



The Royal  
Australasian  
College of  
Surgeons

# ANNUAL REPORT

2011



# Governance Management Report 2011



Ian Civil  
President

As President, it is my pleasure to present to you the College Annual Report for the year 2011. In compiling this report I am again reminded that we must not allow the frenetic nature of our professional lives and organisational responsibilities to distract us from things that are of enduring importance. In this report I wish to highlight how the College continues to focus not just on the various challenges of a busy year, but also on the issues of lasting importance for our profession.

The College continues to drive and deliver on strategies from an international, bi-national, inter-professional and Fellowship based perspective.

## International Focus



As College President, I delivered one of the eulogies for Mr Rowan Nicks. I deliberately highlight this in the Annual Report because Mr Nicks was a most extraordinary, if not unique, Fellow of the College. After a highly successful career as a

Cardiothoracic Surgeon he committed enormous time, enthusiasm and philanthropic support over many decades to international outreach, enabling surgical collaboration and development in many countries. He was an inspiration to many and a model for us all.

We continue to focus on key partnerships that can increase the reach and value of surgical services and education. Our relationships include historical links as well as new activities. In the former category are our established links with our colleagues in Thailand and Hong Kong. In the latter category Myanmar is developing into an important recipient of course delivery and surgical training. In a country that is rebuilding its health system, and more recently its political structures, the Myanmar Medical Association and other groups are looking to the Australia and New Zealand based medical colleges to

provide much needed expertise. Our educational support is vital as it will help establish the infrastructure critical to improved public health. Linking the philanthropic success of the Foundation of Surgery to these initiatives has meant this still largely unrecognised country can start re-building its health services. These types of initiatives will continue to be a focus for the Foundation and our philanthropic endeavours into the future.

We continue to partner with AusAID in delivering substantial capacity building programs to the Pacific region and also East Timor. In combination with NZ Aid, Fijian surgeons continue to have our support across a number of initiatives.

Educationally, there continues to be active collaboration with the Royal College of Physicians and Surgeons in Canada. Together we have combined with the Royal Australasian College of Physicians over a number of years to conduct workshops around such key educational issues as Professionalism, Competency Based Training and Workplace Assessment.

The College has deliberately forged arrangements with the University of Edinburgh and the College of Surgeons of Edinburgh to review and accredit a number of their e-learning programs. This builds on our College's good work in international collaboration around Training and support for Examiners, the introduction of NOTSS (Non-Technical Skills for Surgeons), the ongoing development of EMST (through the American College), CCRISP (through the English College) and ASSET which was initially structured through the Basic Surgical Skills course.

Maintaining international links is an important responsibility that involves strong personal and collegiate relationships over decades, as well as the support and nurturing of key educational bodies. Recognising the importance of issues around Professionalism and Simulation, the College is also linking with other organisations in United Kingdom like the General Medical Council and the U.K. based Deaneries to see what has been learnt and how education can be delivered in a rapidly changing world.



## Bi-national Influence

The College is the major voice for surgery in interactions between the profession and an increasing number of regulators and government based groups in the health and educational areas. Acronyms abound, but these groups do need to be actively engaged if we are to understand their agendas and their perspectives, and to determine whether working meaningfully together can be beneficial to patients, the profession and the community.

In Australia the Australian Health Practitioner Regulation Agency (AHPRA) is now fully operational as the overarching body for 14 health professional groups. Obviously this College interacts most closely with the Medical Board of Australia (MBA), the regulatory body for medical practitioners. Over the past year submissions and advocacy have focused particularly on issues of Definition of Practice, Registration on Completion of Training and International Medical Graduate Assessment.

The role of the Australian Medical Council (AMC) continues to be re-defined as the regulatory area is re-shaped. The AMC is predominantly focused on accreditation issues and is linking strongly with the Medical Council of New Zealand. There is no doubt that accreditation is becoming more rigorous and the risks of not achieving the required standards more immediate and substantial. The College successfully gained AMC accreditation until 2017 for its nine specialty training programs. Accreditation from the MCNZ will hopefully follow. The College has advocated very strongly over the last 18 months that there are necessary and definite variations between our training programs that require different criteria and approaches, and this has been acknowledged by the AMC. Importantly, this enables the relationship between the College and the 13

Specialty Societies to become far more principle based and less micro-managed than previously.

## Workforce

Health reform continues apace in both Australia and New Zealand. Health Workforce Australia has released and consulted on many discussion documents around the sustainable training of a skilled health workforce. Accordingly, the College undertook major initiatives to understand more fully the surgical workforce. Through the Surgical Workforce Census 2011 and Surgical Workforce Projections into 2025, Volumes 1 and 2, the College will be the foremost authority in this area. The College continues to highlight two key issues: providing enough surgeons for an ageing population in a world where more can be achieved through surgical intervention and, the second, the changing nature of ill health. By way of examples, the entire world of cardiovascular intervention has changed in 30 years, and the increasing incidence and demands of obesity have brought new specialties to the fore. This is a complex area where workforce issues have educational, industrial and scope of practice implications. The College stays fully engaged in this space.

Concerns about the adequacy of workforce arrangements in New Zealand continue to be raised. New Zealand regulatory bodies have raised issues of scope of practice, regulatory oversight and also professional college structures. The College vigorously opposed a proposal to establish an overarching New Zealand College of Medicine with responsibility for all specialty training. Discussion of all these issues did, however, facilitate a better understanding of regional and specialty perspectives and concerns.



## Measuring performance

Measuring performance continues to feature prominently on national reform agendas. The College has made submissions and advocated actively on the management of emergency and elective surgery, structural changes to support improvement and measures such as the Four Hour Rule in emergency departments. Time based targets for emergency departments have a chequered record internationally and the College is adamant that any such targets can only be implemented safely with an appropriate investment in resources across the entire hospital. The College continues to advocate for appropriate acute surgical services with the availability of senior surgical staff. This model is applicable in almost all hospitals. The classification of elective surgery patients remains a significant issue for the Australian government and, following a detailed review of the system, the College is now working with the Australian Institute of Health and Welfare to develop a classification system that can be used uniformly across all regions of Australia. Similar efforts are also underway in New Zealand, with the College helping to develop a classification system for Bariatric Surgery.

## Clinician Involvement

One initiative of particular significance involves an enhanced role for clinicians in the decision making processes underpinning Australian healthcare, and the College made submissions to the Department of Health and Ageing on its proposal to establish Lead Clinicians Groups. Initially envisaged as actively involving clinicians in all hospital networks, the proposal has evolved into a single group of health professionals that will identify nationally relevant priorities and strategies to improve patient care across healthcare sectors, promote evidence based clinical practices and assist with the prioritisation and implementation of clinical standards and guidelines. It is currently headed by Professor Russell Stitz AM, a former President of our College, who will hopefully ensure the effectiveness and prominence of this group.

## Health and IT

The Information Technology revolution continues to unfold in front of us. Although I am personally comfortable with digitised images, Picture



Archiving Solutions, and computer based patient records, I remain concerned about the national approach to health records in Australia and the Personally Controlled Electronic Health Record (PCEHR). Tangible benefits apparently remain elusive into the future. The health sector and substantial investment in Information Technology, be it payroll systems in Queensland or national approaches to patient systems, continue to be like oil and water – a real challenge to mix.

## International Medical Graduate Assessment

During my nine years on College Council there has been ongoing discussion and debate about the assessment of International Medical Graduates, and in the two years of my presidency the issue has been discussed at all levels. The House of Representatives in Australia undertook an inquiry into registration processes and support for Overseas Trained Doctors. This College as well as many other groups made submissions to this inquiry, addressing issues of standards, assessment and support. The assessment panels within the College continue to be modified to enable closer review by the Specialty concerned, and the interface between defined scope of practice and the awarding of the College Fellowship remains a challenge. In New Zealand there is perhaps less angst as medical practitioners can still practice as specialists without a College Fellowship. In Australia the Fellowship represents 'higher stakes' because, currently, it must be achieved for specialist recognition. This arrangement is the product of work undertaken by the Australian Competition and Consumer Commission (ACCC) over the past eight years.



## Inter-Professional

Perhaps the most challenging dynamic during my two year presidency has been the changing relationship between the College and other professional organisations, in particular the increasing number of Specialty Societies. Thirteen Specialty Societies and Associations partner with the College to deliver our AMC/MCNZ accredited training. When our training program was first accredited by the Australian Medical Council in 2001, one of the key recommendations was to align the training programs more effectively at an organisational, administrative and educational level. Professor Kingsley Faulkner, as the College President of the day, and the Presidents of the Specialty Societies agreed on a common Memorandum of Understanding and the more contractual Service Agreement that has defined the approach to Surgical Education and Training over the past 10 years. Over those 10 years all the Societies have increased in their size, standing and capability. Although these Societies still wish to be accredited under the College 'umbrella' to achieve the FRACS qualification, the partnerships need to be redefined and contractual arrangements need to be updated to reflect this. The Australian Medical Council is in full agreement with this. This is one of a number of key tasks now being addressed by working parties comprised of representatives of the College and the Specialty Societies and chaired by Mr Garry Wilson (Expert Community Advisor).

At the same time, the number of Surgical Interest Groups or Sub-specialty Societies has substantially increased. Driven by increased specialisation, more advanced technology and a greater number of practitioners, these groups identify with the goals of better standards, better education and better science. Understandably they are looking to the College for support in these endeavours and assistance in areas like advocacy. The College is now deliberately structuring its key forums to ensure enhanced accessibility for these groups and to facilitate meaningful communication and consultation. Parallel to this,

the College is progressing with the formal acceptance of Post Fellowship Education and Training programs. The College has formally recognised Spinal Surgery, Hand Surgery and Colo-rectal Surgery. Further programs are being assessed.

So what effect does this have on governance by, and representation on, Council, the most senior group in the College structure? Council is acutely aware that the College is a Fellowship based organisation and consequently we represent all Fellows. However, with Fellows now grouped into a larger and changing number of Specialties, it is important these Specialties have a say in the decision making processes of the College. The deliberations about possible methods of achieving this, and the impact it might have on the constitutional and governance structures of the College have commenced. Given the timeline for constitutional change, this issue will be an ongoing challenge for my successor as College President.

## Presence and communication



Amid the intensity of interprofessional dialogue, the key message for me over the past 18 months has been the importance of presence. The presence of the President and other office bearers of the College at Specialty Society meetings and gatherings of Fellows around Australia and New Zealand has been invaluable. We have been left in no doubt that while the Fellowship greatly value the FRACS and understand the overarching role of the College, they seek more meaningful partnerships between the College and the Specialty Societies. References to 'better partnering' and 'greater independence' have been heard and are being addressed.

Increased communication with Fellows and Trainees has been a priority over the past year, particularly with the introduction of the weekly e-Newsletter, Fax Mentis. We are also pushing our message into the public media. In 2011 there were 333 specific references to the College in the media. Issues of audit, peer review and registries such as the joint registry or (the lack of) a breast prosthesis registry, continue to receive media coverage. The College and the Specialty Societies continue to work as a team in profiling issues in the public domain.

One of the more successful partnerships between the College and the Specialty Societies involves the funded expansion of training into the private sector. The Australian government has made a substantial investment in this area, with more than 50 surgical training posts now funded. Obviously more needs to be done in this space, particularly with regard to support for supervisors, but progress has been significant.



## Fellowship

The College continues to focus on the 'value-add' for our Fellows and Trainees. There has been substantial investment in the College's IT infrastructure to enable a more informative e-learning experience. The College has a well recognised and valued resource in the on-line library. Available across all specialties, all the key texts and journals needed for our training and ongoing professional development are available. Further resources and search engines were provided in the latter half of 2011.

The web presence with an underlying learning management system and either upgraded or developed e-learning packages was a priority in 2011 and this will be launched early in 2012.

Other priorities also include better IT support for the Court of Examiners, a greater usability of the web based CPD process and more streamlined financial support systems. The decision to invest in these technology improvements has brought additional budget allocations, but will have a substantial return.

Much of the input on our e-learning initiatives comes from the Academy of Surgical Educators which now has more than 150 members.

### Better use of our resources

Alongside this new investment, there is a focus on maximising the value of existing resources. In 2011 there was a 20 per cent increase in the number of skills courses and College participants through the Victorian Skills Centre. The building in Melbourne is also used extensively by external groups, helping ensure the cost effectiveness of the facility. More than 35,000 attendees were registered in 2011.

The College continues to work with external funds to pilot and develop key initiatives such as the NOTSS (Non-Technical Surgical Skills) program. Australian government grants enable us to continue ground-breaking research into the sustainability of skills learnt through simulation, and the audit of surgical practice with particular emphasis on rural areas. The electronic logbook that is now being progressively implemented will be moved to a mobile accessible platform.

With Continuing Professional Development now mandatory in both Australia and New Zealand, the College will be reviewing the structure of its triennial program in 2012. The College approved 216 courses for CPD purposes in 2011. There are always a number of concerns around CPD. It needs to be more robust, with valid audit, peer review and improvement in practice. It



needs to be relevant to the surgeon's everyday practice. It should enable ready completion and prompt validation. In Australia, participation in Audits of Surgical Mortality is a compulsory component of the CPD program, where it is available as a core audit process. This is supported by state health departments. Separately we provide expertise in audit to a number of surgical groups supported by industry funds.

### Defining the standards

Increasingly, professional groups are being asked to define the standards of their practice. The College first published a Code of Conduct in 2006, updating it in 2011 to reflect the principles of both the AMC/MBA Code of Conduct and the College Pledge. The Pledge has gained increasing prominence over recent years; in combination with the Code of Conduct, it represents a meaningful statement of how we see ourselves and how we want the community to see the surgical profession.

It is in this context that the review of the College Competence and Performance booklet, with an associated 360 degree assessment tool, is most significant. The development of the assessment tool enables us to do our own monitoring, assessment and reflection in order to achieve improvements when and where they are needed. This type of activity, in combination with initiatives like peer practice visits being undertaken by the Orthopaedic Surgeons in New Zealand and increased access to reliable audit tools, are central to Continuing Professional Development and our recognition as standard bearers of professionalism.

Whilst the College progresses development opportunities in clinical leadership, educational leadership and governance through partnerships with groups like the Institute of Company Directors, the University of Melbourne and the University of New England, we remain committed to our educational heritage. There were 142 skills courses conducted in 2011, with more than 1480 medical instructors volunteering for these activities. We introduced a new course, Training in Professional Skills (TIPS), to enhance Trainees' understanding in this vital area. The College's role as an examining body continues to expand, with an increasing number of candidates applying for the Surgical Sciences examinations and the Fellowship examinations. All of these activities depend on the contribution of Fellows of the College. The College continues to value and support research in surgery, with more than \$13 million of research scholarships being advertised in 2011.

The 80th Annual Scientific Congress was held in Adelaide and featured an outstanding program that reflected the extraordinary enthusiasm of the Convenors, the brilliance of local and international contributors and the great professionalism and proficiency of the staff who brought it all together.

### Commitment

The College remains deeply indebted to the Fellows who contribute so substantially to the work of the College. Whether it be as representatives of the College, participation in educational and training courses or

formal involvement in the College governance groups, this commitment is critical to the ongoing endeavours of the College. I do thank you all.

In particular, I would like to thank the Councillors retiring from Council in 2011, Ian Dickinson, Glenn McCulloch, Guy Maddern and Ivan Thomson. Many of the recent initiatives of the College – the Code of Conduct, the Competence and Performance Booklet, Audits of Surgical Mortality, ASERNIPs, Positions on Digital Imaging, constitutional change, the introduction of the Surgical Safety Checklist, the progression of our relationship with Specialty Societies, improving the assessment of International Medical Graduates – were made possible by the work of these Councillors. It is one thing to say 'this should be done', it is quite another to 'roll up ones sleeves' and do it. By contributing to the deliberations of the College, by ensuring initiatives with long timelines are achieved, and by meeting with Fellows, governments and other stakeholders to achieve positive outcomes, these Councillors have enriched their profession. Again, my thanks.

I would particularly like to acknowledge the contribution of the two Expert Community Advisors on Council. Bettina Cass and Garry Wilson bring to the Council table a wealth of experience in the development of social policy, the operation of political systems, the management of government to organisation interfaces and the workings of complex organisations, notably educational facilities. We are particularly fortunate to have their wisdom inform our deliberations and activities.



New Councillors welcomed after the Annual General Meeting were Andrew Brookes, Adrian Nowitzke, Richard Perry, Bruce Twaddle and David Walsh.

I would like to thank all the College staff who daily carry out the work of the College at the discretion of Council. I have always been impressed by the willingness of the staff to provide an enthusiastic service and to go the extra mile to make sure things happen properly. The College management continues to focus on issues of recruitment and retention of staff and we have deliberately put in place policies that ensure flexibility and provision of support in the workplace. Only then can Fellows and Trainees enjoy the excellence of service they rightfully expect. In 2011, substantial effort was invested in the introduction of a new performance assessment process and 360 degree assessments. The College Chief Executive Officer, David Hillis, who co-authored this report, continues to provide management support to myself as President and to Council in all its activities. I thank him for his great work.

The College employs a number of Fellows on staff who undertake distinct roles where surgical input is critical. These include Bruce Barraclough AO, Dean of Education, John Quinn, Executive Director of Surgical Affairs Australia, Allan Panting, Executive Director of Surgical Affairs New Zealand, Campbell Miles, ASC Coordinator, Don Murphy, Clinical Director Victorian Skills Centre, Andrew Roberts, Clinical Director IMG Assessment Unit, and Guy Maddern, Clinical Director ASERNIPs.

The Clinical Directors of the Audits of Surgical Mortality also play a key role in the College. They are: James Aitken (Western Australia); Glenn McCulloch (South Australia); Colin Russell (Victoria); Bob Bohmer (Tasmania); John North (Queensland); John Tharion (ACT); and Michael Fernside AM who is involved with the Mortality Audits in New South Wales.

I would also like to acknowledge the work of Peter Woodruff as Clinical Director of the Overseas Trained Specialist Upskilling and Mentoring project and Frank Miller as the Specialist Training Program Rural Coach.

### In closing

In closing I would like to reflect more personally on a number of issues. The year brought a series of natural disasters. Floods, bush-fires and earthquakes ravaged many parts of Australian and New Zealand. I have talked to many colleagues whose personal, professional and organisational lives have been profoundly affected by these tragedies. I remain in awe of their resilience and at how they reach so deep into their reserves to handle the devastation and address the task of disaster recovery. Our support and sympathy goes out to them all, their families and to their communities as they re-build their lives.

Serving the Fellowship as President is an enormous honour and privilege. I do extend my thanks to you all.

However, I particularly thank my wife Denise who has provided incalculable support to me in this role and in all my other activities. Without the support of those closest to you and their ongoing understanding and sacrifice, involvement in these senior positions would be a quite different undertaking.



David Hillis  
Chief Executive

### Active SET Trainees

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS	NZ	O/S	Total 2011	Total 2010	% Change 10/09
<b>Year 1</b>	7	90	3	48	12	6	60	20	246	44	0	290	259	12.0%
<b>Year 2</b>	4	70	3	34	15	3	53	15	197	44	1	242	287	-15.7%
<b>Year 3</b>	2	62	0	45	18	0	58	17	202	49	2	253	360	-29.7%
<b>Year 4</b>	2	107	0	55	22	2	98	23	309	41	1	351	195	80.0%
<b>Year 5</b>	0	12	0	7	10	0	13	6	48	4	3	55	42	31.0%
<b>Year 6+</b>	0	15	0	1	4	0	9	3	32	1	0	33	24	37.5%
<b>Total</b>	15	356	6	190	81	11	291	84	1034	183	7	1224	1167	4.9%

### Active Fellows of the College

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS	NZ	O/S	Total 2011	Total 2010	% Change 10/09
<b>CAR</b>	5	54	0	34	8	3	48	11	163	24	22	209	199	5.0%
<b>GEN</b>	17	499	14	249	120	26	400	107	1,432	221	153	1,806	1753	3.0%
<b>NEU</b>	4	70	0	36	15	5	51	17	198	19	29	246	242	1.7%
<b>ORT</b>	22	376	5	235	100	20	266	103	1,127	243	49	1,419	1350	5.1%
<b>OTO</b>	8	136	1	76	40	7	100	37	405	74	24	503	479	5.0%
<b>PAE</b>	4	30	0	14	8	2	19	7	84	17	24	125	122	2.5%
<b>PLA</b>	5	101	2	56	34	9	117	39	363	56	21	440	419	5.0%
<b>URO</b>	4	113	1	69	26	10	88	32	343	51	18	412	391	5.4%
<b>VAS</b>	3	52	1	34	16	4	44	12	166	16	2	184	174	5.7%
<b>Sub Total</b>	72	1,431	24	803	367	86	1,133	365	4,281	721	342	5,344	5129	4.2%
<b>OB &amp; GYN</b>	0	2	0	0	0	0	3	0	5	0	0	5	5	0.0%
<b>OPH</b>	3	104	1	39	14	3	74	16	254	12	11	277	287	-3.5%
<b>Total</b>	75	1,537	25	842	381	89	1,210	381	4,540	733	353	5,626	5421	3.8%

As of December 2011



# Treasurer's Report

The Financial Report for the year ended 31 December 2011 is presented together with the Auditor's Report to the College for 2011



Mike Hollands  
Treasurer

It is my pleasure to present this report and highlight the financial position of the College. The year under review has seen continued sound operational performance achieved from the College's core activities. The capital markets have experienced considerable volatility throughout the year which resulted in a negative return from the College's investment portfolio. Despite these challenging economic conditions, the corpus of funds remains well financed and will continue to ensure ongoing funding for the College's commitment to scholarship and research grant related activities. The year has seen continued investment in key education initiatives as part of the 2010-2015 strategic plan which will ensure ongoing benefits in the delivery of services to our Fellows and Trainees.

## Statement of Comprehensive Income

Total operating revenue (excluding investment activities) in 2011 was \$47,878k compared to \$41,898k in 2010 while expenditure was \$47,966k compared to \$39,810k in 2010. Due to the loss on investments of \$1,476k compared with a gain of \$1,221k in 2010, the overall deficit was \$1,612k compared to a surplus of \$3,452k in 2010.

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, Fellowships 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 2011, this revenue amounted to \$34,407k compared to \$32,116k in 2010 while expenditure was \$34,686k compared to \$31,702k in the previous year. The deficit in 2011 was \$279k compared to a surplus of \$414k in 2010.

The result also includes two items of significance. The NSW property was sold in late 2011, for \$3,150k, with a net gain on sale of \$1,161k realised. It is planned that the NSW operations will move to leased office accommodation by April 2012. The

Queensland Surgical Education Centre (QSEC) proposed development at the site of the current Brisbane property has been terminated due to projected increased construction and borrowing costs. The investment of \$1,352k expended for this project has been written off.

The College's operational deficit result is the outcome of additional funding pressures on the operating budget, however, in these challenging times, financial performance for the year is a good outcome.

**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 \$71.9 million.

Projects currently being managed include the International (AusAID), ATLASS, Specialist Training Program, MSAC, Horizon Scanning, MBS Quality Framework, Mortality Audit and Morbidity Audit and Surgical Simulation.

In 2011, project revenue amounted to \$11,957k compared to \$8,965k in 2010 and expenditure was \$11,857k compared to \$8,683k in 2010 resulting in a surplus of \$100k in 2011 compared to \$282k in 2010. This result includes any interest income credited to projects for unspent funds which was \$266k in 2011 compared to \$140k in 2010.

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. The majority of projects are fully covering their overhead costs, which has resulted in a steady decrease in the need for cross subsidisation by the College. In 2011 this subsidy cost was \$7k compared to \$55k in 2010 and \$145k in 2009. The net overhead charge levied on projects was \$900k compared to \$854k in 2010 and provides funding for the College's governance structure and operations utilised to support project related activities.

**Scholarships, Fellowships and Research Grants** of \$819k are funded from bequest funds committed to this purpose and \$397k funded from College operations thereby giving a total commitment for scholarships of \$1,216k compared to \$1,197k or \$658k and \$539k respectively for 2010.

The investment negative return of (4.88%) on the committed

bequest funds of \$16 million resulted in reduced revenue of \$76k in 2011 compared to \$1,121k in 2010. Expenditure was \$801k compared to \$786k in 2010. Overall, the deficit for 2011 was \$725k compared to a surplus of \$335k in 2010.

The College was a significant beneficiary from the estate of the late Rowan Nicks. It is estimated that upon realisation of all estate assets the College will receive a distribution of \$3.6 million. As at 31 December 2011 the College has received \$1 million with all funds to be transferred to the Rowan Nicks International Scholarships and Fellowships corpus to provide ongoing funding for the College's most prestigious international award.

**Foundation and Investment Reserve** includes donations and philanthropic activities and returns on uncommitted funds from the investment portfolio. Revenue for 2011 was a loss of (\$38k) due mainly to negative investment returns compared to \$916k in 2010 while expenditure of \$5,569k in 2011 compared to \$397k in 2010. Overall, the result was a deficit for 2011 of (\$5,607k) compared to \$520k in 2010. Expenditure in 2011 includes source funding of \$4,900k for the establishment of the RACS Scholarship Corpus.

## Key Revenue & Expenditure Items - 2011

- Revenue from Subscriptions, Fees & Levies of \$10,742k compared to \$10,184k received in 2010.
- Training, examination and assessment fees generated \$17,742k compared to \$16,430k in 2010.
- Personnel costs remains the dominant expense relating to the College activities and was \$15,939k compared with \$14,713k in 2010. This increase relates predominately to project related activity staffing and annual salary increase of 3.7%.

## Statement of Financial Position

In 2011, College Funds and Reserves have decreased by 3.2% to \$48,505k. Key movements in assets included a modest decrease in cash and cash equivalents of \$123k primarily due to timing of receipts from annual subscription and training fees in 2011 and increase in current receivables of \$6,044k. Investments held for trading decreased by \$807k mainly due to the negative investment return of 4.88% which was partially offset from the capital contribution of \$1,000k to the Rowan Nicks Scholarship corpus. Current liabilities increased by \$5,615k which was mainly due to an increase in subscription, training and examination billed in 2011 for income related to 2012 and increase in unspent government grants.

The Investment Reserve has decreased from \$6,412k to \$2,449k mainly due to the transfer of source funding of \$3,100k of the \$4,900k transferred to the RACS Scholarship Corpus established in 2010.

## Statement of Cash Flows

The Statement of Cash Flows indicates a net cash inflow for 2011 provided from operating activities of \$7,633k and a net decrease in cash held of \$123k from 2010 mainly due to the combined effects of later billing of the 2012 annual training fees, increased investment in education related initiatives and legal costs associated with the QSEC development.

**In summary**, some of the key 2011 achievements of the College were:

- Delivered 20 Professional Development programs with 4 new programs implemented for an overall attendance of 809 participants.
- Revenue from the SET program provided for an increased distribution to Specialty Societies in accordance with the SET funding agreement.
- Further investment in online library resources including subscriptions to specialty journals/books and new online library search – Summon.
- Administered 1,172 examination candidates (1,015 – 2010), delivered 142 courses across 4 skills training programs and achieved ongoing AMC Accreditation for a further 5 years until 2017.
- Continuing to work in partnership with AusAID to deliver training and strengthen surgical skills in a range of international aid programs for the Pacific Islands, Papua New Guinea, East Timor and Myanmar.
- Ongoing significant investment in Information Technology to support educational, professional development and other initiatives to support Fellows and Trainees.
- Development of the Advocacy and Communications Strategic plan and active engagement with government agencies.
- Introduction of a College e-Newsletter, Fax Mentis, which is transmitted weekly to Fellows and Trainees.

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 Brian Randall (Investment), Mr Stuart Gooley (Audit & Finance), Mr Reg Hobbs (Property), Mr Michael Randall (Investment), Mr John Craven (Information Technology) and Mr Chesley Taylor (Investment) for their generous and valued support during the year. The College is extremely grateful to all our Honorary Advisers for their wise counsel and support in relation to finance, investment, property, IT and audit matters. 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.

The College 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.

**Michael Hollands, Treasurer**

## Councillors' Declaration

The Councillors of the Royal Australasian College of Surgeons declare that the summarised financial report set out on pages 12 and 13 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 2011. On behalf of the Councillors

I D S CIVIL, **President**

M J HOLLANDS, **Treasurer**

D J HILLIS, **Chief Executive Officer,**

**Melbourne 24 February 2012**



### Independent Audit report to members of the RACS

We have audited the summarised financial report of the Royal Australasian College of Surgeons as at 31 December 2011, 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 2011.

### 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. 24 February 2012

### Statement of Comprehensive Income

For the financial year ended 31 December 2011

	Notes	2011 \$	2010 \$
Revenue from operating activities		46,716,893	41,897,931
Gain on sale of NSW property		1,160,905	-
Other income / (loss) – from investments		(1,476,130)	1,220,799
<b>Revenue</b>		<b>46,401,668</b>	<b>43,118,730</b>
<b>Expenditure</b>			
Personnel costs		15,939,017	14,712,671
Consultants fees - clinical		882,240	1,195,824
Consultants fees - management		1,370,693	973,994
Telephone, teleconference and audio visual costs		731,249	764,499
Printing, stationery and photocopying		1,490,627	1,468,294
Postage and courier costs		621,534	680,520
Information system costs		1,342,248	1,011,633
Travel and accommodation		4,675,054	4,719,679
Associations and publications		285,799	281,894
Audit, legal and professional fees		609,085	554,713
Bank fees and merchant charges		464,497	496,809
Rent, rates, power, repairs and other property costs		1,550,629	1,268,100
Insurance		327,427	336,683
Project equipment purchases, hire and repairs		478,217	433,269
Training manuals and consumables used in education and field projects		731,951	1,166,636
Scholarships, fellowships and research grants		1,215,979	1,197,428
Awards, other grants, gifts and prizes		1,188,158	361,697
External grants		3,661,611	66,075
Facilities hire and catering costs		2,649,508	2,447,162
Foreign exchange loss		7,397	13,950
Depreciation and amortisation expense		2,574,002	1,843,426
Specialist societies funding costs		3,536,041	3,345,699
Committee and office bearers costs		65,588	103,966
Doubtful debts expense / (reversal)		13,648	(12,798)
QSEC write-off – development and legal costs		1,351,852	-
Other expenses from operating activities		202,155	377,878
<b>Expenditure</b>		<b>47,966,206</b>	<b>39,809,701</b>
<b>Surplus / (Deficit) for the period</b>		<b>(1,564,538)</b>	<b>3,309,029</b>
Other Comprehensive Income			
Foreign currency translation		(47,276)	143,009
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>5</b>	<b>(1,611,814)</b>	<b>3,452,038</b>

As of December 2011

### Statement of financial position

For the financial year ended 31 December 2011

	Notes	2011 \$	2010 \$
<b>Assets</b>			
Cash and short term deposits	6	10,581,605	10,704,801
Trade and other receivables	7	189,681,151	12,924,506
Inventories	8	167,138	159,066
Prepayments		1,547,226	1,002,599
Held for trading financial assets	9	28,919,322	29,727,073
<b>Total Current Assets</b>		<b>60,183,442</b>	<b>54,518,045</b>
<b>Non-Current Assets</b>			
Trade and other receivables	10	763,798	792,954
Property, plant and equipment	11	24,768,464	26,155,733
<b>Total Non-Current Assets</b>		<b>25,532,262</b>	<b>26,948,687</b>
<b>TOTAL ASSETS</b>		<b>85,715,704</b>	<b>81,466,732</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	4,189,733	3,260,704
Provisions	13	2,391,274	2,269,013
Income in advance	14	19,298,200	17,038,960
Government grants received in advance		7,325,662	4,118,852
Funds held on behalf of others	15	3,716,987	4,619,372
<b>Total Current Liabilities</b>		<b>36,921,856</b>	<b>31,306,901</b>
<b>Non-Current Liabilities</b>			
Provisions	16	288,464	42,633
<b>Total Non-Current Liabilities</b>		<b>288,464</b>	<b>42,633</b>
<b>TOTAL LIABILITIES</b>		<b>37,210,320</b>	<b>31,349,534</b>
<b>NET ASSETS</b>		<b>48,505,384</b>	<b>50,117,198</b>
<b>College funds and reserves</b>			
Retained surplus		46,056,635	43,705,337
Investment earnings reserve		2,448,749	6,411,861
<b>TOTAL COLLEGE FUNDS AND RESERVES</b>		<b>48,505,384</b>	<b>50,117,198</b>

### Statement of cash flows

For the financial year ended 31 December 2011

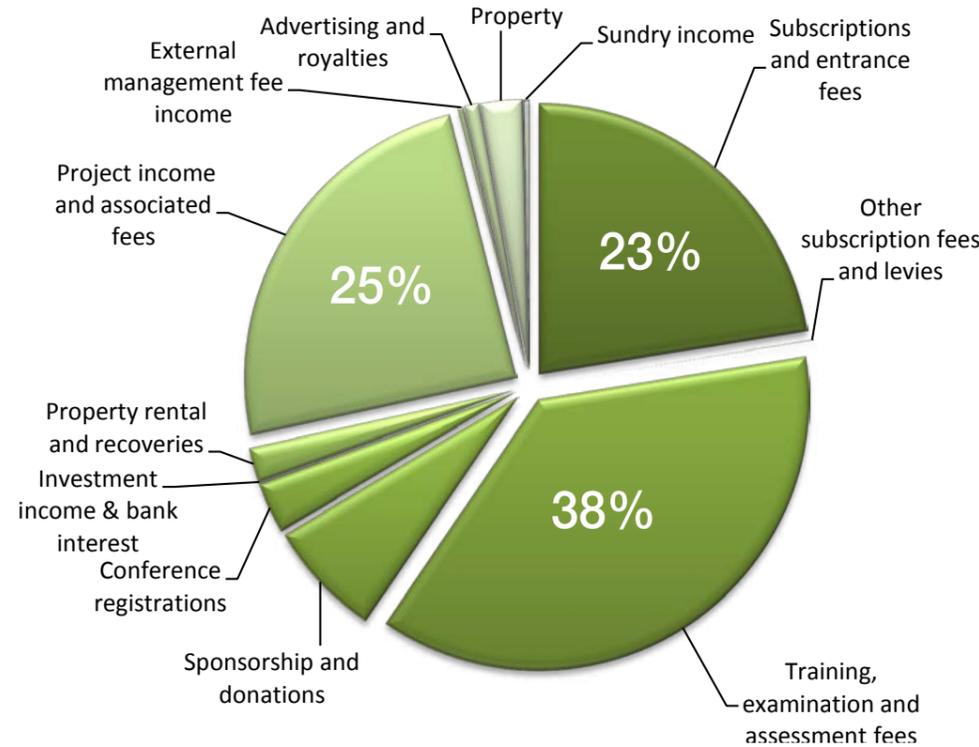
		2011 \$	2010 \$
<b>Operating activities</b>			
Subscriptions and entrance fees		9,563,176	12,607,998
Training, examination and assessment fees		17,889,752	17,902,183
Sponsorship and donations		3,153,330	4,275,099
Conference registrations		1,283,351	1,762,618
Property rental and recoveries		927,881	896,003
Project income and associated fees		16,987,601	7,762,668
Interest income		35,671	31,670
Other income		336,535	287,814
Payments to suppliers and employees		(42,544,266)	(35,295,381)
<b>Net cash flows from operating activities</b>	<b>6</b>	<b>7,633,031</b>	<b>10,230,672</b>
<b>Investing activities</b>			
Net movement from investment securities		(3,823,815)	(3,135,020)
Payments for property plant and equipment		(3,932,412)	(3,720,408)
<b>Net cash flows used in investing activities</b>		<b>(7,756,227)</b>	<b>(6,855,428)</b>
<b>Financing activities</b>			
Net cash flows used in financing activities		-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(123,196)</b>	<b>3,375,244</b>
Cash and cash equivalents at 1 January 2011		10,704,801	7,329,557
<b>Cash and cash equivalents at 31 December 2011</b>	<b>6</b>	<b>10,581,605</b>	<b>10,704,801</b>

As of December 2011

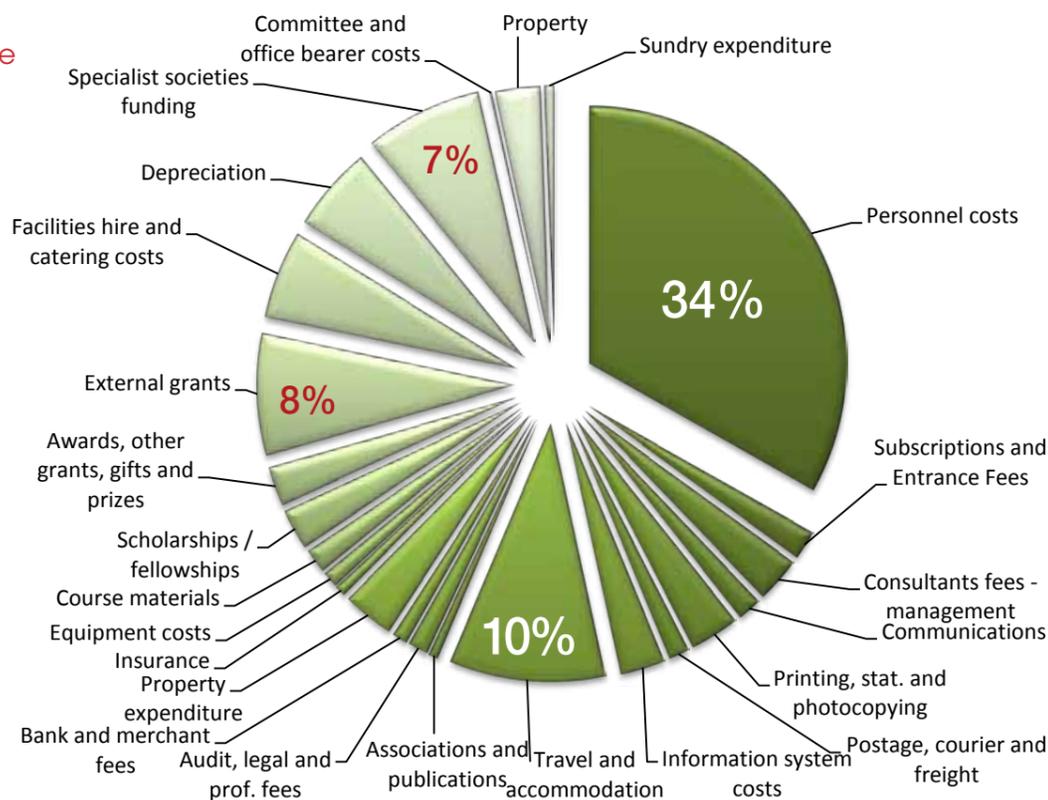


## Revenue and expenditure for the financial year ended 31 December 2011

**COLLEGE ACTIVITIES**  
Total Revenue  
2011 -  
**\$46,401,668**



**COLLEGE ACTIVITIES**  
Total Expenditure  
2011 -  
**\$48,013,482**



## New Fellows 2011

Dr Douraid Abbas  
Mr Rafael Acosta Rojas  
Dr Sanjay Adusumilli  
Dr Naveed Alam  
Dr Ali Aldameh  
Dr Paul Allcock  
Dr Nagham Al-Mozany  
Dr Ghiyath Alsnih  
Dr Sven Anders  
Dr Syed Andrabi  
Dr Nagy Andrawis  
Mr Stephen Andrews  
Dr Idris Arogundade  
Dr James Askew  
Dr Anthony Athanasioy  
Dr Alan Atherstone  
Dr Gary Avery  
Dr Katherine Baguley  
Dr Arul Bala  
Dr Buddhika Balalla  
Dr Sharmila Balanathan  
Dr Herman Basson  
Dr Kevin Bax  
Dr John Beer  
Dr Mayank Bhandari  
Dr Keshav Bhattarai  
Dr Roger Bingham  
Dr Shane Blackmore  
Dr Murray Blythe  
Mr Lyndon Bradley  
Dr Anthony Bradshaw  
Mr Miguel Bravo  
Dr David Broe  
Assoc Prof Nicholas Brook  
Mr Paul Bumbak  
Dr Catherine Burns  
Dr Benjamin Campbell  
Mr Salim Chalooob  
Dr Belinda Chan  
Dr Justin Chee  
Dr Michael Cheesman  
Dr Anthony Cheng  
Dr Ronald Chin  
Dr James Chiu  
Dr Sydney Chng  
Dr Tae Cho  
Dr Adrian Clubb  
Dr Niall Corcoran  
Dr Samuel Cunneen  
Dr Paromita Das Gupta  
Dr Adam Davies  
Dr Dayan De Fontgalland  
Dr Kumud Dhital  
Dr Ashish Diwan  
Dr John Doneley  
Dr Samuel Dowthwaite  
Dr Basil D'Souza  
Dr Zdenek Dubrava  
Dr Christopher Dunkley  
Dr Kevin Eng  
Dr Jimmy Eteuati  
Dr Jacob Fairhall  
Dr Robert Fassina  
Mr Duncan Ferguson  
Mr Adrian Flemming  
Dr Beverley Fosh  
Dr Jason Free  
Dr Erick Fuentes  
Dr Andrew Fuller  
Dr Johan Gani  
Dr George Gayagay  
Dr Marjan Ghadiri  
Dr Christopher Gillespie  
Dr Rowan Gillies  
Dr Anthony Glover  
Dr Keith Gomes  
Dr Carlos Gonzalvo  
Dr Benjamin Gooden  
Dr Benjamin Green  
Dr Michael Gross

Dr Indunil Gunawardena  
Dr David Gyorki  
Dr Tanya Ha  
Dr Dominic Hannan  
Dr Mitchell Hansen  
Dr Peter Hansen  
Dr Matthew Harper  
Dr Peter Harris  
Dr Dennis Hartig  
Dr Nathan Hartin  
Dr Isaac Harvey  
Dr Jonathan Heather  
Dr Matthew Henderson  
Dr Jonathan Hong  
Dr Tania Hossack  
Dr Steven Hudson  
Dr Guillermo Hurtado Espinoza  
Dr Anthony Hutton  
Dr Wisam Ihsheish  
Dr Mouhannad Jaber  
Dr David James  
Dr Suren Jayaweera  
Dr Richard Johnston  
Dr Muhammad Kahloon  
Dr Smariti Kapila  
Mr Elan Kaplan  
Dr Tom Karl  
Dr Jonathan Karpelowsky  
Dr Rishi Kaushal  
Dr Richard Kerdic  
Dr Naem Khan  
Dr Yasser Khatib  
Dr Oliver Khoo  
Dr Georgina King  
Dr Justin Kong  
Dr Igor Konstantinov  
Dr Eva Koo  
Dr Jafri Kuthubutheen  
Dr Benjamin Kwok  
Dr Richard Large  
Dr Jerome Laurence  
Dr Anna Lawrence  
Dr Torey Lawrence  
Dr Matthew Lawson-Smith  
Dr Philip Le Page  
Dr Johan Le Roux  
Dr Mathew Lee  
Dr Joanna Lenaghan  
Dr Domenic Leonello  
Dr Jee-Young Leong  
Mr Jonathan Lewin  
Dr Tao Lim  
Dr Charlie Lin  
Dr Adrian Ling  
Mr Yunfan (Chris) Lu  
Dr Amiria Lynch  
Mr Philip Lyndon  
Dr Emily MaCassey  
Dr Cameron Mackay  
Dr Stuart MacKenzie  
Dr Rebecca Magee  
Dr Sheanna Maine  
Dr Timothy Makeham  
Dr Alexander Malone  
Dr Pascal Mancuso  
Dr Anna Manolopoulos  
Dr Sachin Mathur  
Mr Raoul Mayer  
Dr Laurence McEntee  
Dr Timothy McMeniman  
Mr Deepak Mehrotra  
Dr Peter Mews  
Dr Jon Paul Meyer  
Dr Sergei Mitnovetski  
Dr Anubhav Mittal  
Dr Pouria Moradi  
Dr Geoffrey Muduoia  
Assoc Prof Declan Murphy  
Dr John Mutu-Grigg  
Dr Quan Ngo

Dr Binh Nguyen  
Dr Yishay Orr  
Dr Michael Otlely  
Mr Simon Overstall  
Dr Michael Ow-Yang  
Dr John Ozmen  
Dr Swapnil Pandit  
Dr Dominic Parry  
Dr Theodoros Partsalis  
Dr Bhavesh Patel  
Mr Rajan Patel  
Dr Jacques Perry  
Dr Grant Phillips  
Dr Alexander Phoon  
Dr Andries Pienaar  
Dr Morgan Pokorny  
Mr Chetan Pradhan  
Dr Subhita Prasannan  
Dr Per Prisell  
Dr Alkis Psaltis  
Dr Shaun Purkiss  
Dr Marcus Pyragius  
Dr Niruben Rajasagaram  
Dr Quentin Ralph  
Dr Kundam Reddy  
Dr Arash Riazi  
Mr Konrad Richter  
Dr Sophie Ricketts  
Dr Faruque Riffat  
Dr Daniel Robinson  
Dr John Rophael  
Dr Jason Roth  
Dr Matthias Russ  
Dr Amira Sanki  
Dr Raja Sawhney  
Dr Alexander Saxby  
Dr Bernard Schick  
Dr Mathew Sebastian  
Dr Michael Selby  
Dr Ekrem Serefli  
Dr Peter Shapkov  
Dr Shannon Sim  
Dr Paul Simpson  
Dr Geoffrey Smith  
Dr Christopher Smithers  
Dr Rupert Snyman  
Dr Girish Somasekharan  
Dr Anand Suruliraj  
Dr Saifulla Syed  
Dr Duy Thai  
Dr Gregory Then  
Dr Jillian Tomlinson  
Dr Christopher Tracey  
Dr Linh Trinh  
Dr Rupert Van Rooyen  
Dr Gabriella Vasica  
Dr Antonio Vega Vega  
Dr Austin Vo  
Dr Marian Vrtik  
Dr Carley Vuillermin  
Dr Patrick Walsh  
Dr Nicola Ward  
Dr Richard Ward-Harvey  
Dr Ross Warner  
Dr Kerry Edgar Clark  
Dr Cecilia Wee  
Dr Benjamin Wei  
Dr Stephanie Weidlich  
Mr Raigama Wijeratne  
Dr Andrew Williams  
Dr Nicole Williams  
Dr Christopher Wilson  
Dr Nichola Wilson  
Dr Alex Wong  
Dr Eva Wong  
Dr Lih-Ming Wong  
Dr Wysun Wong

Dr Yew Wong  
Dr Hong Xia  
Dr Yi Xie  
Dr Cheng-Hon Yap  
Dr Dean Yeh  
Dr Tuck Yong  
Dr Simon Young  
Dr Vivian Yu

## Deaths of Fellows

**Australia**  
Mr Robert Desmond Marshall  
Mr William Grant Doig  
Mr Morgan Francis Windsor, MBE  
Mr Geoffrey Claude Grassby  
Mr Kevin William Hinrichsen  
Ms Lena Elizabeth McEwan  
Mr Peter Ingram Cromack  
Mr Peter Halliday  
Mr John Ridley Solomon  
Mr Ronald Thomas Todd  
Mr Nicholas Anthony Packham  
Mr John Efratios Venerys  
Assoc Prof Phillip Sydney Hunt  
Mr Aubrey William Jansz  
Mr Max Clifford Moore, AM  
Prof Aubrey Charles Bowring, AM  
Mr David Treasure Cousins  
Mr Gordon Stuart Baron-Hay  
Mr Paul Rex Balfour Kitchen  
Mr William Keith Ross MacKenzie  
Assoc Prof Robert Anthony MacMahon, AM  
Mr Henry Lorenz Eaton  
Mr Peter Henry Markham Barnes  
Mr William John Everingham  
Mr Jeffrey George Mander  
Mr Ronald Leslie Eisner  
Mr David Norman Chamberlain  
Mr John Michael Buckingham, AM  
Mr Neil Mac Kay Miles  
Mr Emil Andrew Popovic  
Mr Frank Douglas Stephens, AO, DSO  
Mr Edward William Gibson  
Mr Rowan Nicks, OBE  
Mr Allan Gordon Campbell  
Mr Douglas Harry Cohen, AM  
Mr Simon Paul Leon Bernard

**New Zealand**  
Prof James Lawrence Wright, OBE  
Mr Alan Grenfell Morgan  
Mr Samuel Philip Wrightson, MBE  
Mr Murray Richard Ashbridge  
Mr Raymond Victor James Windsor, OBE  
Mr Donald Urquhart-Hay  
Mr Duncan Jules Simon  
Mr Kerry Edgar Clark  
Mr Robert John Utley  
Mr Ross Lewis Bohm

**Overseas**  
Prof Leslie Ernest Hughes  
Prof Hugh Arnold Freeman Dudley, CBE  
Gopal Ayer Sreenevasan  
Mr Konthath Achutha Menon  
Mr Kwok Wing Lee  
Dr Aird Hill Eti Enosa



Attendees at October 2011 Council

**Front row left to right:** Bettina Cass, Michael Grigg, Catherine Ferguson, Keith Mutimer, Rob Black, Ian Civil, Philip Truskett, Mark Edwards, John Quinn, Spencer Beasley, Marianne Vonau, Michael Hollands and Ian Bennett.

**Second row left to right:** David Watters, Andrew Brooks, Vincent Cousins, Helen O'Connell, Richard Perry, Steve Leibman, Adrian Nowitzke and John Batten

**Back row left to right:** Scott Stevenson, Graeme Campbell, Sam Baker, Hugh Martin, Simon Williams, Julian Smith, Gary Wilson, Greg O'Grady, Allan Panting and Bruce Barraclough



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Australasian  
College of  
Surgeons

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E: college.sec@surgeons.org



## Foundation for Surgery

### MAJOR BENEFACTORS

Professor Richard Bennett AM  
The late Mr Eric Bishop  
The Paul Mackay Bolton Foundation  
Mr Brendan Dooley  
The late Mrs Marjory Edwards  
The late Mr Roy Edwards  
Professor Ian and Mrs Ruth Gough  
The late Mrs Margorie Hooper  
Dr Mary Jepson  
The late Mrs Eugenie Johnston  
The late T. D. Kelly  
Mr Henry Lumley Esq – the Henry Lumley Charitable Trust and the Edward Lumley Fellowship Fund  
The late Sir Roy McCaughey  
Mr Gordon Moffatt  
Mr Brian Morgan AM  
Mrs Elisabeth Morson  
The late Mr Rowan Nicks OBE  
The late Mr William G Norman  
The late Emeritus Professor Murray Pheils and Mrs Unity Pheils  
Mrs Diana Ramsay  
Francis and Phyllis Thornell-Shore Memorial Trust for Medical Research  
The late Mrs Elisabeth Unsworth  
The late Mr Peter Williams & the Kimberley Foundation  
The late Mr Charles Wilson  
The late Mr Alan Worcester

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## Honours and Awards

### NEW ZEALAND

### NEW YEAR

### HONOURS 2011

Officer of the New Zealand Order of Merit (ONZM)

> A/Professor Jean-Claude Theis

### AUSTRALIA DAY

### HONOURS 2011

Member in the General Division (AM)

> Mr Arthur Joseph Day  
> Dr Bruce Kristian Foster  
> A/Professor Ivan Goldberg  
> Dr Mark Edward Loane  
> Professor Michael Patkin  
> Dr Charles Roe  
> Dr Charles Teo

Medal in the General Division (OAM)

> Dr Laurence Simpson  
> Dr Francis Sullivan  
> A/Professor Marianne Vonau

### QUEEN'S BIRTHDAY

### HONOURS 2011

### AUSTRALIA

Member in the General Division (AM)

> A/Professor Barry Hicks  
> Professor Jeffrey Rosenfeld

Member in the General Division (OAM)

> Mr David Davidson  
> Professor John Royle  
> A/Professor James Wyllie

### NEW ZEALAND

Officer of the New Zealand Order of Merit (ONZM):

> Professor Swee Thong Tan