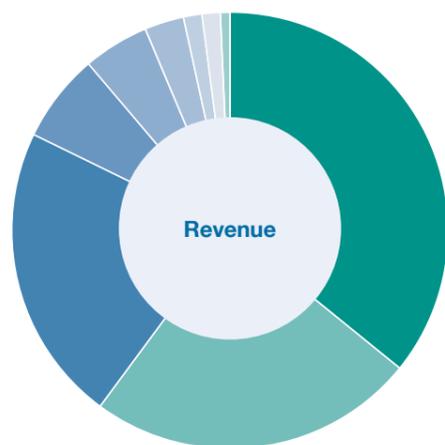
	2017 \$	2016 \$
ASSETS		
Current Assets		
Cash and short-term deposits	20,435,179	21,001,523
Trade and other receivables	22,018,754	19,064,662
Inventories	404,685	218,092
Prepayments	2,361,003	2,154,188
Available for sale financial assets	65,575,360	57,336,964
Total Current Assets	110,794,981	99,775,429
Non-Current Assets		
Trade and other receivables	734,359	733,886
Property, plant and equipment	18,680,716	19,113,924
Intangibles	2,622,456	2,785,358
Total Non-Current Assets	22,037,531	22,633,168
TOTAL ASSETS	132,832,512	122,408,597
LIABILITIES		
Current Liabilities		
Trade and other payables	3,689,276	3,181,768
Provisions	4,106,275	4,109,784
Income in advance	26,431,096	26,517,605
Government grants received in advance	8,218,915	4,502,303
Funds held on behalf of others	9,229,903	8,509,613
Total Current Liabilities	51,675,465	46,821,073
Non-Current Liabilities		
Provisions	387,867	371,309
Total Non-Current Liabilities	387,867	371,309
TOTAL LIABILITIES	52,063,332	47,192,382
NET ASSETS	80,769,180	75,216,215
RACS Funds and Reserves		
Retained surplus	76,837,740	75,502,880
Available for sale financial assets reserve	4,029,620	-
Foreign currency translation reserve	(98,180)	(286,665)
TOTAL RACS FUNDS AND RESERVES	80,769,180	75,216,215

Certain lines of items required in the ACFID Code of Conduct reporting including but not limited to investment property, borrowings and current tax liabilities have nil balances for both the reporting periods covered.

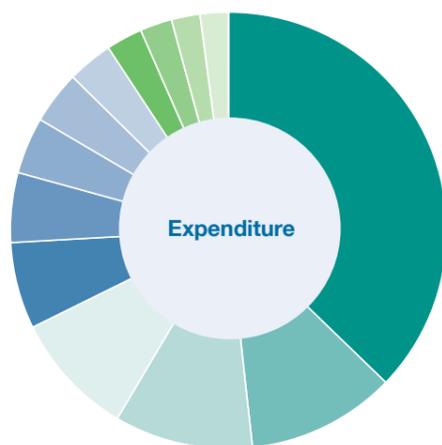
Financial Statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
Operating activities		
Subscriptions and entrance fees	14,530,510	15,587,003
Training, examination and assessment fees	23,086,935	24,189,490
Sponsorship and donations	2,932,631	2,979,843
Conference registrations	1,837,097	2,397,763
Property rental and recoveries	938,412	1,087,066
Project income and associated fees	18,896,934	14,850,949
Interest income	156,948	103,497
Other income	1,411,736	3,817,352
Payments to suppliers and employees	(62,898,427)	(61,418,017)
Net cash flows from operating activities	892,776	3,594,946
Investing activities		
Net movement from investment securities	365,413	(290,472)
Payments for property plant and equipment	(1,689,183)	(2,088,575)
Net proceeds from sale – fixed assets	28,691	1,400
Net cash flows used in investing activities	(1,295,079)	(2,377,647)
Net (decrease) / increase in cash and short-term deposits	(402,303)	1,217,299
Net foreign exchange difference	(164,041)	78,993
Cash and short-term deposits at 1 January 2017	21,001,523	19,705,231
Cash and short-term deposits at 31 December 2017	20,435,179	21,001,523



- Training, Examination and Assessment Fees 35.8%
- Subscriptions and Entrance Fees 24.3%
- Project Income and Associated Fees 22.1%
- Investment Income and bank interest 6.6%
- Sponsorship and Donations 4.9%
- Conference Registrations 2.9%
- Property Rental and Recoveries 1.4%
- Sundry Income 1.3%
- Advertising and Royalties 0.7%



- Personnel 37.2%
- Externally funded grants 11.0%
- Admin expenses 10.3%
- Travel and accommodation 9.2%
- Specialist societies funding 6.4%
- Facilities hire and catering 5.2%
- Consultants fees 4.2%
- Property expenditure 3.9%
- Depreciation 3.4%
- Scholarships/fellowships 2.7%
- Communications 2.4%
- Information systems 2.1%
- Printing 2.1%

International Projects



Information provided under the ACFID Code of Conduct

RACS is a member of the Australian Council for International Development (ACFID) and a signatory to the ACFID Code of Conduct. The Code of Conduct is a voluntary self-regulatory code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the accountability and transparency of signatory members. Information disclosed below is in accordance with the financial reporting requirements of the ACFID Code of Conduct. As a signatory to the Code, the College is committed to high standards in financial reporting, management and ethical practice. Further information on the code can be obtained from ACFID by visiting www.acfid.asn.au or emailing code@acfid.asn.au. Complaints in relation to the Code can be made directly to RACS Global Health using the website

feedback form or to ACFID. Any complaints will be handled in line with the RACS Global Health's Complaints Process Policy. The Summary Financial Reports disclosed below have been prepared in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Implementation Guidance available at www.acfid.asn.au. An independent audit of the Royal Australasian College of Surgeons financial accounts for 2017 was conducted by:

Paul Gower – Partner,
Ernst and Young
8 Exhibition Street, Melbourne VIC 3000
+ 61 3 9288 8218



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Retained Surplus		Available For Sale Revaluation Reserve	Foreign Currency Translation Reserve	Total RACS Funds and Reserves
	Operating \$	Investment \$	\$	\$	\$
At 1 January 2016	70,873,328	1,427,025	-	137,759	72,438,112
Surplus for the year	2,908,919	293,608	-	-	3,202,527
Other comprehensive income	-	-	-	(424,424)	(424,424)
At 31 December 2016	73,782,247	1,720,633	-	(286,665)	75,216,215
Surplus for the year	112,358	1,222,502	-	-	1,334,860
Other comprehensive income	-	-	4,029,620	188,485	4,218,105
At 31 December 2017	73,894,605	2,943,135	4,029,620	(98,180)	80,769,180

**INCOME STATEMENT – FOR THE YEAR ENDED 31 DECEMBER 2017
INTERNATIONAL AID AND DEVELOPMENT PROGRAMS**

	2017 \$	2016 \$
REVENUE		
Donations and gifts – monetary	362,939	455,121
Donations and gifts – non-monetary	-	-
Bequests and legacies	-	-
Grants – Australian - Department of Foreign Affairs and Trade	2,800,874	2,506,108
Grants – Other Australian	-	80,279
Grants – Other Overseas	-	-
Investment income	621,648	310,038
Other income – International programs	666,261	522,797
Revenue for international political or religious proselytisation program	-	-
Other income – all other College activities	63,696,969	62,728,733
Total Revenue	68,148,691	66,603,076
EXPENDITURE		
International Aid and Development Programs		
International Programs		
Funds to international programs	2,826,471	2,321,829
Program support costs	783,686	569,920
Community education	-	-
Fundraising costs	-	-
Public	-	-
Government, multilateral and private	-	-
Accountability and administration	182,940	206,053
Non-monetary expenditure	-	-
Expenses for international political or religious proselytisation program	-	-
Other expenditure – all other RACS activities	63,020,734	60,302,747
Total Expenditure	66,813,831	63,400,549
Excess of Revenue over Expenditure	1,334,860	3,202,527
Other Comprehensive Income	4,218,105	(424,424)
Total Comprehensive Income	5,552,965	2,778,103

RACS international aid, development and humanitarian activities are funded from bequeathed contributions, ongoing grants primarily from the Department of Foreign Affairs and Trade, sponsorship arrangements predominantly associated with the East Timor Lions SightFirst Eye Program and donations received from various sources. The RACS Global Health division responsible for the coordination and delivery of these programs did not directly engage in any specific fundraising activities.

**SUMMARY OF CASH MOVEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Cash available at beginning of financial year \$	Cash raised during the financial year \$	Cash disbursed during financial year \$	Cash available at end of financial year \$
International Projects	1,202,128	3,991,086	(3,374,645)	1,818,569
International Scholarships provided by the College from bequest funds	7,135,755	452,237	(132,397)	7,455,595
Foundation – International Projects	3,361,689	1,339,358	(669,822)	4,031,225
Other – Domestic Operations	9,301,951	59,067,282	(61,239,443)	7,129,790
Total	21,001,523	64,849,963	(65,416,307)	20,435,179



Council Attendees October 2017

- Back row left to right:** Lawrence Malisano, Christopher Pyke, Rob Knowles, Christopher Perry, Greg Witherow, Ruth Mitchell, Garry Wilson, Adrian Anthony, David Fletcher, Andrew MacCormick, Mark Frydenberg.
- Middle row left to right:** Stephen Tobin, John Quinn, Phill Carson, John Crozier, Tony Spamon, Owen Ung, Ruth Bollard, Kerin Fielding, Andrew Hill, Richard Perry, Richard Lander, Jonathan Serpell, Sally Langlely, Julie Mundy, Bruce Hall.
- Front row left to right:** Jenny Chambers, Cathy Ferguson, Claire Campbell, Mary Harney, John Batten, Annette Holian.

In 2017, the following Councillors joined the RACS Council:

- Dr Claire Campbell
- Prof Mark Frydenberg AM
- Mr Chris Perry OAM
- Prof Owen Ung

In 2017, the following Councillors retired:

- Prof Spencer Beasley
- Mr Andrew Brooks
- Dr Ruth Mitchell
- Mr Philip Truskett AM
- Mr Neil Vallance

Thank you to all our Fellows, Trainees and International Medical Graduates involved in RACS Committees and activities. Special thanks to our staff, our Regional Committees, the Specialty Societies and partners in Australia and New Zealand.



The Royal Australasian College of Surgeons

Head Office, College of Surgeons Gardens
250-290 Spring St, East Melbourne, Victoria, Australia 3002
T: +61 3 9249 1200 | F: +61 3 9249 1219 | E: college.sec@surgeons.org

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