It is my pleasure, as College President, to present to you the Annual Report for 2008. It will be remembered as a critical year, when the issues that are important to all of surgery were the focus of the College’s activities.

The College has now ensured that specialty training more fully involves the activities of the Specialty Societies and Associations. Importantly, the College training in General Surgery is now administered through General Surgery Australia (GSA) and the New Zealand Association of General Surgery (NZAGS).

The College re-positioned its key purpose inside its Strategic Plan to being “The unifying force for surgery in Australia and New Zealand, with Fellowship of the Royal Australasian College of Surgeons (FRACS) standing for excellence in surgical care.” Council defined that the key activities of the College are to:

- Guarantee the continuing provision of high quality training;
- Serve the Fellowship particularly by protecting and strengthening the culture that enables surgeons to act in the best interests of their patients;
- Promote health and well-being for the community; and
- Drive surgical excellence particularly by promoting and supporting surgical leadership in clinical governance, surgical audit and peer review.

The revised Strategic Plan was broadly circulated in November 2008, marking the point at which surgeons need to assume leadership in the health sector and surgical services debate. There is no doubt that many others in the healthcare sector do not want us to advance such issues as professionalism and advocacy, sustainable training or even high quality patient care. With the increased constraints on the health system and current financial uncertainty they will be looking more to the technocrat that willingly performs within their structures without challenging the systems or advocating strongly for patients. Progressively they wish to have these functions performed by other members of the health team without a requirement for formal training.

Sustainability and excellence requires a commitment to proper funding and resources for our hospitals and health system over many years, not a short-sighted preoccupation with the next political “hot-spot”. The challenge is to work at an individual and collegiate level to improve the structures, advocate for our patients and passionately defend the standards that should exist. This is the purpose of being a unifying force. The College by itself will not achieve this. However by working with all Specialty Societies and Associations the important issues can be addressed and standards identified. This applies to our educational programs, assessment processes and support to life-long learning.
Governance Management Report

National Registration and Accreditation

Two thousand and eight saw the first year of the Rudd Government in Australia and also the election of the Key government in New Zealand. The progression of the agenda of National Registration and Accreditation has been relentless. In Australia the accrediting body for the medical profession and its specialties is the Australian Medical Council (AMC) and that body has achieved international recognition for its leadership and objectivity. Its role has been vigorously championed by the College and the medical profession. A rare occurrence of total unity of health professionals was achieved when they all rejected the proposed close alignment of the registration and accreditation processes. The professions were concerned about the potential sacrifice of standards that could occur if workforce issues and other political imperatives dominated.

However, the legislative process has continued with passage of the initial bill in Queensland which will slowly replicate across the country. The College continues to work with the Speciality Societies and Associations, the other Medical Colleges and the Australian Medical Association to ensure College involvement is maintained in the development and protection of safeguards for standards, and recognition of specialist standing.

To many of our Fellowship, this is not an issue that appears material to their daily practice. However, it is actually part of the bedrock on which our professional practice is based. The College is advocating strongly for maintenance of standards in the interest of patient safety.

Reviews and many more of them

New Governments often become obsessed with reviews and summits, as we saw in 2008. The National Health and Hospitals Reform Commission launched a white paper entitled “Beyond the Blame Game”. Broad consultation and more than 400 submissions will influence the final shape of a review that could transform the shape of the health system. The College’s position is that the system needs substantial reform with a focus on the delivery of high quality patient care based on a platform of safety. The College was actively involved in both the consultative process and made formal submissions.

The Health System of New South Wales (NSW) was exhaustively reviewed, with the Garling Commission producing a report on the Acute Care Services in NSW Public Hospitals. Broad recommendations were made on almost every aspect of health service delivery. This included the creation of more central agencies addressing innovation, clinical education and training, and health information with the maintenance of the Clinical Excellence Commission. Substantial faith seems to be placed in the capacity for investment in Information Technology to improve care. The report repeatedly highlights the disempowerment of clinicians, the loss of local management and loss of local ownership of issues. While many of the recommendations are valuable, the priority with which they are implemented will be critical.

The College also made formal submissions to the Preventative Health Taskforce, again established by the Rudd Government. The College is ideally placed from experience to provide informed opinion to this forum. Our involvement in the prevention of road trauma over decades has been strategic and demonstrable. Backed up by key legislative, educational and health service delivery changes, the benefits of our work have been substantial and demonstrable. These are well documented in the book Blood, Belts, Booze and Bikes, written by Alan Gregory and launched at the College in November. The challenges of road trauma persist, and while the preventative task force may be more concerned with obesity, tobacco and alcohol, the model championed by Sir Edward Hughes and Mr Gordon Trinca is just as applicable in the face of these challenges. Simple and pragmatic responses combined with drive and political will, can achieve much more than the process-oriented approaches seen so far.

Professional Behaviour

The College progressed its work in defining standards for competence and performance with the distribution of the College guide. This landmark publication has now been recognised both nationally and internationally as a significant advance in providing guidance to clinicians in the more challenging areas of our competencies such as professionalism, communication, collaboration and teamwork. It provides clear examples of behaviours that meet expectations or would not meet expectations, thereby ensuring discussion around these can be more meaningful.

The College is starting to address the even harder area of harassment, bullying and discrimination. As highlighted by the Garling report, public health sector cultural issues can be dysfunctional and destructive. They can affect relationships within hospitals and permeate the entire system. It is most important that groups like the College demonstrate leadership in this important area and we are actively updating approaches. Educational material on how to
handle harassment, bullying and intimidation are appearing regularly in *Surgical News* and other College material. Trainees are vulnerable through selection, ongoing assessment and examination processes, and should be supported during difficult times. Beyond the training years the College continues to be involved when inappropriate actions or decisions have prejudiced surgeons’ career paths. These are complex issues in a pressure filled work environment that require ongoing discussion and education.

**Codes of Conduct**

Ten years ago, the College would have relied on “good sense” and “professional ethics” to guide Fellows’ professional careers. However in an increasingly regulated world with heightened community concerns, the College is updating its Code of Conduct that was initially released in 2006. Other professional groups have also released codes, and now the AMC is developing a “Good Medical Practice” guide to serve as an “all encompassing” version.

**Interaction with the Medical Technology Industry**

Aligned with issues of professional behaviour, the involvement of all medical practitioners with the pharmaceutical and medical technology industry has become more prominent recently. In the United States substantial fines were imposed on some medical technology companies. The pharmaceutical industry now needs to substantiate the funds used to support educational and research initiatives. The College and the Speciality Societies are updating our codes of conduct to deal more specifically with these issues.

**Platform of Safety**

The College continues to pursue excellence in surgery based on a platform of safety. Our Audits of Surgical Mortality are now largely implemented in Australia and the College remains hopeful of seeing the program incorporated into New Zealand. Equally with the progressive implementation of the Electronic log book, there will be a capacity for audit to be undertaken routinely via web based data entry and this will be a very powerful tool in local peer review processes. Finally, the College continues to contribute to the improvement of our hospital systems through such key initiatives as “Correct patient, correct side, correct site surgery”; antibiotic prophylaxis and DVT prophylaxis. Education is important but ongoing analysis and systems improvement are critical to our platform of patient safety.

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Training – involves the College and Speciality Societies and Associations

The College has progressed over the past 10 years to ensure that training in all nine specialties more fully involves the appropriate speciality group. GSA now administers the General Surgery program in Australia, a transition that was completed in 2008.

The relationship between the College which is the body that is accredited and regulated by groups like the AMC and the 13 national/bi-national Specialist Societies is covered within Memorandum of Understanding and Service Agreements. The role of the College is a complex one but is predominantly to ensure issues of curricula development and content, educational approach and standards are maintained in a robust and reasonably uniform way, that meets standards in the national and international arena.

The role of the nine Training Boards supported by the various Specialty Societies and Associations is to ensure the delivery of this training and prepare Trainees to complete the program and pass all of the assessments including the Fellowship Examination. Training is increasing in the private sector in Australia, where 55 per cent of surgical activity now occurs.

The work of all educational groups remains at a high level. As an example, 254 candidates sat the Fellowship Examination with 199 passing. The number of skills courses for Trainees remains at a high level with 1,912 attendees at the Early Management of Severe Trauma (EMST), the Care of the Critically Ill Surgical Patient (CChSP), the Critical Literature Evaluation and Research (CLEAR) and the Australian and New Zealand Surgical Skills Education and Training (ASSET) courses.
The Royal Australasian College of Surgeons

Sustainability of Training – increasing the professionalism of delivery

One of the key concerns for the College is to ensure the professionalism of our surgical training is enhanced at all levels. While the pro-bono model of training is fundamental to the way that we train, increasingly surgeons need protected time so that training and supervision, with its greater expectations, can be more fully implemented. In a College survey of Fellows involved in educational activities, the need for designated non-clinical time and the ability to obtain further expertise in education were highlighted. The College specifically adjusted the accreditation requirements for Hospital posts to ensure that protected time is available, as well as the ability to attend appropriate courses and infrastructure support in the workplace.

A proposal to develop an Academy of Surgical Educators was developed through 2008 by a working party chaired by the Dean of Education. The Academy will be fully considered in 2009, with its proposed commencement set for a time soon after the 2009 ASC. Designed to maximise professional development opportunities for educators, the Academy will ensure that standards for educational excellence are identified and achieved and that support is provided to those in all specialties undertaking this most important role.

International Medical Graduates (IMGs)

The College remains closely involved in the assessment of IMGs. However, this is not done without substantial angst and heart-ache. The College is concerned that the shortage of surgeons in Australia and New Zealand is a reflection of the failure of governments to provide training opportunities for our own medical graduates.

Many of the surgeons who come to Australia and New Zealand arrive from countries where there has been an even greater breakdown in surgical services and this may give rise to significant issues of inequity. However, IMGs need to be fairly assessed for comparability and then supported as much as possible during their transition into the health systems of our countries. These issues are not easy and the College spends much time negotiating with regulatory bodies, employers and our own Fellows to ensure positive outcomes.

Despite many successes, the College remains worried about those instances where problems do occur as they may impact unfavourably on surgical standards and are often portrayed negatively in the media. The College, with support of senior Fellows from the Specialist Societies, remains committed to ensuring standards and service delivery are maintained. The National Registration and Accreditation scheme proposes adverse changes to Area of Need declarations and IMG registration, and accordingly the College is making its concerns known.

Post Fellowship Training – ongoing specialisation

Most Fellows now practise in areas of increasing specialisation. Many Fellows obtain further dedicated training either overseas or locally to increase their qualifications and expertise. It is appropriate these opportunities be identified, accredited and recognised. This is the intent of work currently being undertaken by the College and the Specialist Societies.

There seems little advantage in attempting to restrain the ambition of groups who wish...
to practice in narrow or cross-disciplinary areas, many of whom have their own societies or associations. A challenge in discussions is where the field of practice is legitimately the work of a number of specialties and each group believes it can contribute to the standards of care in the area. Given that the clinical world has already accepted further specialisation and moved beyond this, it is an important issue for the College to progress with our specialist societies, thereby ensuring proper standards are understood.

Continuing Professional Development (CPD)

As the regulatory world increases its scrutiny, there is little doubt that compulsory CPD will be introduced in the near future. The College is at the forefront of making CPD more robust, with commitment to Peer Review and Audit becoming more pronounced.

The College will soon enter the debate about making mortality audit participation compulsory. There is much to recommend this. In the meantime, our CPD program has a 94 per cent compliance rate. Professional development continues apace with 55 workshops being conducted and more than 1000 participants.

Commitment

I do wish to thank the Fellows on Council and in other key positions across the College for their enormous commitment and contribution. As a Fellowship based organisation this is fundamental to the history and the future of our College.

I would like also to thank the staff who provide magnificent support to our ongoing activities and so willingly go that extra distance for us.

I must acknowledge the contribution of our immediate past President Dr Andrew Sutherland over his ten years on Council. For people who have not been closely involved, it would be difficult to appreciate the extent of this contribution or the breadth of change that has occurred. As an orthopaedic surgeon, Andrew served as an important link to this key group and ensured it stayed within the College structures and activities. Alongside his father, Dr Darcy Sutherland, Andrew completed the first Father-Son Presidency of the College. We were all saddened by Dr Darcy Sutherland’s passing late in 2008.

At the Annual General meeting in 2008 Dr John Graham, Professor Errol Maguire and Dr Anand Dixit also ceased their terms on Council. Dr Graham contributed enormously, particularly by highlighting issues relating to Rural Surgery and by ensuring the crisis in rural workforce numbers and resourcing was well understood. Professor Maguire contributed for many years in Queensland and across General Surgery. Dr Dixit represented Tasmania on Council for a number of years.

I welcome new Councillors Dr Phil Truskett, Dr Sam Baker and Professor Peter Stanton. They have embraced the challenges of leadership and are actively engaged in the responsibilities of Council office.

Although the role of Fellows in senior positions on committees and Council is vital to the direction and leadership of the College, I continue to be impressed by the dedication of our College staff. This includes a number of Fellows who are in formal staff positions. I particularly need to note the retirement of Mr John Simpson who had been the Executive Director of Surgical Affairs – New Zealand for many years. John has contributed at the highest levels of New Zealand surgical affairs, and in the oversight of General Surgery standards for a number of decades. The College was able to announce the appointment of his successor Dr Allan Panting towards the end of the year. Other Fellows on staff include Dr John Quinn as the Executive Director of Surgical Affairs – Australia, Professor John Collins as Dean of Education, Mr Campbell Miles as ASC Scientific Coordinator, Mr Don Murphy as Clinical Director of the Victorian Skills Centre and Dr Andrew Roberts as Clinical Director of the International Medical Graduate Assessment Unit.

All the staff contribute at very high levels, providing advice and support across a substantial range of activities, supported not only by subscriptions and fees but also by investment activities and Government funding. The forward progression of the College in times of substantial financial uncertainty and major change is testimony to the hard work that is undertaken by all.

To the Chief Executive, Dr David Hillis, who co-authored this Annual Report, my personal thanks for your ongoing advice, drive and commitment.

Leading Council and the College is an honour and a privilege. I wish to thank my wife Ruth who has always provided me with incredible support and guidance. It simply is not possible to perform these broader roles without the understanding and sacrifice of our partners.
### ACTIVE TRAINEES BY LOCATION OF TRAINING POST AND YEAR OF TRAINING

<table>
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<tr>
<th>Location &amp; Year of training</th>
<th>ACT</th>
<th>NSW</th>
<th>NT</th>
<th>QLD</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>WA</th>
<th>AUST</th>
<th>NZ</th>
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<td>7</td>
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<td>22</td>
<td>312</td>
<td>72</td>
<td>2</td>
<td>386</td>
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<td>984</td>
<td>181</td>
<td>13</td>
<td>1178</td>
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</table>

Source: RACS Activities Report, as at 31 August 2008

*Trainees in this table include all Trainees who were active in training posts, active and on accredited research, active and exam pending as well as inactive Trainees on an approved leave of absence from training. Deferred Trainees not included in this report.

### ACTIVE FELLOWS BY LOCATION AND SPECIALTY

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<th>WA</th>
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<th>NZ</th>
<th>O/S</th>
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<th>Total 2007</th>
<th>% Change 2007/2008</th>
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<td>5,179</td>
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<td>3.66%</td>
</tr>
</tbody>
</table>

Source: RACS Activities Report, as at 31 December 2008

* Regions based current practice or mailing address or if unavailable, last known address

6 The Royal Australasian College of Surgeons
The Financial Report for the year ended 31 December 2008 is presented together with the Auditor’s Report to the College for 2008. It is my pleasure to present this report and highlight the financial position of the College.

The year under review has been proven to be a year that has been very challenging in terms of the volatility in the capital markets and the performance of the College’s Investment Portfolio. However despite this the core operations of the College continue to support our activities and has achieved an excellent result in these difficult times.

Income Statement
Total operating revenue (excluding investment activities) in 2008 was $36,481k compared to $34,236k in 2007 while expenditure was $37,086k compared to $33,265k in 2007. However due to the negative investment returns of ($6,644k) the overall deficit was ($9179k) compared to a surplus of $6,133k in 2007.

The overall unfavourable comparative result is predominately due to the deterioration in capital markets and the impact on the performance return of the College’s Investment Portfolio. Returns for 12 months in 2008 were negative (30.53 per cent). It should be noted that for the six year period 2003 – 2008 the cumulative positive return achieved was 82.61 per cent which continues to exceed industry benchmarks. To limit the price risk exposure of the portfolio’s equity securities the College diversifies its portfolio investment assets and ensures that the majority of equity investments are of a high quality. To achieve this, the College has taken a strong position in cash and cash equivalents.

The most meaningful way in which to review this overall result is to analyse the separate activities of the College being College Operations, College Projects, Scholarships and Research Grants and the Foundation and Investment Reserve.

College Operations are the core operational activities including Fellowship Services, Education and Training, the Annual Scientific Conference, Conferences and Workshops, College funded scholarships, College Resources, Corporate Governance, Leadership and Administration.

In 2008, this revenue amounted to $28,007k compared to $27,182k in 2007 while expenditure was $27,412k compared to $25,334k in the previous year. The surplus in 2008 was $248k compared to a surplus of $9179k in 2007.

Overall, this result was favourable to the budgeted surplus of $323k and represents similar revenue to 2007 and in light of budgeted increase in personnel related costs demonstrates continued tight expenditure control in the College’s core business activities.

College Projects relate to activities funded by external agencies and funding providers.

The College is responsible for managing international and local aid projects as well as research and audit projects with a total value over the project life in excess of $49.25 million. Projects currently being managed include the International (AusAID), the Australia Tamil Leste Program of Assistance for Specialist Services (ATLASS), Outer Metropolitan Training, Professional Development, Trauma, Medical Services Advisory Committee (MSAC), Horzon Scanning, Mortality Audit and Morbidity Audit and Simulation.

In 2008, project revenue amounted to $8,675k compared to $7,054k in 2007 and expenditure was $8,712k compared to $7,302k in 2007 resulting in a deficit of $236k in 2008 compared to a deficit of $248k in 2007.

In accordance with contractual obligations and College policies, all revenue and expenditure relating to College projects is recognised progressively throughout the life of the projects. A number of projects do not completely cover their overheads and are therefore cross subsidised by the College. In 2008 this subsidy was $409k compared to $351k in 2007.

Scholarships, Fellowships and Research Grants of $657k (2007: $511k) are funded from College investments committed to this purpose and in addition RACS scholarships of $667k (2007: $678k) are funded from College operations giving a total commitment for scholarships of $1,324k compared to $1,899k in 2007.

The investment negative return of (30.53 per cent) on the committed bequest funds of $17.1 million resulted in a loss of ($5,175k) in 2008 compared to gain of $2,610k in 2007. Due to the historically strong investment returns the capital maintenance of funds committed to this activity will ensure the continuation of scholarships in accordance with the conditions of the bequests. Expenditure was $748k compared to $579k in 2007. Overall, the deficit for 2008 was ($5,923k) compared to a surplus of $2,031k in 2007.

Foundation and Investment Reserve includes donations and philanthropic activities and returns on uncommitted funds from the investment portfolio.

Loss in investment revenue for 2008 was ($3,470k) compared to revenue $2,552k in 2007 while expenditure of $67k in 2008 compared to $50k in 2007. Overall, the deficit for 2008 was ($3,537k) compared to a surplus of $2,502k in 2007.

Highlights – 2008
- Revenue from subscriptions, fees and levies of $9,094k compared to $9,061k received in 2007.
- Training, examination and assessment fees generated $14,155k compared to $14,611k in 2007.

Balance Sheet
In 2008, College Funds and Reserves have decreased by 192 per cent to $38,490k. This decrease in the net value of the College was mainly due to the impact of the deteriorating investment market on the College Investments.

Key movements in assets included an increase in cash and cash equivalents and current receivables of $871k and $5,775 respectively. Investments held for trading decreased by ($1,000k) due to the downturn in capital markets. Current liabilities increased by $8,121k of which was mainly due to the early billing of 2009 examination and annual training fees in 2008 (refer note II). Interest bearing loans decreased by ($1,000k) due to partial repayment in April 2008.

The Investment Reserve has decreased from $7,916k to $7,222k due to the negative investment returns. The reserve includes investment returns (net) on uncommitted funds in the investment portfolio. These returns are set aside for future developments as approved by Council and assist in funding the acquisition of the Australian and New Zealand College of Anaesthetists (ANZCA) share of “Elliot House” in New Zealand, the Queensland property redevelopment, the “stables” renovation in NSW and the upgrading of the West Wing in Melbourne.

Cash Flow Statement
The Cash Flow statement indicates a positive cash flow for 2008 provided by operating activities of $5725k and a net increase in cash held of $872k from 2007 represented by the surplus College operational result, sound credit management and favourable exchange rate movement for the CASC 2008 activities in Hong Kong.

In summary, despite the difficult economic conditions the sound financial position of the College continues to support our activities and has achieved an excellent result in these difficult times.
Honorary Treasurer’s Report

College has enabled:
• The ongoing development and integration of the SET Program
• Fellows’ subscriptions and fees increase to be held at or below the level of the consumer price index (CPI).
• Improved levels of service and support provided to Trainees and Fellows through continued investment and improvements in infrastructure (particularly web development and IT applications).
• The reduction in borrowings for the East Wing loan from $2,000k to $1,000k.
• Continued refurbishment and renovation of College properties to improve utilisation and availability of resources, especially in the regional offices.

In closing I would like to acknowledge the services of our Honorary Advisers for which the College remains indebted. I note my thanks to Mr Anthony Lewis (Audit & Finance), Mr Robert Milne (Property) and Mr Brian Randall (Investment) for their generous and valued support during the year. The College is extremely grateful to all our Honorary Advisors for their wise counsel and support in relation to finance, investment, property and audit matters. It is therefore with much sadness that I note the passing of Mr Doug Oldfield OAM (Finance) in August 2008 and Mr Ken W elfare (Investment) in November 2008. The support, advice and commitment from Doug and Ken to our College will be missed by us all.

I would also like to thank the management and staff of the Division, led by the Director of Resources, Mr Ian T Burke, for their ongoing hard work and commitment in support of my role.

Despite these challenging economic conditions, the College operations continue in a sound financial position and I recommend these accounts to the Fellows.

Keith Mutimer, Honorary Treasurer
27 February 2009

Councillors’ Declaration
The Councillors of the Royal Australasian College of Surgeons declare that the summarised financial report has been derived from the Royal Australasian College of Surgeons annual statutory financial report for the year ended 31 December 2008.

On behalf of the Councillors
I R GOUGH……………………………………President
K L MUTIMER……………………………..Honorary Treasurer
D J HILLIS………………………………Chief Executive Officer
Melbourne
27 February 2009

Independent audit report to member of the Royal Australasian College of Surgeons
We have audited the summarised financial report of the Royal Australasian College of Surgeons as at 31 December 2008, comprising the income statement, balance sheet and the statement of cash flows to the financial statements, 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 2008.

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
Stuart Painter, Partner
Melbourne
27 February 2009

<table>
<thead>
<tr>
<th>ROYAL AUSTRALASIAN COLLEGE OF SURGEONS INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008</th>
<th>2008 $</th>
<th>2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from operating activities</td>
<td>36,481,515</td>
<td>34,236,038</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>13,439,185</td>
<td>11,717,474</td>
</tr>
<tr>
<td>Consultants fees - clinical</td>
<td>2,055,482</td>
<td>1,995,206</td>
</tr>
<tr>
<td>Consultants fees - management</td>
<td>750,168</td>
<td>903,664</td>
</tr>
<tr>
<td>Telephone, teleconference and audio visual costs</td>
<td>602,529</td>
<td>538,919</td>
</tr>
<tr>
<td>Printing, stationery and photocopying</td>
<td>1,805,056</td>
<td>1,374,338</td>
</tr>
<tr>
<td>Postage and courier costs</td>
<td>656,434</td>
<td>624,213</td>
</tr>
<tr>
<td>Information system costs</td>
<td>896,706</td>
<td>759,855</td>
</tr>
<tr>
<td>Travel and accommodation</td>
<td>5,052,171</td>
<td>4,525,068</td>
</tr>
<tr>
<td>Associations and publications</td>
<td>164,469</td>
<td>196,847</td>
</tr>
<tr>
<td>Audit, legal and professional fees</td>
<td>413,107</td>
<td>424,946</td>
</tr>
<tr>
<td>Bank fees and merchant charges</td>
<td>418,334</td>
<td>448,487</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>81,579</td>
<td>140,217</td>
</tr>
<tr>
<td>Rent, rates, power, repairs and other property costs</td>
<td>1,044,368</td>
<td>1,001,201</td>
</tr>
<tr>
<td>Insurance</td>
<td>303,243</td>
<td>281,547</td>
</tr>
<tr>
<td>Project equipment purchases, hire and repairs</td>
<td>456,985</td>
<td>557,670</td>
</tr>
<tr>
<td>Training manuals and consumables used in education and field projects</td>
<td>882,049</td>
<td>847,917</td>
</tr>
<tr>
<td>Scholarships, fellowships and research grants</td>
<td>1,324,379</td>
<td>1,188,863</td>
</tr>
<tr>
<td>Awards, grants, gifts and prizes</td>
<td>683,401</td>
<td>348,254</td>
</tr>
<tr>
<td>Facilities hire and catering costs</td>
<td>2,329,487</td>
<td>1,905,968</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>-</td>
<td>45,043</td>
</tr>
<tr>
<td>Depreciation and amortisation expense</td>
<td>1,653,919</td>
<td>1,403,332</td>
</tr>
<tr>
<td>Specialist societies funding and office bearers costs</td>
<td>2,033,188</td>
<td>1,892,785</td>
</tr>
<tr>
<td>Doubtful debts expense / (reversal)</td>
<td>(12,227)</td>
<td>(71,524)</td>
</tr>
<tr>
<td>Other expenses from operating activities</td>
<td>381,468</td>
<td>234,611</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>37,015,480</td>
<td>33,264,901</td>
</tr>
<tr>
<td>Surplus / (Deficit) from Operating Activities</td>
<td>(533,965)</td>
<td>971,137</td>
</tr>
<tr>
<td>Gain / (Loss) from investments</td>
<td>(8,644,608)</td>
<td>5,161,748</td>
</tr>
<tr>
<td>SURPLUS / (DEFICIT)</td>
<td>(9,178,573)</td>
<td>6,132,885</td>
</tr>
</tbody>
</table>
### Balance Sheet

**As at 31 December 2008**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2008 $</th>
<th>2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9,275,750</td>
<td>8,404,121</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>15,432,253</td>
<td>9,656,970</td>
</tr>
<tr>
<td>Inventories</td>
<td>171,171</td>
<td>98,095</td>
</tr>
<tr>
<td>Prepayments</td>
<td>877,580</td>
<td>431,522</td>
</tr>
<tr>
<td>Investments held for trading financial assets</td>
<td>19,412,459</td>
<td>30,066,139</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>45,169,213</td>
<td>48,656,847</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>888,759</td>
<td>933,896</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>24,120,499</td>
<td>23,528,844</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>25,009,258</td>
<td>24,462,740</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>70,178,471</td>
<td>73,119,587</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2008 $</th>
<th>2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>18,101,409</td>
<td>12,014,909</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,600,704</td>
<td>1,316,530</td>
</tr>
<tr>
<td>Government grants received in advance</td>
<td>7,349,046</td>
<td>6,527,475</td>
</tr>
<tr>
<td>Funds held on behalf of others</td>
<td>3,368,037</td>
<td>3,439,388</td>
</tr>
<tr>
<td>Interest bearing loans &amp; liabilities</td>
<td>1,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>31,419,196</td>
<td>23,298,302</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>269,483</td>
<td>152,920</td>
</tr>
<tr>
<td>Interest bearing loans and liabilities</td>
<td>-</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>269,483</td>
<td>2,152,920</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>31,688,679</td>
<td>25,451,222</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>38,489,792</td>
<td>47,668,365</td>
</tr>
</tbody>
</table>

**Cash Flows from Operating Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $</th>
<th>2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions and entrance fees</td>
<td>8,210,078</td>
<td>9,142,547</td>
</tr>
<tr>
<td>Training, examination and assessment fees</td>
<td>13,876,465</td>
<td>13,463,627</td>
</tr>
<tr>
<td>Sponsorship and donations</td>
<td>1,180,538</td>
<td>1,202,957</td>
</tr>
<tr>
<td>Conference registrations</td>
<td>2,154,941</td>
<td>2,039,241</td>
</tr>
<tr>
<td>Property rental and recoveries</td>
<td>699,209</td>
<td>687,925</td>
</tr>
<tr>
<td>Project income and associated fees</td>
<td>8,443,881</td>
<td>7,667,222</td>
</tr>
<tr>
<td>Interest income</td>
<td>129,864</td>
<td>132,376</td>
</tr>
<tr>
<td>Other income</td>
<td>899,794</td>
<td>1,160,858</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(29,787,720)</td>
<td>(29,815,109)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(81,579)</td>
<td>(140,217)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>5,725,471</td>
<td>5,541,427</td>
</tr>
</tbody>
</table>

**Cash flows from financing and investing activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2008 $</th>
<th>2007 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial bill facility used (repaid)</td>
<td>(1,000,000)</td>
<td>(1,000,000)</td>
</tr>
<tr>
<td>Net movement from investment securities</td>
<td>(1,589,701)</td>
<td>(2,774,084)</td>
</tr>
<tr>
<td>Payments for property plant and equipment</td>
<td>(2,264,141)</td>
<td>(615,573)</td>
</tr>
<tr>
<td><strong>Net cash (used in) financing and investing activities</strong></td>
<td>(4,853,842)</td>
<td>(4,389,657)</td>
</tr>
<tr>
<td><strong>Net increase / (decrease) in cash held</strong></td>
<td>871,629</td>
<td>1,151,770</td>
</tr>
<tr>
<td><strong>Cash at beginning of financial year</strong></td>
<td>8,404,121</td>
<td>7,252,351</td>
</tr>
<tr>
<td><strong>Cash at the end of the financial year</strong></td>
<td>9,275,750</td>
<td>8,404,121</td>
</tr>
</tbody>
</table>
Honorary Treasurer’s Report

ROYAL AUSTRALASIAN COLLEGE OF SURGEONS
REVENUE AND EXPENDITURE – OPERATING ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

2008 REVENUE FROM OPERATING ACTIVITIES

2008 EXPENDITURE FROM OPERATING ACTIVITIES

Deaths of Fellows

Louis Ariotti
Albert Bencsik
Graeme Blake
Peter Blaxland
Geoffrey Burgess
James Carter
Dennis Clements
John Colman
John Connell
David Cole
Desmond Cooper
Shashikant Darbar
Neville Coleman Davis
Dennis Dyason
Peter Gibson
William Gillies
Philip Goatcher
Peter Hewitt
Kenneth Howsam
Andrew Jed
David Johnson
Denis Kermode
Gordon Kerridge
Jack Lancken
Paul Large
Graham La Vere
Donald McClymont
Ian McVey
Frank Mills
Max Minchin
John Moore
Geoffrey Mumme
Morgan Naidoo
Ernest Russell
John Saunders
Peter Sender
Mark Shanahan
Robert Shields
Hamilton D’Arcy Sutherland
Arthur Talbot
Donald Tuffley
Charles Yau
Fellowship

New Fellows

Saleh Abbas
Amal Abou-Hamden
Semisi Aiono
Ales Alashkevich
David Anderson
Radomir Andric
Campbell Baguley
Robert Baird
Jonathon Ball
Kiron Bhata
Adam Blond
Ronald Boet
Richard Bond
Michael Borschmann
Kaye Bowers
Michael Bryant
William Bryceson
Adele Burgess
Hannah Burns
Kelep Jitokoa Cama
Ashley Carr
Charles Chabert
Alvin Cham
Eddie Cheng
Wee Chia
Terence Chin
Joanne Chionth
Josephine Chitty
Wai-Ting Choo
James Clayton
Anthony Clough
Benjamin Cook
Andrei Cornotu
Emma Corrigan
Daniel Croagh
Daron Cunningham
Richard Curran
Ken Davey
Andrew Davidson
Christopher Daynes
Danielle Delaney
Arun Dhir
Maxwell Dias
Francois Du Toit
Senarath Edirimanne
Elisabeth Britt Edstrom Elder
Toufic El-Khoury
Daniel Fick
Michael Findlay
Mikhail Fisher
Walter Flapper
Richard Flint
Christina Foley
Robert Forsyth
Michael Foster
Brett Fritsch
Agneta Fullarton
Ivor Galvin
William Gault
Trevor Gervais
Raj Gogia
Raymond Goh
Darren Gold
Susan Gollep
Darrin Goodall-Wilson
Chu Goon
Randolph Gray
Sanjeev Gupta
Michael Hatziifotis
Gordon Hay
Kiran Hazratwala
Jennifer Hicks
Andrew Higgs
Rupert Hodder
John Hodge
Peter Hodgkinson
David Holthouse
Nezor Houli
Michael Issac
Anuradha Jayathillake
Neil Joshi
Larry Kalish
Harsh Kanhere
Christian Kenfield
Fadil Khaleal
Gautam Khurana
Brett Knowles
Ramesh Kodagallur
Saeed Kohan
Jeremy Kolt
Jonathan Kong
Daniel Kozman
Gawel Kulisewicz
Yahya Lahham
Marco Larobina
Nathan Lawrentschuk
Michael Ledger
Sharon Lee
David Lewis
John Leyland
Wingchi Lo
Peter Lucas
Tinika Macdonald
Peter Maloney
Katherine Martin
Philip McCahy
Hugh McGregor
Glenn McKay
Gary McKay
Jacqueline McMaster
Christopher Merry
Jason Miller
Benjamin Miller
Vladimir Milovic
Mansoor Mirzakhiemni
Michael Miroshnik
Nicholas Moncrieff
Mark Muilmann
Santoshi Nagaokkar
Ana Naiman
Tru Ngo
David Nicholson
Thao Ong
Eugene Ong
Robert Orec
Grant Pang
Harshita Pant
Jurgen Passage
Sandep Patel
Piotr Pater
Michael Payne
Charles Pilgrim
Tobias Pincock
Timothy Pollitt
Franklin Pond
Santosh Poonmoose
Raoul Pope
Mark Porter
Nicolaos Pourgjezis
Rohan Price
Gerald Quan
John Radovanovic
Richard Rahdon
Daniel Rahme
Yasantha Rajapakse
Anand Ramakrishnan
Ranjit Rao
Mark Rider
Dominique Robert
Sandrine Roman
Simon Ryan
Stephen Salerno
Gavin Sandercoe
Chaminda Saranasuriya
Davor Saravanja
Liu-Ming Schmidt
Joseph Schoeman
Pallav Shah
Nitin Sharma
Robert Sharp
Thomas Sharpe
Leanne Shaw
Jaffar Shehatha
Candice Silverman
Paul Smith
Barnaby Smith
Aman Sood
Soundappan Soundappan
Jonathan Spencer
Andrew Stabler
Katherine Stannage
Adam Stewart
Caroline Tan
Chuan Tan
Kim Taylor
Benjamin Teague
Mahiban Thomas
Sarah Thompson
Iain Thomson
Stephen Thwaites
Craig Timms
Keith Towsey
Phong Tran
Cyril Tsan
Shu Hei Tsang
James Tunngal
Jacob Van Der Westhuizen
Ramon Varcoe
Arvind Vasudevan
Laurencia Villalba
Sindy Vrancic
Christopher Wakeman
Douglas Wall
Audrey Wang
Frank Wang
Bao-Zhong Wang
Clifton Washaya
Michael Weymouth
Fiona Whelan
Andrew Williams
Ian Wong
Dennis Chung Tak Wong
Winston Woon
Sumit Yadav
Allen Yeow
Marina Yeow
Kwan Lok Yeung
David Ying
Ian Young
College Supporters

Benefactor List
- Richard Bennett
- The Paul Mackay Bolton Foundation
- Henry Lumley Esq – the Henry Lumley Charitable Trust and the Edward Lumley Fellowship Fund
- Gordon Moffatt
- Brian Morgan
- Elisabeth Morson
- Rowan Nicks
- Diana Ramsey AO
- Francis and Phyllis Thornell-Shore Memorial Trust for Medical Research
- The late Eric Bishop
- The late Marjory Edwards
- The late Margorie Hooper
- The late Eugenie Johnston
- The late T.D. Kelly
- The late Sir Roy McCaughey
- The late William G Norman
- The late Murray Pheils & Unity Pheils
- The late Alan Worcester
- The late Charles Wilson
- The late Elisabeth Unsworth

Sponsors
- Ansell
- Applied Medical
- AstraZeneca
- Australian Society of Plastic Surgeons (ASPS) and New Zealand Association of Plastic Surgery (NZAPS)
- Conmed Linvatec
- Covidien
- Global Traffic Safety Trust
- Goldman Sachs
- Karl Storz Endoscopy
- JBIWere
- Johnson & Johnson
- Kimberly-Clark
- Lumley General Insurance Ltd
- Macquarie Hospital Services
- Matrix Surgical
- Motor Accident Insurance Commission (MAIC) and Centre of National Research on Disability and Rehabilitation Medicine (CONROD)
- MDA National
- Medfin
- Medic Vision
- Merrill Lynch
- Odyssey Finance
- Olympus
- Ramsay Health Care
- Russell Kennedy
- Sanofi-Aventis
- Smith & Nephew
- Sporting Chance Cancer Foundation
- Stryker
- Uniformed Services University of the Health Sciences (USUHS)
- United Medical Protection

Honours & Awards 2008

New Zealand New Year Honours
Officer of the NZ Order of Merit (ONZM)
- Harry Smith
- Alan Hall

Doctor of Laws
- John Hall-Jones

Commander of the Most Venerable Order of the Hospital of Saint John of Jerusalem
- Ian Civil

Australia Day Honours
Officer (AO) in the General Division
- William Glasson
- Michael Brown

Member (AM) in the General Division
- Michael Fearnside
- Jonathan Rush

Medal (OAM) in the General Division
- Robert Sillar

Queen's Birthday Honours
Member (AM) in the general division
- Robert Atkinson RFD
- Russell Stitz RFD

Medal (OAM) in the general division
- David Morgan
- Robert Thomas

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Head Office, College of Surgeons Gardens
Spring Street, Melbourne, Australia 3000

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Facsimile:+61 3 9249 1219
Email: college.sec@surgeons.org