

The Royal Australasian College of Surgeons 2010

The College of Surgeons New Zealand





lan Civil **President**





Governance Management Report

s College President, it is my pleasure to present to you the Annual Report for 2010. As this report is being prepared, Australia and New Zealand are recovering from a series of natural disasters, and perhaps the lesson of 2010 is that as we plan and strategise, we still need the capacity to respond promptly and effectively to both disasters and opportunities.

As surgeons, that is something we do on a personal, professional and College level. The number of surgeons who are "trauma ready" and able to assist in disasters is substantial. As we reflect on our personal and professional goals in 2011, this is a capability the community expects us to maintain.

Our support and sympathy goes out to those affected by flooding and cyclonic activity in Australia's eastern states, by the earthquake that devastated Christchurch, and by drought and bushfires. From the scenes of complete devastation seen on our television to the smaller, but still substantial events that disrupt international travel and test our health facilities, nature can suddenly throw lives and routines into disarray.

The year has been one of many successes and the reinforcement of a number of key strategies. The College has emerged from the global financial crisis in a sound financial position. Thanks to careful planning we are now able to commit to a number of projects, which will substantially improve our information technology profile and e-learning capability.

Foundation for Surgery

The Foundation for Surgery implemented a number of new fundraising initiatives, which generated enhanced support from Fellows and philanthropic entities and resulted in an increase in donations, raising more than \$1,000,000 for scholarships, research, international programs and indigenous health initiatives.

With substantial support from the Foundation for Surgery a corpus has been established to fund the College's research scholarships with much less reliance on yearly budget allocations. The College is committed to ensuring sustainability of its programs and to have models of service delivery that create value, while at the same time, limiting financial exposure into the future.

Academy of Surgical Educators

With the Foundation now re-established and with significant funding programs in place, it is also pleasing to note that the Academy of Surgical Educators has taken substantial form. The Academy has been developed as a key resource for all Fellows and Trainees involved in the educational activities of the College. With its membership requirements defined, it is now actively recruiting.

The initial focus has been to review the types of support and training that our educators require. A number of initiatives are underway, either internally or in association with partners such as universities, to provide educational courses at a number of levels – from weekend courses to formal diplomas,

In 2010 The ANZ Journal of Surgery website, anzjsurg.com was launched The 2009 Surgical Workforce Census findings were published in March and distributed to Fellows with Surgical News



to masters programs. Equally, the Academy is initiating a number of strategies that should enable the College to play a strong role of educational leadership.

The College has been committed to a competency based educational program aligned to the CanMEDS approach for some years. We need to understand more fully how all the competencies are being addressed in terms of formal curricula and assessment. A detailed review of all the competencies is highlighting the importance not only of more traditional medical and technical expertise and clinical decision making, but of the critical nature of the other competencies. These include management and leadership, collaboration, communication, scholarship and teaching, health advocacy and professionalism.

The challenge of professionalism

It is on the more professionally aligned competencies that the Academy believes this College must place major emphasis. Internationally this is being reinforced on an almost daily basis and it will be important that the College works with other organisations to ensure a comprehensive range of educational and assessment tools are available.

Indeed the Hon. Geoffrey Davies, the inaugural Expert Community Advisor on Council, has highlighted to the College and to our specialty societies how our professional responsibilities to the communities we serve are not always apparent and how they may be confused by the pressure of market forces.

Surgical Knowledge Hub, e-learning and mobility

The educational and knowledge based requirements for surgery are significantly changing. The College has recognised this and is now substantially upgrading its information technology infrastructure, its web profile and its capacity to communicate through mobile telecommunication devices. Although achieving this will take a number of months the College will position itself to be a source of surgical knowledge as well as e-learning based material.

The training curricula and requirements for Trainees, as well as the ongoing professional development requirements of Fellows, need to be available in an e-learning environment. The College is making a substantial investment of resources and capacity to see this successfully achieved. **In 2010,** 94 per cent of Fellows met the requirements of the Continuing Professional Development (CPD) program. Forty-two per cent of Fellows used CPD Online, up from 25 per cent in 2008. The College approved 234 educational activities for CPD points. The Professional Development Department delivered 27 different courses. It conducted 64 events with 814 participants.



Unifying – the College purpose

The College remains firmly committed to its purpose of being the unifying force for surgery. With ever narrower specialisation within surgery it is important that the College continues to focus on the issues that bind all of surgery together. This continues to be achieved through the regular Surgical Leaders' Forums where leaders in health reform, workforce strategy and hospital service delivery can address and be questioned by the presidents of all the specialty societies and College councillors.

College Council also agreed to prioritise funding to ensure that office bearers can attend and address specialty societies' annual scientific meetings, and have College staff provide information on College programs through booth space at industry exhibitions. The Council is committed to ongoing bidirectional dialogue with all the surgical specialties to ensure issues of concern can be addressed and resolved.

Reform or rhetoric – where are the politicians?

Surgeons remain concerned about the ongoing political rhetoric surrounding Australian health sector reform. There appears to be widespread agreement that the health sector must be reformed if there is to be ongoing sustainability of the system and any substantial improvement in health outcomes. We have grown weary of ad-hoc announcements and arrangements, fragmented programs and political spin. Not only does this apply to the public

Not only does this apply to the public sector, but increasingly to the private sector as well. In both sectors there appears to be decreasing willingness to involve clinicians in key decisions or in ongoing issues of management.

In numerous submissions that the College has made during the reform process, the College has consistently highlighted the requirements for clarity of funding, the need for more hospital beds, the need to recognise and reward quality and effectiveness as well as efficiency, and the necessity to involve clinicians on an ongoing basis.

At this point in time the Australian health reform process has entered a new phase, with many supposedly finalised reforms being unpicked after recent federal and state elections.

In New Zealand the National Health Board was established to provide a regional or national perspective on health service delivery and to improve coordination and planning across the separate district health boards. Identified national programs include paediatric cardiac surgery, neurosurgery and major trauma. All of these initiatives will be clinician led.

Changing regulators

The Australian Health Practitioners Regulation Agency is now established and overseeing the work of one of its component parts, the Medical Board of Australia. Registration is now a national process in Australia, although there is still considerable controversy surrounding such issues as mandatory reporting, use of surgeon as a title, registration for Area of Need type positions and interaction with the other health professions' registration boards. Equally, the interaction between the Australian Medical Council, the Medical Board of Australia and other agencies remains uncertain, with the responsibilities of each too vaguely defined.

Health Workforce New Zealand was established by the Minister of Health as the single unit to lead and coordinate all national health workforce planning and development, taking over the work of the previous Clinical Training Agency. It is exploring a number of models to improve workforce planning, including Advanced Training Scheme

In 2010 the College oversaw 1,015 examination candidates. Compared with 2009, there was an 11 per cent increase in the number of candidates presenting for the Fellowship Examination, a 23 per cent increase in candidates presenting for the Surgical Science Generic Examination, and a 25 per cent increase in candidates presenting for

the Clinical Examination.

Scholarships to enable training overseas.

Health Workforce Australia has also been established with a brief to ensure the sustainability of all the health professions in Australia. Given the very high dependence that Australia and New Zealand have on overseas trained health professionals of all types, this is a most significant endeavour.

As most Fellows are aware, there has been a substantial increase in the number of medical schools over the past five years and a doubling of medical school graduates between 2006 and 2012. What has not substantially increased, however, is the number of vocational, post graduate training places across the medical specialities.

It is the College's view that most training posts in the public sector have already been identified, and that the private sector – providing more than 50 per cent of elective service delivery in New Zealand and more than 60 per cent in Australia – needs to be more adequately resourced so as to include surgical training among its activities.

The College hosted workshops in both Australia and New Zealand, attended by stakeholders including hospitals, insurers, governments and other medical colleges, to try and progress this initiative. What is needed is bravery and commitment on the part of government, and agencies like Health Workforce Australia and Health Workforce New Zealand. They should undertake to explore models in the private sector that can be fully developed over time.

In 2010, the Skills Training Department delivered 134 courses across four programs, including four instructor courses and three outreach courses (two in Fiji and one in PNG).





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The time of IT in health?

The need to improve the information technology underpinning the health sector is becoming increasingly apparent. Unfortunately the implementation of IT related reform remains a challenge of the highest order. Most hospitals and health departments have a growing list of IT projects that can at best be characterised as wasted opportunities.

The College is now more involved in the consultative process around the National E-Health Transition Authority (NEHTA). We remain seriously concerned that the systems proposed will not handle the complexity of the health system and the requirements of its multiple stakeholders. The College is committed to ensuring the highest standards of IT based services are achieved and to this end its Digital Diagnostic Imaging Guidelines have been very well received. Obviously affecting a number of disciplines, but particularly Orthopaedic Surgery, these guidelines are now being incorporated into standards documents in a number of countries.

Constitutional change

The College through a vote of all the Fellowship formally accepted a new constitution in 2010. It is a modern constitution, ensuring the College can move forward while respecting its finest traditions. One of the key changes is the formal incorporation of the Trainee's position as a co-opted member of Council with voting rights. This is a very important step forward, ensuring the Trainee voice is heard and respected on all College issues.

In 2010, there were more than 1,500 room bookings at the College's Melbourne building for events attended by a cumulative total of 31,000 people. More than 1,300 people participated in 64 events in the Skills Laboratory. **In 2010** the New Zealand National Board secured sponsorship from NZAID for the Pacific Islands Surgeons Association meeting in Vanuatu in August, and provided the administration for this meeting. New Zealand delivered the Surgery 2010: Challenges in Acute Care conference with registrants from all nine surgical specialties.

9-13 August 2010 Port Vila, Vanuatu



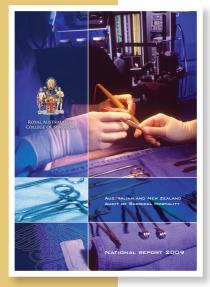
Advocacy for better surgical services

The College continues to advocate in all regions for greater funding and better surgical service models in hospitals. There is no doubt that a commitment to better structured, consultant led delivery of acute or emergency surgical care leads to improved patient outcomes. This has now been implemented in a number of hospitals around Australia and has been reviewed formally in publications such as the ANZ Journal of Surgery. The College continues to encourage its Fellows to be closely involved with reviewing and improving models of acute surgery delivery.

The four hour rule relates to the number of hours a patient can be under assessment

in emergency departments before being admitted or discharged. Initially introduced in the UK it has now apparently fallen into disrepute and has been substantially modified if not withdrawn.

A number of Australian states introduced the rule, with a negative impact on the provision of surgical consultative services and the standard of patient care. In New Zealand, the six hour rule has been introduced, giving rise to many of the same problems. Again, the College's various regional committees continue to provide feedback to their respective departments of health on this and other issues of service delivery, making a positive contribution to the vital matter of service quality and improvement. **In 2010,** there were 16 surgeons participating for the first time in the National Breast Cancer Audit, bringing the total number to 262. There were 6,128 cases uploaded from other hospitals and registries, which amounts to 38 per cent of the cases entered into the audit in 2010. There are now more than 100,000 cases recorded in the audit, providing a substantial resource for future research.





ANNUAL REPORT 2010

Mortality Audits

It is almost 10 years since surgical mortality audits were introduced into Australia through the Western Australia Audit of Surgical Mortality. This has now been expanded to all regions of Australia and includes most public and many private hospitals. Maintaining the consistency of the data collection has been a constant requirement through the regional audit processes and this has now enabled the first National Report on Surgical Mortality to be published.

New Zealand has also established a surgical mortality audit process under the Perioperative Mortality Review Committee. It is hoped that the data-sets will enable a binational approach.

International based standards

Reflecting the importance of an international approach to surgical standards, the College continues to interact on educational issues with other colleges of surgery, particularly in Canada and the UK.

The College has been thoroughly investigating the NOTSS (Non Technical Skills for Surgeons) course in Edinburgh and, after some initial trialling, will be progressively making that available in Australia and New Zealand.

The College in Edinburgh has also developed a comprehensive program of training and support for is examiners. A small number of our senior examiners attended this in Scotland and after some adaptation to reflect our examination structures this course will be introduced in 2011.

SATSET Course

Our modular approach to the training of surgical supervisors continues through the Supervisors and Trainers in Surgical Education and Training (SATSET) program. With well over 1,000 surgeons having completed the initial SATSET

In 2010, there was a 24 per cent increase in non-RACS attendance at the Annual Scientific Congress. There was a 17 per cent increase in academic papers submitted to the ASC and accepted, bringing the total to 401. module on the use of appraisal tools such as MiniCEX and DOPS, the next module focused more on interview techniques required as part of the selection process for the Surgical Education Training program.

Fellows involved in the interviewing process have now availed themselves of the opportunity to update their interviewing skills. Substantial progress has been made in the development of the third module, Keeping Trainees on Track (KToT). It is intended that these modules be recognised as prior learning for any formal university qualification, be it at a post graduate diploma or more advanced level.

Applications for surgical training and completion of training

A surgical career continues to be very popular. The College received 1,132 applications from potential trainees with 235 offers eventually being made across Australia and New Zealand in the nine specialties. At the same time, 232 new Fellows were formally admitted to the College.

Code of Conduct

A Code of Conduct, carefully developed and rigorously observed, is deemed highly important by external regulatory bodies, professional groups, educational bodies and, of course, the public we serve. The College continues to update its own Code, which has been utilised more broadly including by a number of specialty societies. Importantly, the College spent much time in 2010 ensuring that the more stringent requirements around interaction with the medical technology industry were understood. The sanctions policy is also operational, with a number of Fellows now having been required to sign statutory declarations in which they commit to ongoing compliance with the Code.



Annual Scientific Congress – Perth

The Annual Scientific Congress, held in Perth, was again an outstanding success. Regarded as the premier surgical scientific meeting in the southern hemisphere, the ASC's format of a slightly shorter meeting with high quality plenaries and multiple sections in the scientific program, ensures that attendees are almost spoilt for choice. The ASC convening committee and the Conference and Events staff are to be congratulated on the high standards achieved.

ANZ Journal of Surgery

At the ASC the ANZ Journal of Surgery launched its own web-page through the publisher Wiley Blackwell. A comprehensive site, it includes every article published in the journal's 80 year history. The journal aims to be increasingly relevant to all the disciplines of the College, to be more selective in the type of articles it publishes and to progressively embrace a world in which electronic distribution is as important as the traditional paper based copy.

The journal's impact factor has steadily risen and there has been a substantial increase in the number of original articles being submitted for publication. Professor John Hall, who has been the Editor in Chief for five years, is now working with incoming Editor in Chief Professor John Harris to ensure a smooth transition. We are indebted to Professor Hall for his great commitment to this important publication.

In 2010 the College Library saw a 10 per cent increase in online resources/research requests. The College website's Find a Surgeon facility saw a 25 per cent increase in access. The media and public relations web pages had a higher profile, with a 30 per cent increase in hits.



In 2010, the College negotiated an agreement with Australia's Department of Health and Ageing to support the Specialist Training Program, ensuring funds for College projects. In 2010, the College was involved in 75 clinical, training and professional support visits to East Timor, PNG, the Pacific Islands and Myanmar. More than 460 medical staff from these countries attended regional training workshops or participated in training attachments in Australia and PNG. The College supported the ongoing post-graduate study of four East Timorese surgeons and an anaesthetist.



Simulation in educational activities

The College has been funded by the Australian government to undertake a formal assessment of the simulation environment, and the results of this multi-year program will be published in 2011.

To facilitate the delivery of simulation training and the research underpinning the assessment, the College commissioned a Surgical Simulation Van which has been used extensively in New South Wales to allow Trainees from multiple hospitals to be involved.

This mode of delivery has been very effective and will be expanded into other states with support from their individual health departments. The van has also been useful in providing a focal point to generate interest in surgical training among medical students, including indigenous medical student groups. The van's attendance at the most recent forum was made possible by funding from the Foundation for Surgery.

Health Technology Assessment and Surgical Research

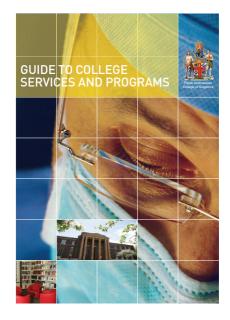
ASERNIP-S has now moved successfully from dedicated block grant funding to a model of tendering for reviews and technology assessments. Reports are regularly produced for broad circulation or as expert advice to a number of bodies. Two reports of particular note over the past 12 months addressed Fast Track Surgery and Robotic Assisted Surgery.

The College has strongly supported research into surgery over many years. Funded through gifts from benefactors as well as from fees and subscriptions, more than \$1.4 million is awarded annually to Fellows and Trainees to enable them to either establish or progress a career in academic surgery.

The premier research prize is the John Mitchell Crouch Scholarship, which is now valued at \$150,000 per year. Established by Mrs Elizabeth Unsworth in memory of her son, who died tragically young and at



David Hillis Chief Executive



the beginning of his surgical career, the scholarship is now established as an ongoing prize made possible by her substantial bequest.

The College has deliberately moved to provide for all research scholarships by developing a corpus within the Foundation that can fund the scholarships through investment and interest returns rather than yearly budgetary allocations. Thanks to the generosity of donors to the Foundation, this multi-year endeavour has been largely achieved in its first year.

International Development

The College continues to maintain links with its sister Colleges overseas. Importantly, ties with Colleges in the immediate region continue to be nurtured. It is important, however, to understand the change in these relationships.

Gordon Low has fostered links with China for more than 20 years through a number of initiatives, and representatives from Sir Run Run Shaw Hospital presented the College with a calligraphy scroll in recognition of our contribution.

However, with China now a major economic power, it is understandable that our attention is now moving more towards neighbours such as Thailand and Myanmar, where surgical standards through education and training can be significantly enhanced. Our international development and surgical outreach programs continue apace, particularly to countries such as Timor Leste and Papua New Guinea. The College remains highly regarded within these countries, and is recognised by AusAID and NZAid as a high quality provider of surgically related programs.

Commitment

We remain deeply indebted to the Fellows who contribute so substantially to the College. Whether it be through representation, educational and training courses or formal involvement in the College governance groups, this commitment is critical to the ongoing work of the College. I do thank you all. In particular I would like to thank the Councillors retiring from Council this year, Professor Rob Atkinson, Professor Swee Tan and Professor Ian Gough.

Professor Gough as the immediate Past President was crucial to the development of many of the initiatives now coming to fruition at the College. He was one of the initial drivers behind the introduction of the new Surgical Education and Training (SET) program, the development of the Academy of Surgical Educators and he was a key contributor to the revamped ANZ Journal of Surgery. His foresight and drive are reflected in these lasting contributions to the College.

Dr Leona Wilson as the President of the Australian and New Zealand College of Anaesthetics was also on Council and contributed regularly. I regard the connection between our two Colleges as very important and thank her for the wisdom and enthusiasm that she brought to Council's deliberations.

The Hon Geoffrey Davies AO was the Inaugural Expert Community Advisor on Council. Well known in the health sector through the Bundaberg Inquiry that he conducted, his wise counsel was enormously appreciated and his contribution profound. He challenged us to view issues from the perspective of the community and to honour the ideals of a pinnacle professional group. Mr Gary Wilson from New Zealand who will formally commence in Council in 2011 is now taking over this role.

Professor Bettina Cass contributes enormously as our other Expert Community Advisor and her understanding of social policy and political systems is a resource highly valued by Councillors.

New Councillors welcomed after the Annual General Meeting were Dr John Batten, Professor Ian Bennett, Dr Catherine Ferguson and Dr Barry O'Loughlin.

I would like to thank all the staff of the College who daily carry out the activities of the College at the direction 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.



ANNUAL REPORT 2010

In 2010, the College staff are to be particularly acknowledged. After many months of carefully planned and executed effort they helped the College attain ISO accreditation.

Accreditation by ISO, the world's largest developer and publisher of international standards, is highly sought after by professional bodies, and particularly by educational institutions. It is not earned easily and I thank every member of the College staff for achieving this honour. The College Chief Executive Officer, Dr 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 Professor Bruce Barraclough AO, Dean of Education, Dr John Quinn, Executive Director of Surgical Affairs Australia, Mr Allan Panting, Executive Director of Surgical Affairs New Zealand, Mr Campbell Miles, ASC Coordinator, Mr Don Murphy, Clinical Director Victoria Skills Centre, Mr Andrew Roberts, Clinical Director IMG Assessment Unit.



Also the Clinical Directors of Mortality Audits; they are: Dr James Aitken (Western Australia), Dr Paul Dolan (South Australia), Professor Colin Russell (Victoria), Dr Bob Bohmer (Tasmania), Dr John North (Queensland), Dr John Tharion (ACT) and Mr Michael Fernside who is involved with the Mortality Audits in New South Wales.

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

Serving the Fellowship as President is an enormous honour and privilege. I do extend my thanks to you all. However, I particularly thank my partner, Denice who provides incalculable support to me in this role and in all my other activities. Without her ongoing understanding and sacrifice my involvement would be very different.

Active SET Trainees

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS	NZ	0/S	Total 2010	Total 2009	% Change 10/09
Year 1	2	78	2	40	11	7	49	18	207	51	1	259	306	-15.4%
Year 2	6	70	5	43	17	5	61	20	227	55	5	287	419	-31.5%
Year 3	5	108	1	53	24	3	88	27	309	48	3	360	219	64.4%
Year 4	2	59	0	25	13	1	48	14	162	23	10	195	186	4.8%
Year 5	0	14	0	4	3	0	12	6	39	2	1	42	43	-2.3%
Year 6+	0	9	0	2	2	0	9	0	22	1	1	24	17	41.2%
Total	15	338	8	167	70	16	267	85	966	180	21	1167	1190	-1.9%

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	АСТ	NSW	NT	QLD	SA	TAS	VIC	WA	AUS	NZ	O/S	Total 2010	Total 2009	% Change 10/09
CAR	4	48	0	33	8	3	46	11	153	23	23	199	194	2.6%
GEN	18	495	11	240	113	25	376	103	1381	212	160	1753	1692	3.6%
NEU	5	68	0	36	17	5	49	17	197	19	26	242	229	5.7%
ORT	21	358	4	221	94	19	253	99	1069	230	51	1350	1298	4.0%
0Т0	7	126	1	71	36	7	99	36	383	76	20	479	455	5.3%
PAE	4	29	0	12	8	1	21	8	83	15	24	122	118	3.4%
PLA	6	93	1	53	33	9	112	36	343	54	22	419	403	4.0%
URO	3	112	0	62	24	10	82	31	324	52	15	391	380	2.9%
VAS	3	48	1	32	15	4	42	11	156	17	1	174	168	3.6%
Sub Total	71	1377	18	760	348	83	1080	352	4089	698	342	5129	4937	3.9%
OB & GYN	0	2	0	0	0	0	3	0	5	0	0	5	5	0.0%
OPH	4	104	1	40	15	4	76	18	262	13	12	287	295	-2.7%
Total	75	1483	19	800	363	87	1159	370	4356	711	354	5421	5237	3.5%



Mike Hollands



ANNUAL REPORT 2010

Treasurer's Report

The Financial Report for the year ended 31 December 2010 is presented together with the Auditor's Report for 2010.

t 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 been subdued compared to 2009 with only a modest result achieved in terms of the performance of the College's investment portfolio. 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 further consolidated the College's financial position to fund its operations and support significant investment for new key education initiatives in line with the 2010-2015 strategic plan.

Income Statement

Total operating revenue (excluding investment activities) in 2010 was \$41,898k compared to \$41,065k in 2009 while expenditure was \$39,810k compared to \$39,299k in 2009. Due to the modest investment returns of \$1,221k compared to \$6,406k in 2009, the overall surplus was \$3,452k compared to \$8,175k in 2009.

The most meaningful way 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 2010, this revenue amounted to \$32,116k compared to \$30,162k in 2009 while expenditure was \$31,702k compared to \$28,855k in the previous year. The surplus in 2010 was \$414k compared to a surplus of \$1,307k in 2009.

At the Council meeting in October 2010, it was decided to create in the allocated funds of the Foundation for Surgery an investment corpus to fund College research and education scholarships that have to date been paid out of operational expenditure. In order to establish this proposed "RACS Scholarship Corpus" in 2011, an initial funding contribution of \$1,900k has been sourced from the 2010 surplus achieved from the College's core operational activities. Further additional capital funding contributions will be sourced in 2011 from unassigned funds within the Foundation and Investment Reserve to build up the corpus and provide a stream of investment income to ensure funding of RACS scholarships in perpetuity.

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 \$71.4 million.

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

In 2010, project revenue amounted to \$8,965k compared to \$9,138k in 2009 and expenditure was \$8,683k compared to \$9,329k in 2009 resulting in a surplus of \$282k in 2010 compared to a deficit of (\$191k) in 2009. This result includes any interest income credited to projects for unspent funds which was \$140k in 2010 and \$141k in 2009.

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 2010 this subsidy cost was \$55k compared to \$145k in 2009 and \$409k in 2008. The need for the College to subsidise the shortfall in project funding to cover overhead costs has been reduced by 86 per cent since 2008.

Scholarships, Fellowships and Research Grants of \$658k (2009: \$820k) are funded from College investments committed to this purpose together with RACS scholarships of \$539k (2009: \$630k) that are funded from College operations thereby giving a total commitment for scholarships of \$1,197k compared to \$1,450k in 2009.

The investment positive return of 3.22 per cent on the committed bequest funds of \$13.68 million resulted in a gain of \$460k in 2010 compared to \$3,261k in 2009. These returns

ANNUAL REPORT 2010

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will ensure the continuation of scholarships in accordance with the conditions of the bequests. Expenditure was \$786k compared to \$870k in 2009. Overall, the surplus for 2010 was \$335k compared to \$2,391k in 2009.

The College sold the bequeathed property in Paddington for a sale price of \$1,996k with the net sale proceeds transferred to the John Mitchell Crouch Fellowship fund. This has enabled the fellowship to be increased for 2011 to the value of \$150k (\$75k - 2010).

Foundation and Investment Reserve includes donations and philanthropic activities and returns on uncommitted funds from the investment portfolio. Revenue for 2010 was \$916k compared to \$4,910k in 2009 while expenditure of \$397k in 2010 compared to \$241k in 2009. Overall, the surplus for 2010 was \$519k compared to \$4,669k in 2009.

Key Revenue and Expenditure Items – 2010

- Revenue from Subscriptions, Fees & Levies of \$10,184k compared to \$9,441k received in 2009.
- Training, examination and assessment fees generated \$16,430k compared to \$15,408k in 2009.
- Personnel costs remains the dominant expense relating to the College activities and was \$14,713k compared with \$14,164k in 2009. This increase relates predominately to the 2 per cent annual increase of \$283k and staff salary reviews of \$266k.

Balance Sheet

In 2010, College Funds and Reserves have increased by 7.4 per cent to \$50,117k. Key movements in assets included an increase in cash and cash equivalents of \$3,375k primarily due to early billing of the 2011 annual subscription fees in 2010 and decrease in current receivables of \$2,597k. Investments held for trading increased by \$2,735k mainly due to the capital contribution of \$1,918k from the net sale proceeds of the Paddington property and positive investment return of 3.22 per cent. Current liabilities increased by \$593k which was mainly due to an increase in subscription, training and examination billed in 2010 for income related to 2011 and increase in the provision for staff long service leave entitlements.

The Investment Reserve has increased from \$6,218k to \$6,412k due to the positive investment returns. These returns are set **In 2010,** the College received 96 applications for scholarships, a 43 per cent increase on 2009. ASERNIP-S undertook three major new projects including work for the Therapeutic Goods Administration and the Victorian Department of Health.The Simulated Surgical Skills Program collected 389 complete data sets from participants, representing approximately 3,112 combined hours training time.



aside for future developments and initiatives as approved by Council and in 2011 will provide source funding of \$2,000k in 2011 for the RACS Scholarship Corpus.

Statement of Cash Flows

The Statement of Cash Flows indicates a net cash inflow for 2010 provided from operating activities of \$9,220k and a net increase in cash held of \$3,375k from 2009 mainly due to the early billing of the 2011 annual subscription, increased training, course registration and examination receipts and sale proceeds from the Paddington property.

In summary, some of the key 2010 achievements of the College were:

- Revenue from the SET program provided for an increased distribution to Specialty Societies in accordance with the SET funding agreement.
- Administered 1,015 examination candidates, delivered 134 courses across four skills training programs and secured Commonwealth funding to initiate projects to support trainees and international medical graduates.
- 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 including delivery of 75 clinical, training and professional support visits throughout the region.

- Commenced significant investment in Information Technology to support educational, professional development and other initiatives to support Fellows and Trainees.
- Continued commitment to surgical research through ongoing funding for scholarships with 96 applications received and the establishment of the Ian and Ruth Gough Surgical Education Scholarship.
- Gained ISO accreditation, which recognises that the College has adopted a quality standard approach in the development, implementation and continued improvement monitoring of its management systems.

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 Stuart Gooley (Audit & Finance), Mr Reg Hobbs (Property), Mr Michael Randall (Investment), Mr Brian Randall (Investment) and Mr John Craven (Information Technology) 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, 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 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 2010. On behalf of the Councillors I D S CIVIL, **President** M J HOLLANDS, **Treasurer** D J HILLIS, **Chief Executive Officer**, **Melbourne 25 February 2011**

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 2010, 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 2010.

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. 25 February 2011

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 \$	2009 \$
Revenue from operating activities	41,897,931	41,064,781
Other income / (loss) – from investments	1,220,799	6,406,082
Total Revenue	43,118,730	47,470,863
Expenditure		
Personnel costs	14,712,671	14,163,501
Consultants fees - clinical	1,195,824	1,448,716
Consultants fees - management	973,994	840,203
Telephone, teleconference and audio visual costs	764,499	640,845
Printing, stationery and photocopying	1,468,294	1,485,750
Postage and courier costs	680,520	601,892
Information system costs	1,011,633	914,443
Travel and accommodation	4,719,679	4,506,906
Associations and publications	281,894	267,094
Audit, legal and professional fees	554,713	371,800
Bank fees and merchant charges	496,809	397,313
Borrowing costs	-	17,202
Rent, rates, power, repairs and other property costs	1,268,100	1,256,054
Insurance	336,683	312,057
Project equipment purchases, hire and repairs	433,269	445,711
Training manuals and consumables used in education & field projects	1,166,636	1,122,771
Scholarships, fellowships and research grants	1,197,428	1,449,903
Awards, grants, gifts and prizes	427,772	640,900
Facilities hire and catering costs	2,447,162	2,446,386
Foreign exchange loss	13,950	2,917
Depreciation and amortisation expense	1,843,426	2,335,540
Specialist societies funding costs	3,345,699	3,039,604
Committee and office bearers costs	103,966	138,387
Doubtful debts expense / (reversal)	(12,798)	263,942
Other expenses from operating activities	377,878	189,575
Total Expenditure	39,809,701	39,299,412
Surplus / (Deficit) for the period Other Comprehensive Income	3,309,029	8,171,451
Foreign currency translation	143,009	3,916
TOTAL SURPLUS / (DEFICIT)	3,452,038	8,175,367
	0,102,000	0,110,001



ANNUAL REPORT 2010

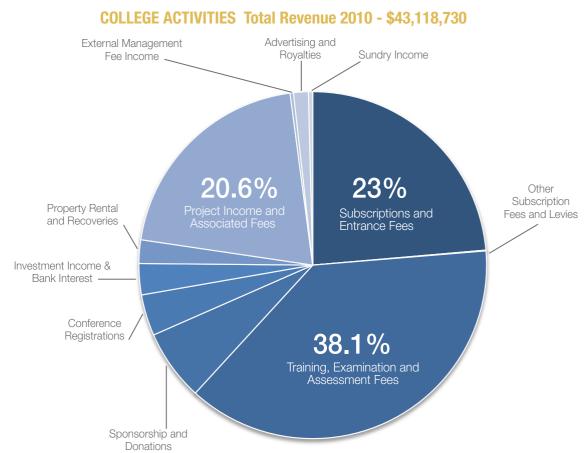
Statement of financial position AS AT 31 DECEMBER 2010

	2010 \$	2009 \$
Assets Current Assets Cash and cash equivalents Trade and other receivables Inventories Prepayments Held for trading financial assets Property Held for Sale Total Current Assets	10,704,801 12,924,506 159,066 1,002,599 29,727,073 	7,329,557 15,520,96 141,848 725,993 26,992,457 <u>1,500,000</u> 52,210,815
Non-Current Assets Trade and other receivables Property, plant and equipment Total Non-Current Assets	792,954 _26,155,733 _26,948,687	755,456 24,610,164 25,365,620
TOTAL ASSETS	81,466,732	77,576,435
Liabilities Current Liabilities Trade and other payables Provisions Income in advance Government grants received in advance Funds held on behalf of others Total Current Liabilities	3,260,704 2,269,013 17,038,960 4,118,852 4,619,372 31,306,901	3,378,945 1,855,220 16,222,187 4,768,294 4,488,899 30,713,545
Non-Current Liabilities Provisions Total Non-Current Liabilities TOTAL LIABILITIES	42,633 42,633 31,349,534	<u> 197,731</u> <u> 197,731</u> 30,911,276
NET ASSETS	50,117,198	46,665,159
College funds and reserves Retained surplus Investment earnings reserve TOTAL COLLEGE FUNDS AND RESERVES	43,705,337 6,411,861 50,117,198	40,446,714 6,218,445 46,665,159

Statement of cash flows

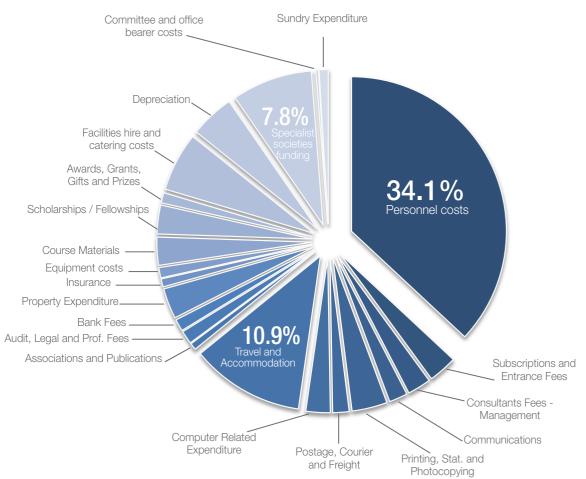
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Cash flows from operating activities	2010 \$	2009 \$
Subscriptions and entrance fees	12,607,998	7,633,947
Training, examination and assessment fees	17,902,183	15,076,872
Sponsorship and donations	4,275,099	1,625,272
Conference registrations	1,762,618	1,813,623
Property rental and recoveries	896,003	1,066,100
Project income and associated fees	7,762,668	8,705,947
Interest income	31,670	51,493
Other income	269,247	1,054,556
Payments to suppliers and employees	(36,287,748)	(34,287,445)
Borrowing costs		(17,202)
Net cash flows from/(used in) operating activities	9,219,738	_2,723,163_
Cash flows from investing activities		
Net movement from investment securities	(3,140,344)	(1,766,586)
Payments for property plant and equipment	(2,704,150)	(1,902,770)
Net cash flows used in investing activities	(5,844,494)	(3,669,356)
Cash flows from financing activities		
Commercial bill facility used (repaid)	-	(1,000,000)
Net cash flows used in financing activities		(1,000,000)
Net increase/(decrease) in cash held	3,375,244	(1,946,193)
Cook at beginning of financial year	7 220 557	0.075.750
Cash at beginning of financial year	7,329,557	9,275,750
Cash at the end of the financial year	10,704,801	7,329,557



Revenue and expenditure for the financial year ended 31 December







New Fellows 2010

Abdul Lathif Abdul Latif Kadhim Adeeb Jeetu Majid Adrian S. Fernandez Ahmad Saadi Ahmad Al-Sameraaii Aiden Duong Lien Tieu Ailene Joy Fitzgerald Akshay Kothari Albert Sokhon Yoon Aleksandra Popadich Alethea Grobler Ali Ghahreman Alpesh Uttam Chhika Patel Amul Kumar Sibal Andrew Scott Cartmill Andrew Chiew Meng Chia Angus Ronald Edward Keogh Angus Munro Wickham Anh Tu Vu Nguyen Anna Elizabeth Wilkes Anthony Bruce Keeley Anthony John McGuinness Antonio Gregory Foliaki Ardalan Ebrahimi Arshad Mohammed Ishaque Barmare Arvind Dhas Lee Arvind Puri Ashish Uday Lal Ashish Virsenji Jiwane Ashutosh Avadhoot Hardikar Atul Ingle Bandulasena Palapitige Benjamin Roy Hope Benjamin John Dixon Benjamin Woolven Borislav Brankov Brett Collins Brian J C Freeman Brian Martin Bruno Steven Gomes Bulang He Carmen Cristina Munteanu Catherine Fiona Sinclair Cem Gultekin Chandrasiri Premaratne Chantel Mary Thornton Cherry Ee Peck Koh Chi Can Huynh Chrispen Dzingai Mushaya Christian Peter Fougere Christopher Michael Roberts Christopher Thomas Jones Cino Lamberto Bendinelli Clair Meredith Whelan Corinne Wei Leng Ooi Damien Joseph Phillips Daniel Adam Robin Daniel Tuck-Keong Wong David Shooter David Andrew Yeo David Melsom De Juan Ng Deborah Helen Amott Dennis Vilmos Gyomber Devinder Philip Raju Dickon Hayne Dinesh Kumar Trehan Dominic Verdi Simring Dominic Fook Ann Lee

Drago Popovic Eldon Mah Emma Toni Igras Eric Kang Yuen Chung Eugene Teow Hin Ek Eva Fong Evan Edwin Jones Farah W. Abdul Aziz Fardin Eghtedari Francesco Piscioneri Francis Yuk Pang Ma Fraser Taylor Fred Nouh Friedrich Ludwig Plaumann Gaugin P. Gamboa Graham Joseph Jeffs Grant Booth Guan Hwee Tay Hamish Huntley Deverall Hamish Steven Grav Hans D. Dahl Hayder Ridha Heinrich Koehler Heinz Matthias Rau Hin Fan Chan Hou Kiat Lim Ian Gerard Rebello Inian Samarasam Irene Patience Kaiboni Jamal Merei James Tow-Hing Lim James Johnathon Douglas Bowman James Peter Southwell-Keely James Herbert Earnshaw James Cheng-yen Lee Janet I-Cheng Huang Japinder Kaur Khosa Jens Peters-Willke Jeremy Ming Hsu Jivesh Divakant Choudhary Ioanna Walton John Tawfik Jon Joseph Morrow Jonathan Alexander Burge Jonathan Charles Potter Jonathan Cabot Jonathon Fergus Parkinson Jose Antonio Cid Fernandez Kamal Praveena Galketiya Kenny Su-Siong Low Kevin Chi-King Ooi Kristian Garde Boyce Dalzell Kwan Yeoh Lachlan Maddock Lachlan Alexander Dandie Laura Nyet Lin Chin-Lenn Laurence A G Marshman Lawrence Pik Kwan Yuen Leo Pang Lisa Osgood Majid Jabur Manish Gupta Manuel Yuhico Marcus Ong Maree Kathrvn Weston Mark T. Forbes Mark Christopher Smith Mary Theophilus Matthew Charles Scaddan

Matthew Hon Yew Leong Matthew Christopher Lyons Matthew Wilkinson Matthew Keith Hartley Michael Patrick James Rosenfeldt Michael John Woodfield Michael Kalamaras Michael Wei Jeg Hii Michael King Lok Suen Michael George Worthington Michael Bernard Donnellan Michael Lik Hang Wong Michael Philip Chong Michael Kern Michelle Barbara Locke Mikhail Y. Mastakov Mohan Arianayagam Monique Lisette Parkin Murtaza Jamnagerwalla Nadeen I ow Nalaka Mahendra De Silva Natalie Cherie Ngan Neil Price Neilson Wright Nicholas Buchan Nicholas Edwin Williams Nigel Gary McCoubrey Nigel James Henderson Nigel Ian Hartnett Noojan Kazemi Patrik Tosenovsky Paul Pei Chuan Khoo Paval Mukherjee Peter Leon Friedland Peter Ho Keun Shin Philip John Davis Raaj Chandra Rabi Fazil Solaiman Rafat Hussain Rajesh Reddy Rataphol Dhepnorrarat Raymond Kong Keong Chin Rebecca Selina Avers Renata Jelena Bazina Richard Benny Richard John Barton Rishendran Naidoo Robert Harris Schreiber Robert Thomas Spychal Rohan Arthur Brunello Rowan Schouten Roy Andrew Craig Said Mohammed Salem Jaboub Sameer Memon Samuel Martin Sanjay Kalgutkar Sanjay Kariappa Sanjay Kumar Warrier Sanjeeva Kariyawasam Sarah Jane Kruger Sarah E. Watts Satish Warrier Saud Aziz Hamza Seow Foong Loh Shannon Di Lernia Shashinder Singh Mahinder Singh Shiby Ninan Shun-Jen Linus Wu Simon David Bann

Siraj Gunasekera Rajaratnam Sunny King-Shun Lee Susan O'Mahony Sven Goebel Sze Hong Law Tanya Michelle Burgess Thomas Darby Earle Treseder Thomas Rhys Edwards Tim Dwyer Timothy Furlong Toby Harding Corlette Tony Shih-Wei Kuo Trevor Leese Uvarasen Kumarswami Naidoo Vanessa Rachel Blair Vytauras Kuzinkovas Warren Leigh Warren Wilson Boling Wendela Schimmer William V. Braun Wisam Yousif Alkidady Yasser Salama Yi Yuen Wang Yun-Hom Yau Yvonne Chow Zet-Sheng Ee Zoltan Hrabovszky

Death of Fellows

Mr James Warwick Fraser Macky, OBE Mr Douglas Trevor Beetham Mr Brian Gilbert Storey Mr James Sturrock Peters Mr Graeme Trigg Mr Alastair Geoffrey Grindrod Robson Dr Vilen Kertsman Mr Peter Graeme Petty Mr Jeffrev George Watson Mr Samuel Hugh W Robinson Mr Andrew Brian Fagan Mr William Gerald Lucas Mr Gaston Napoleon Arthurs Mr Rowland Norman Gale Mr John Joseph Toohey Dr John Kevin Clarebrough, AM, OBE Mr Frederick Allan George Mr Francis John Antill Pockley Mr Norman Garrick Graham Mr Cyril Ignatius Wilkinson Mr George Condor Hitchcock Mr George Halyer Rayner Mr Semesa Matanaicake Mr Alan Geoffrey Watt Mr James Crowe Davidson Mill Mr Frank Burdon Webb, AM Dr Pearl Anna Inglis Macleod Mr William James Cook Mr Donald Wallace Fleming Prof John Cuthbert Parr Sir Randal Forbes Elliott, KBE Mr Graham Roland Anderson Mr Oswald Joseph Davies Mr Guy Justin Dowling

Attendees at October 2010 Council

Front row left to right: Bettina Cass, Michael Hollands, Keith Mutimer, Ian Civil, Mark Edwards and Guy Maddern

Second row left to right: Vincent Cousins, Helen O'Connell, Catherine Ferguson, Spencer Beasley, Marianne Vonau, Steve Leibman, Michael Grigg and John Batten

Third row left to right: Hugh Martin, Richard Martin, Julian Smith, John Quinn, Greg O'Grady, Ian Dickinson, Graeme Campbell and Bruce Barraclough

Back row left to right: Allan Panting, David Watters, Phil Carson, Ian Bennett, Barry O'Loughlin, Sam Baker, Simon Williams, Ivan Thompson and Philip Truskett Absent: Glenn McCulloch and Robert Black



College Supporters

BENEFACTOR LIST

Richard Bennett The late Eric Bishop The Paul Mackay Bolton Foundation The late Mrs Marjory Edwards The late Mr Roy Edwards Ian and Ruth Gough The late Margorie Hooper 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 Gordon Moffatt Brian Morgan Elisabeth Morson Rowan Nicks The late William G Norman The late Emeritus Professor Murray Pheils and Mrs Unity Pheils Mrs Diana Ramsav Francis and Phyllis Thornell-Shore Memorial Trust for Medical Research The late Elisabeth Unsworth The late Peter F Williams The late Charles Wilson The late Alan Worcester

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Allergan Ansell AstraZeneca Atrium Australia Pacific Austofix Avant Avant Insurance BARD Australia Baxter Healthcare BG Insurance Services Boston Scientific British Journal of Surgery Society Clinpath Laboratories Cook Medical Australia

Covidien Covidien (Tyco Healthcare) CSL Limited Green Lizard Science Health Communication Network Healthcare Communication Network Hollywood Private Hospital Hospira Australia I-Med Network International Centre for Evecare Education Investec Experien Invivo Johnson & Johnson Medical KCI Medical Australia Lima Orthopaedics Australia Mater Health Service Medfin Medtronic **R** Furner NCDI Novartis Oncology NuVasive **Odyssey Financial Management** Olympus Australia Pty Ltd Orphan Australia Pfizer Rooms With Style SA Heart Centres Sanofi Aventis Sanofi-Aventis Group Smith and Nephew Sporting Chance Cancer Foundation Springfield Land Corporation Stillwell Motor Group, BMW Divisional St John of God Healthcare St Jude Medical Tasigna Novartis Pharmaceuticals Australia Tissupath Tyco HealthCare WA Journal of Medicine William Buck

Honours and Awards

NEW ZEALAND NEW YEAR HONOURS 2010

Officer of the New Zealand Order of Merit (ONZM)

> Prof James Geoffrey Horne ONZM FRACS Member of the New Zealand Order of Merit (MNZM)

 > Mr David William Sabiston MNZM FRACS
 > Dr Daniel Charles Sundersingh Devadhar MNZM FRACS

AUSTRALIA DAY HONOURS 2010

Member in the General Division (AM) > Prof Robert Alexander Gardiner AM FRACS

- > Prof Robert McLaren Jones AM FRACS
 > Prof David Ferguson Scott AM FRACS
- > Dr Andrew Darcy Sutherland AM FRACS

Medal in the General Division (OAM) > Dr Geoffrey Stephen Cohn OAM FRACS > Assoc Prof Denis Warwick King OAM FRACS > Dr John Douglas McKee OAM FRACS

QUEEN'S BIRTHDAY HONOURS 2010

AUSTRALIA Member (AM) in the General Division > Dr Herbert Edward Clifford AM FRACS > Associate Professor Robert Anthony MacMahon AM FRACS

FRACS

Medal (OAM) in the General Division > Dr Frederick Hugh Bartholomeusz OAM FRACS > Dr John Royston Crellin OAM FRACS > Mr John Dixon Hughes OAM FRACS NEW ZEALAND Officer of the New Zealand Order of Merit (ONZM): > Dr Leona Fay Wilson ONZM (former ANZCA Council representative) Member of the New Zealand Order of Merit (MNZM): > Mr John Cameron Cullen MNZM FRACS



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