IT IS with great pleasure that I present the Annual Report 2004 of the Royal Australasian College of Surgeons. This year has been notable for a number of substantial international and domestic challenges as well as the ongoing development and implementation of College strategy. This abbreviated, streamlined annual report will highlight these and reflect upon both our achievements and the ongoing challenges.

**Tsunamis**

On the global scene the Fellows of the College again made an enormous contribution through their assistance in providing immediate care to the critically injured in this enormous natural disaster. Involved either with the military, government or aid agencies, College Fellows were among the first into the devastated areas. As the countries re-build and the health-related infrastructure is refashioned we anticipate ongoing involvement with delivery of care, the training of local surgeons and the ongoing development of international collaboratives. On behalf of the College my deepest thanks to all Fellows who so quickly responded.

**Ongoing Change – Workforce Shortages**

The international shortage within the healthcare workforce, particularly the surgical workforce, was highlighted on an ongoing basis throughout 2004. At the most senior levels of government in all jurisdictions this is now seen as an embarrassment requiring urgent remedy. Unfortunately, short-term imperatives see the Government desperate to import the surgical workforce even if it leaves other countries almost deplete of specialist care and even when Australasian standards may not be sustained. The College has tried to actively engage at all levels with Government to develop a full understanding of the varied reasons for the shortages including the necessity in Area of Need regions for comprehensive improvements in infrastructure and local or regional support.

Governments are now starting to acknowledge that we must train our own sustainable skilled surgical workforce. This requires clinical activity, infrastructure and the appropriate supervision to sustain more advanced training posts along with the development of initiatives to enable training within the private sector. These developments will take time and will be a challenge to sustain but the College is committed to exploring and enhancing all of these opportunities as we look to increase training opportunities.
Ongoing Change – Shipman Enquiry

THERE have been enormous changes in the professional and health related world in the United Kingdom. The Bristol enquiry, review and reform of the General Medical Council and now the conclusion of the Shipman enquiry will see ongoing changes in required standards, monitoring and active review. These changes will affect Australia and New Zealand and as the “guardian” of surgical standards, it is an imperative that the College deals with these in a pro-active manner. By actively dealing with such concerns we can limit external regulation and interference. It is fantastic that the programme of Continuing Professional Development is now being strongly embraced as this will become an increasingly important platform into the future.

Ongoing Change – Medical Indemnity

THE crisis that engulfed the Australian surgical workforce via medical indemnity insurance concerns in 2003 subsided to a degree in 2004 following direct involvement by Commonwealth Ministers. However much remains to be done with tort law reform, work that will require ongoing College effort given the vested interests and inertia of the legal profession.

Ongoing reviews within Australia and New Zealand

THE College is still involved with the ACCC review process with the two independent working parties looking at our assessment of Overseas-Trained Doctors and the Accreditation of Hospitals and Hospital Posts. The panel concerned with Overseas-Trained Doctors is chaired by Mr Ron Paterson, Health and Disability Commissioner, from New Zealand. The panel concerned with accreditation is chaired by Mr Don Moss, a Urologist and previous Councillor. At the end of 2004, the process had included extensive consultation, detailed submissions, presentations and briefings from many parties along with the preparation of draft reports. These still need to undergo further broad discussion and review by all parties regarding implementation of potential outcomes. The College maintains its concerns about the size and cost of this process. Not only has it been incredibly demanding of key Councillors and Office Bearers but has required substantial internal resources. The ACCC determination endorsed the College’s position of providing training for surgeons but highlighted areas of improvement which are being embraced. I wish to thank the many staff and Office Bearers who have substantially contributed to the College’s submissions and interactions with the panels. In particular I highlight the work of Professor Trish Davidson who, as Censor in Chief, has been pivotal in ensuring that the submissions and presentations have been comprehensive and persuasive.

It is also now pertinent to observe that the ACCC and AHWOC (Australian Health Workforce Officials Committee) are reviewing all the other Medical Colleges who provide specialist training.

While the ACCC review has been proceeding, the New Zealand Commerce Commission has been undertaking a predominantly watching brief. It is hoped that the improvements introduced into our processes and reporting will satisfy expectations.

Review by the Australian Medical Council

WHILST the ACCC has reviewed our processes, probity and reporting, the AMC approved the actual training programme in 2001. The five-year review will occur in 2006. Much work is being undertaken to ensure the robust educational basis of our training with regular reports going to the AMC. Key to this is the ability to articulate the curricula required for, and the competencies expected of, a surgeon in training and a surgeon in practice. Although conceptual, this is an incredibly important advance in the way that we define surgical training against peer validated standards. Again this has an international focus with some of our work based on the principles articulated by CanMEDS such as the role of the surgeon as:

• Medical Expert / Clinical Decision Maker;
• Communicator;
• Collaborator;
• Manager;
• Health Advocate;
• Scholar; and
• Professional.

We plan to see these principles intertwined with our training, assessment of trainees either trained locally or overseas and then in ongoing continual professional development. In 2006 there will be increasing focus by the AMC on our programmes to support and re-certify Fellows, a focus which can only intensify given the ongoing international impact of the Shipman enquiry.

The AMC in its 2001 review highlighted the importance of the Specialist Societies and Associations in delivering the content of our training programmes. It particularly focused on the importance of robust documentation of curricula, training opportunities, assessment and the public availability of policies relating to selection and appeals. To progress this the College and the Specialist Societies and Associations have now established contracts where the key activities are delineated and delivery processes clarified. Much remains to be done to further develop these contracts and establish coherence in the nine Fellowship areas, work which will continue into 2005 and beyond.

Public Profile

PROFESSIONALISM is under challenge internationally. Consistent themes arising at the international gatherings I’ve attended as College representative have been the effects on professionalism of increased regulation, decreased professional autonomy, increased government controls and an increasing drift from the concept of a career for life to the fragmentation of the professional “whole”. There are many factors influencing these changes, including work-life balance, technological advances, higher public expectations and the progressive lack of respect for a professional ethos. With this background it is then not surprising that the media and government often portray such issues in a negative light. The Government and our communities do value the work that the College performs but are significantly wary of any organisation based on pro-bono contribution to standards that they find difficult to conceptualise. Consequently, despite years of advocating for more training opportunities and increased access for patients into public hospitals, the College was targeted as the cause of the problem in 2004. There is much to learn from this, particularly that the College needs to be more approachable, flexible and pro-active in presenting itself to the public particularly in regard to complex public health concerns.
College Council & Management Structures

LAST year saw the retirement of Professor Dick West. Professor West had contributed for many years at the most senior levels in New South Wales and on Council. This included his time as Censor in Chief during which major advances were made within programme development. The new Councillor appointed was Dr Jenepher Martin who, for many years, has had a strong interest in the educational activities of the College, particularly Basic Surgical Training.

After many years’ discussion, the Fellowship has now endorsed the change to the Articles so the craft group representatives can now stand for and vote for Office Bearers.

Council and Dr David Hillis, as the Executive General Manager, developed the Strategic Plan 2004 – 2006 which was distributed to all trainees and Fellows in the second half of the year. It is an invaluable tool which has now provided us with a direction and blueprint for the immediate future while also giving us an ability to support and resource the activities of the College. All activities of the College now have Councillors, senior Fellows, Management and staff aligned in a more purposeful way to allow key initiatives to be investigated and implemented co-operatively between Fellows, Management and staff.

The staff of the College contributed enormously to our successes in 2004 and I would like to acknowledge them all. At the senior level Professor John Collins was appointed as Dean of Education. Dr John Quinn has been appointed to replace Professor David Scott, who retired from the Executive Director of Surgical Affairs - Australia role. Council has particularly noted the contribution of Professor Scott who has been highly involved with College activities over 30 years and also took on the role of Acting Chief Executive Officer during the most dynamic and turbulent time in the College’s history. Professor Gordon Clunie, who had acted as the Executive Director of Surgical Affairs and then Dean of Education whilst appointments were being finalised, again retired from the College and we offer him our profound thanks.

Under the new strategic plan I, as President, am responsible for the overall direction of the organisation and articulating the values on which we practice. As such I wish to thank the Code of Conduct Committee for their outstanding work which is now almost finalised and ready for broad distribution. This will be a most valuable reference document for years to come.

Relationships Portfolio

PROFESSOR Peter Woodruff as Vice President is responsible for the Relationships portfolio with Mrs Ann Wright. Key activities have included coordinating the responses to the ACCC, ensuring that the most important activities of the Regional Offices remain cohesive and delivering value for the trainees and Fellows. Workforce shortages and the College-wide approach to the problem have also come under increased focus.

Education

PROFESSOR Trish Davidson as Censor in Chief is responsible for the development of our educational initiatives and their implementation. Through the year we have moved to carefully delineate the activities of the Education Policy Board which reports to Council, the Board of Basic Surgical Training chaired by Professor Stephen Deane and the Board of Specialist Surgical Training and Assessment chaired by Professor Ian Gough that reports to the Education Policy Board. As already highlighted above not only do we have the challenges of increasing our Basic Surgical Trainee numbers and looking at all opportunities for increasing Specialist Surgical Training Posts, but we have the increased rigour of AMC accreditation and the robustness of ACCC reviews. A number of initiatives to improve workforce and training opportunities in the outer metropolitan, regional and rural areas have been established this year. The College is trying to access all of these for the benefit of our Fellows and trainees. The key management staff are Professor John Collins as the Dean of Education, Mrs Kathleen Hickey as the Director of Basic Surgical Training and Skills and Dr Anne Ellison as the Director of Specialist Surgical Training and Assessment. Mr Ross Blair as the Chairman of the Court of Examiners has emphasised the ongoing independence of the Court whilst progressively reviewing its key role in the Educational activities.

Fellowship

MR RUSSELL Stitz as the Chair of the Board of Professional Development and Standards is responsible for the Fellowship portfolio. The realignment of this area is vital as we highlight the initiatives that the College undertakes on behalf of the Fellows. Within the Fellowship and Standards portfolio, Mr Stitz is responsible for the Professional Standards issues, Mr Ian Dickinson for Professional Development and Professor Bruce W Saxman for Fellowship Services. Within the Research and External Affairs portfolio, Professor Guy Maddern is responsible for the Research activities and Professor Woodruff for the International Committee. The key management staff are Professor David Scott and Mr John Simpson as the Executive Directors of Surgical Affairs, Dr Pam Montgomery as the Director, Fellowship and Standards and Mrs Daliah Moss as the Director, Research and External Affairs. The ongoing development of recertification and credentialing processes is gathering momentum in all professional groups and the College has proudly been at the forefront of this. The issues of verification and encouragement to participate in professional development activities will now be vital. The success of the Mortality Audit process in Western Australia (WAASM) led Council to endorse a strategy of a bi-national rollout. This is underway pending funding from the various jurisdictions. The success and profile of ASERNIPs and our Research Scholarships continue to grow. Within the new structure these are now aligned and significant effort will be put into promoting these fully to enable the College Foundation to re-gain its focus. The Annual Scientific Congress was held in Melbourne in 2004 and with 2000 participants and a profitable outcome was one of the most successful events yet. This was preceded by a very successful Younger Fellows Forum at Red Hill which saw a number of Hong Kong Fellows join the group. Our congratulations to all the Fellows and staff who toiled enthusiastically to guarantee the ASC was such a high calibre event.
Resources

M R AN D R E W Sutherland is the Chair of the Resource Committee. The success of the East Wing development is a joy to us all, providing as it does a clear focus for world class educational and Fellowship activities. My personal thanks to all those who contributed so fully. Substantial work has been undertaken to ensure the finances of the College are re-aligned within the new structure and that we approach our finances at the most strategic level. The financial position of the College is now sound and we are committed to repaying the loan required for the East Wing development ahead of schedule. This commitment will ensure that the management team and Office Bearers maintain tight control over costs and a frugal approach to stewardship of our assets and resources. The Council made a decision to increase our financial and audit review process by appointing William Buck as our Internal Auditors. Congratulations are extended to the Investment Committee chaired by Mr Brian Randall who oversaw a very successful year for our investment activities. I would also like to offer my personal thanks to the business and investment Advisors who give freely of their time to provide council with advice and wisdom. One of the significant discussions at Council during 2004 involved the ongoing development of the Eastern Collaborative Health Training and Education Centre (ECHTEC) in Sydney. It is reassuring to know that all the funding has now been identified coming from the Commonwealth Government and the New South Wales Government. The College offices in New South Wales will be based in the new facilities and the College is contributing to the capital costs to ensure this is established at the appropriate standards.

It has been an incredibly busy year at the International, Bi-national and College levels. I would like to thank the Fellows on Council for their support and commitment during my time as President. I would especially like to thank my family who so selflessly supported my involvement in the College activities over the past nine years. Without you, none of this would have been achievable nor worthwhile.

Mrs Anne Kolbe
PRESIDENT

EXECUTIVE GENERAL MANAGER’S REPORT

IT IS with great pleasure that I present my first annual report as the Executive General Manager of the Royal Australasian College of Surgeons.

I would firstly like to acknowledge the outstanding contribution that Professor David Scott made in his role of Acting Chief Executive Officer and then in his definitive role as Executive Director of Surgical Affairs – Australia. Professor Scott decided to retire at the end of 2004 after many years of dedicated and committed service to the College. Dr John Quinlivan has been appointed as his successor. Other Fellows to retire from staff include Professor Gordon Clunie who retired as the Acting Dean of Education while Professor John Collins was appointed. Professor Collins has contributed for decades in the educational world in both the College and formal University sectors.

His experience and understanding as well as his Irish wit are already having a substantial impact. Other Fellows to retire from staff include Professor John Masterton who, having guided the ASC to a position of maturity and success, has now retired to observe Mr Campbell Miles extend the influence of the ASC even further.

Supporting the Direction of Council

2004 has been a challenging, busy yet rewarding year. There was substantial consultation required in producing the Strategic Plan 2004 – 2006 which now enables the College to more clearly articulate and promote its direction, prioritise its activities and communicate to all our stakeholders our successes and concerns. The most important component of the Strategic Plan was the recognition of four key portfolios – Fellowship, Education, Relationship and Resources. As a Fellowship-based organisation which depends on the pro-bono contribution of Fellows’ time, it is most important that our future direction is clear so that management and staff can fully support and resource activities of importance and concern. With the alignment of the Senior Fellows and Office Bearers, the appointment of the Directors enabled this to become more focused. The management team has worked very hard to understand the requirements of their roles, support the Fellows and Office Bearers in ensuring the College moves forward cohesively and to manage their own Divisions and departments to deliver the services required to trainees and Fellows. In a year of substantial external demands from all governments - review panels, ACCC, AMC and other bodies - we have also ensured that our approach is one based on sound policy and procedure and that these are broadly understood and available.

Relationships Portfolio

THE relationships portfolio headed by Director Mrs Ann Wright has responsibility for the Regional and National Officers, Council and Governance support, External reviews, Workforce Assessment and Human Resources. One of the priorities has been to improve the support to trainees and Fellows provided by the Regional offices. Fundamental to this is improved communication and access to key information including database integration across all areas.

Substantial work has been undertaken on this with anticipated roll out of this support in 2005. All regions held successful Annual Scientific Meetings and I extend my thanks to all the Regional Managers for their commitment and enthusiasm throughout the year. Implementation of the ACCC review recommendations has required substantial focus as the details of the policy changes are complex particularly as they have been implemented in many different areas. The College is now embracing jurisdictional representatives on many of our more senior committees and we look forward to expanding the role of our Expert Advisors to the College. In November the College published on the Internet our first annual operational report that met the requirements as stipulated by the ACCC. It is our intent to broaden this so the requirements of all our key stakeholders are met via an annual report that will substantially demonstrate our robust, transparent methodologies. Some two years ago the College produced a workforce study and analysis by Professor John Birell which confirmed that Australasia requires about 195 Fellows to graduate each year. The ongoing impact of this is being reassessed particularly with reference to training posts at the specialist and basic training levels and the increasing shortage of surgeons in regional and rural areas. It is important that the College positions itself as the authority in surgical workforce data. This work recommenced in 2004 and will continue strongly into 2005.
Education – Basic Surgical Training & Skills

THE Basic Surgical Training and Skills portfolio under Director Mrs Kathleen Hickey is now clearly focused on the target of needing to train 265 trainees in 2005 and beyond. This is a substantial increase in trainees and is testimony to the dedication of the Surgical and other Clinical trainers who give so freely of their time as well as the logistical skills of the staff. The number of courses that were delivered in 2004 were 12 basic surgical skills courses, 59 EMST courses, 7 CLEAR courses and 19 CCrISP courses. The internet-based program for BST continues to be developed with a substantial increase in the number of clinical cases being available. Of significance to the ongoing educational environment is the development of skills centres in many regions. The opening of the Victorian facility combined with activities in Western Australia at CTEC, the opening of the Queensland facility at Royal Brisbane Hospital and the ongoing planning for ECHTEC at the University of Sydney, as well as other centres in Australia and New Zealand, means that a critical mass of skills centres has now developed. The College has strong involvement with a small number but will need to position itself as the accreditor and facilitator of skill courses across Australia and New Zealand. A working party chaired by Professor Maddern has developed a position paper clearly articulating our role in accreditation as these facilities become more central to our educational and ongoing certification requirements.

Education – Specialist Surgical Training & Assessment

THE Specialist Surgical Training and Assessment portfolio headed by Director Dr Anne Ellison has been the main focus of the ACCC review panels with particular emphasis on hospital-post accreditation and overseas-trained doctor assessments. With workforce shortages there has been significant effort to streamline the assessment of overseas-trained doctors which has now been broadened to include the routine involvement of jurisdictional representatives. This development has been highly beneficial to all parties concerned. The agreements between the College and Specialist Societies and Associations were completed in 2004. The implementation and the monitoring of these agreements are complex matters which will continue to evolve in the years ahead. There has been much work done to develop curricula for all the Specialties and ensuring consistency between training and assessment, including the challenging area of defining competencies which will be a priority in 2005. Examinations were held in Auckland, Sydney and Christchurch with additional examinations also held in Hong Kong. The overall number of candidates presenting and the annual pass rate of the Part II examination is detailed in the table below. Our thanks to all the Fellows and staff who work so hard to ensure the examinations happen smoothly.

Fellowship – Fellowship & Standards

THE Fellowship area has now been clearly defined with key portfolios of Fellowship and Standards and Research and External Affairs. The Director of Fellowship and Standards is Dr Pam Montgomery. The ongoing development of the re-certification programme is one of the major activities of the College. The 2001 - 2003 triennium has now been completed, with 92 per cent of Fellows participating in the Programme. Certificates have been issued to all who met the requirements and feedback given to others. The 2004 - 2006 programme was ‘launched’, with the aim of better reflecting Fellows’ needs and greater emphasis on the recognition of activities that have been shown to be of high educational value. The College completed the development of the on-line capability for recording activities to decrease the administrative burden for Fellows. This will become functional in January 2005. The College continues to provide courses in key areas such as establishing a surgical practice, surgeons as managers, surgeons as educators, risk management, medico-legal activity, interviewing skills and now also the winding down from practice. The College does not wish to provide courses for specific technical expertise but will continue to focus on the more generic support areas which are clearly applicable for all nine Specialties. A total of 44 courses were held around Australia and New Zealand, with 643 participants. The College will continue to sub-contract the provision of these where appropriate to maximise the range of courses available.

Fellowship – Research and External Affairs

Mrs Daliah Moss is the Director of the Research and External Affairs Portfolio. The activities of ASERNIPS and our Research endeavours continue to grow strongly particularly with regular peer-reviewed articles now appearing. Contracts have been obtained for the continuation of our Technology Assessment Programmes as well as the ongoing “horizon scanning” of new clinical possibilities. The unit is now acknowledged as one of the most effective surgical review processes in the world. The breast audit programme was also re-launched during 2004 when the database was re-configured and re-housed. Now surgeons involved in the breast audit are able to access the functionality by the web and the encryption technology guarantees a robust security framework. The co-ordination of the research scholarship programme now resides within the ASERNIPS group. The intent is to consolidate our available funding to more “high-profile, high value” scholarships that will not only be of substantial benefit to the recipients but could prove highly attractive to benefactors and industry support. Additional bequests focusing on Research activities became available during 2004 and we are indebted to the Estates of Dr Roy and Marjorie Edwards, Paul Mackay Bolton and Eric Bishop for their wonderful support.

The ASC as highlighted in the President’s report was one of the most successful in terms of attendance, profile and financial performance. Congratulations to all the team who contributed to the success. Now also, the Events department is providing support to a number of Specialist Societies in the organisation of their scientific meetings which will be an ongoing development in years to come.

International projects have continued to provide outreach programmes to the Pacific area. Predominantly funded by AusAID, the programmes are highly regarded by the funding agency as well...
as the countries where the surgical teams operate. The number of teams sent in 2004 was 19 to East Timor, 38 to the Pacific Island Countries and 23 to New Guinea as well as 8 formal training programmes throughout the region. Importantly our medical equipment maintenance programme continues to ensure the appropriate health programmes can continue throughout the Pacific.

Resources

THE Resources Division under Director Mr Ian Burke continues to be responsible for the key support areas for the College. The most significant developments are occurring in the Information Technology area where substantial commitment is going into ensuring our IT platforms are highly up-to-date to assist the College's efficiency through its functionality. This has included updating key areas of the College's infrastructure, ensuring uniformity and capability in our software programmes and then positioning our web presence to be highly supportive of trainee and Fellow activities. This is an ongoing program but will hopefully start delivering much improved value to the trainees and Fellows in 2005.

The East Wing was formally opened in May, 2004, by the Victorian Minister of Health. The move to the new facility required a substantial amount of effort and commitment by staff however the much-improved environment is appreciated by all.

Following the construction and opening of the East Wing and the Victorian Skills Centre, the key challenge was to develop a highly functioning facility that was attractive to trainees and Fellows, industry and the broader educational community to ensure maximum utilisation. This will be an ongoing challenge, however the first year exceeded our expectations with vibrant support from a number of quarters.

The finalisation of funding and contractual issues surrounding the ECHTEC facility at the University of Sydney has been a priority. With funding now secured, the College offices to be located in this development and the contractual issues almost finalised with the University, the building project will soon be in “full swing” with an expectation that the project will be complete late in 2006. The commitment by Mr David Storey to this facility is substantial and the eventual development of this outstanding facility will be testimony to his vision and drive.

The financial success of the College is highlighted in the Treasurer’s report. It is reassuring for all to work in an organisation that has such a secure financial base and control of its financial destiny. The Finance department has put in substantial work to re-organise our financial reporting to reflect the new organisational structure, ensure the sound and appropriate allocation of costs within our costing models and to develop Financial reports at a more strategic level.

Thanks

I WOULD like to thank all staff and management for their commitment and enthusiasm during this challenging year. Organisational re-structures always produce angst and tension. Working through the issues is important but time consuming. Added to this mix have been the demands of a new management structure, external reviews, increased numbers of trainees and an increasing level of expectation of service from our many stakeholders. I congratulate all staff for their positive response and commitment.

Dr David Hillis
EXECUTIVE GENERAL MANAGER

TREASURER’S REPORT


During 2004, the College Statement of Financial Performance records total revenue of $44,538k compared to $20,720k in 2003. Total expenditure was $37,637k compared with $18,073k. This resulted in a surplus of $6,902k.
In order to evaluate the significance of these figures a number of one off factors must be taken into account.

- The booking of project revenue and expenditure has now been brought into line with Accounting Standard AASB 1004. Previously, only the surplus at the completion of a project was recognised as revenue and was accounted for in the financial year in which the project was completed. This is now recognised progressively throughout the life of the project. All revenue and expenditure from projects which were operational during 2004 is now brought to account in 2004.

- A number of “one off” adjustments including sponsorship, building grants and additional bequest funds offset by the write off of the cost of the demolished Great Hall have had a significant impact.

- The College holds in trust certain funds in the names of specialist societies and other bodies. They are invested along with the other College funds and the return is booked to the specific fund with a guaranteed minimum return of bank interest. These funds have in the past been reflected in the Statement of Financial Performance. As the College has no control over these funds they are now reflected in the Statement of Financial Position.

In addition, the College has a number of separate bequest funds held in trust which have been incorporated in the Statement of Financial Position.

- The Investment Committee achieved a return on the College investment portfolio of 32.8 per cent as compared to the budget expectation of 10.5 per cent resulting in $3,041k in excess of investment revenue earned in 2003.

The College has three distinct areas of revenue and expenditure:

- RACS ‘core’ operational revenue which consists predominantly of subscriptions, training and examination fees, conference registrations, investment revenue and bank interest from committed funds. This revenue amounted to $19,173k in 2004 compared to $18,714k in 2003 excluding revenue from College Projects. This increase is principally due to the increased numbers of Fellows and Trainees and the success of the College portfolio. The staff payroll is still the dominant expense. The total payroll expense for core operational activities was $6,913k compared to $6,091k in 2003. Other key costs in the core areas of activity were $1,144k for printing, stationary and photocopying, $2,154k for travel and accommodation, $1,122k for venue hire and $1,733 for depreciation.

Project revenue and other one off items. Revenue of $16,458k and expenditure of $16,022k from projects has been booked in 2004. In regard to one off items these include on the revenue side sponsorship and donations for the East Wing of $1,882k, donations for new bequests of $869k, additional net revenue due to the change in the accounting policy for College Projects of $436k, revenue from the transfer of bequest monies held in trust into the College Accounts of $421k. The impact on revenue due to these changes was $19,624k. On the expenditure side these included the write off of costs associated with the demolition of the Great Hall of $266k and $773k due to the change in the accounting policy for funds held by the College on behalf of Specialist Groups and Societies. The effect on expenditure due to these changes was $17,061k.

Investment Reserve revenue, which is the return on the investment portfolio for uncommitted funds held for future College activities as determined by Council, amounted to $1,936k compared to $624k in 2003.

In summary, the surplus for 2004 includes one off items of $5,604k while expenditure on operational activities was in line with budget.

The Statement of Financial Position shows that College Funds have increased by 25 per cent to $35,331k. Key increases were in investments of $8,765k, current receivables of $3,176k including the NSW Government contribution to ECHTEC invoiced but not yet received and in fixed assets of $1,039k. These were offset by an increase in liabilities relating to the adjustments to the handling of funds held for other societies and groups of $1,258k and an unexpended project grant revenue of $10,187k.


The new organisational structure has been implemented by the management team. This has enabled tighter financial control, careful oversight and the assignment of costs to the appropriate area of College activity. The new College costing model (RACSFIN 2) indicates that pre-fellowship training is fully supported by trainee’s fees as are examinations.

This sound financial position has enabled:

- The replenishment of the Investment Reserve which now totals $1.58 million.
- Minimal increases in subscription and fees which have been pegged at CPI.
- Early retirement of debt with the East Wing loan now reduced from $7 million to $5 million.
- Investment in infrastructure to be able to return more value to the trainees and Fellows particularly through Information Technology and professional level facilities.

It is my pleasure to present this report and highlight the sound financial position of the College. The complete Financial Report is available on the College Website – www.surgeons.org.

In closing I would like to note that the College has been very well supported in this challenging year by its Honorary Advisers, Mr. Anthony Lewis, Mr. Dennis M. C. Muskey, Mr. Robert M. Line, Mr. Doug O’Idfield OAM and Mr. Brian Randall. The College is extremely grateful for their wise counsel and support in relation to finance, investment, property and audit matters. The College Solicitor, Mr. Michael Gordon AM continues to provide enormous support for the College in attending to a wide variety of legal issues. The College continues to receive excellent service in the management of its significant investment portfolio from Mr. Graeme Hope of Goldman Sachs JB Were.

I would also like thank the management and staff of the Resources Division for their on going hard work and commitment in support of my role.

On a sad note I would like to make special mention of Mr Norm Bevan, Honorary Adviser, who passed away this year. Norm made a great contribution to the College and his passing is recorded with great sadness.
Councillors’ declaration

THE Councillors of the Royal Australasian College of Surgeons declare that
the summarised financial report set out on pages 8 to 10 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 2004.

On behalf of the Councillors
A KOLBE President
A D SUTHERLAND Honorary Treasurer
D HILLIS Executive General Manager
Melbourne 24 February 2005

Independent audit report to members of Royal
Australasian College of Surgeons

WE have audited the summarised financial report of the Royal
Australasian College of Surgeons as at 31 December 2004,
comprising the statement of financial position, statement of financial
performance and the statement of cash flows to the financial
statements, in accordance with Australian Auditing Standards. The
summarised financial report has been derived from the Royal
Australasian College of Surgeons annual statutory financial report for
the year ended 31 December 2004.

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 Alford Partner
Melbourne
24 February 2005

Royal
Australasian
College of
Surgeons
statement of
financial
performance
for the
financial
year ended
31
December
2004

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<th>Description</th>
<th>2004</th>
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<td>Revenue from ordinary activities</td>
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<td>Personnel costs and consultancy fees</td>
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<td>Depreciation and amortisation expense</td>
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<td>Borrowing costs</td>
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<td>Travel &amp; accommodation</td>
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</tr>
<tr>
<td>Rent, rates, power, repairs and other property costs</td>
<td>(805,169)</td>
<td>(567,260)</td>
</tr>
<tr>
<td>Equipment purchases, hire and repairs</td>
<td>(911,045)</td>
<td>(56,194)</td>
</tr>
<tr>
<td>Training manuals and consumables used in education and field projects</td>
<td>(1,389,483)</td>
<td>(1,742,843)</td>
</tr>
<tr>
<td>Facilities hire and catering costs</td>
<td>(1,862,272)</td>
<td>(1,742,843)</td>
</tr>
<tr>
<td>Scholarships / Fellowships</td>
<td>(737,623)</td>
<td>(889,297)</td>
</tr>
<tr>
<td>Specialist Societies Funding</td>
<td>(591,976)</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>(3,172,538)</td>
<td>(1,206,153)</td>
</tr>
<tr>
<td>Operating Surplus / (Deficit)</td>
<td>6,901,760</td>
<td>2,647,177</td>
</tr>
<tr>
<td>Total revenue, expense and valuation adjustments recognised directly in College Funds and Reserves</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Changes in College Funds and Reserves</td>
<td>6,901,760</td>
<td>2,647,177</td>
</tr>
</tbody>
</table>
### Annual Report 2004

**Statement of Financial Position as at 31 December 2004**

<table>
<thead>
<tr>
<th>Category</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>1,427,255</td>
<td>1,251,989</td>
</tr>
<tr>
<td>Receivables</td>
<td>12,334,343</td>
<td>9,158,358</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>25,291,048</td>
<td>16,526,608</td>
</tr>
<tr>
<td>Inventories</td>
<td>186,083</td>
<td>134,013</td>
</tr>
<tr>
<td>Other</td>
<td>764,493</td>
<td>1,102,631</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>40,003,222</td>
<td>28,173,599</td>
</tr>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>25,227,133</td>
<td>24,188,269</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td>25,227,133</td>
<td>24,188,269</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>65,230,355</td>
<td>52,361,868</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>1,722,229</td>
<td>2,469,153</td>
</tr>
<tr>
<td>Provisions</td>
<td>642,039</td>
<td>517,756</td>
</tr>
<tr>
<td>Other</td>
<td>22,379,431</td>
<td>13,815,377</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>24,743,699</td>
<td>16,802,286</td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>155,204</td>
<td>129,895</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>5,000,000</td>
<td>7,000,000</td>
</tr>
<tr>
<td><strong>Total Non Current Liabilities</strong></td>
<td>5,155,204</td>
<td>7,129,895</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>29,898,903</td>
<td>23,932,181</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>35,331,452</td>
<td>28,429,687</td>
</tr>
</tbody>
</table>

**Statement of Cash Flows for the Financial Year ended 31 December 2004**

<table>
<thead>
<tr>
<th>Category</th>
<th>2004</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions and Entrance Fees*</td>
<td>7,397,090</td>
<td>3,346,694</td>
</tr>
<tr>
<td>Training, Examination and Assessment Fees</td>
<td>9,466,895</td>
<td>8,129,628</td>
</tr>
<tr>
<td>Sponsorship and Donations</td>
<td>3,047,333</td>
<td>591,203</td>
</tr>
<tr>
<td>Conference Registrations</td>
<td>1,736,786</td>
<td>2,019,813</td>
</tr>
<tr>
<td>Property Rental and Recoveries</td>
<td>257,323</td>
<td>120,377</td>
</tr>
<tr>
<td>Project Income and Associated Fees</td>
<td>7,207,705</td>
<td>6,919,510</td>
</tr>
<tr>
<td>Interest Income</td>
<td>73,324</td>
<td>39,866</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,894,730</td>
<td>1,004,530</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(28,464,520)</td>
<td>(22,551,140)</td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>(320,457)</td>
<td>(83,427)</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used in) operating activities</strong></td>
<td>11,296,209</td>
<td>462,946</td>
</tr>
<tr>
<td><strong>Cash Flows from Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Bill Facility used (repaid)</td>
<td>(2,000,000)</td>
<td>7,000,000</td>
</tr>
<tr>
<td>Net movement from investment securities</td>
<td>(2,336,431)</td>
<td>2,089,355</td>
</tr>
<tr>
<td>Payments for property plant and equipment</td>
<td>(2,171,947)</td>
<td>(10,179,610)</td>
</tr>
<tr>
<td><strong>Net cash provided by / (used in) investing activities</strong></td>
<td>(6,508,378)</td>
<td>(1,090,255)</td>
</tr>
<tr>
<td><strong>Net increase / (decrease) in cash held</strong></td>
<td>4,787,831</td>
<td>(1,553,201)</td>
</tr>
<tr>
<td><strong>Cash at beginning of financial year</strong></td>
<td>238,801</td>
<td>3,937,002</td>
</tr>
<tr>
<td><strong>Cash at the end of the financial year</strong></td>
<td>7,171,632</td>
<td>2,383,801</td>
</tr>
</tbody>
</table>

* In 2003, only 50 per cent of subscription revenue was received in cash due to the abolition of the policy of subscriptions being invoiced 12 months in advance to Fellows.
Revenue and Expenditure for the financial year ending 31 December 2004.

2004 Revenue
**New Fellows**

- R Abraszko
- H A Ahmad
- I K AlAlawi
- R S Allan
- I Z Antbun
- E Arumugasamy
- D Bates
- S J Boardman
- E F Boseto
- S M Brindley
- M S Broadhurst
- M E Brooke-Smith
- R D Bryant
- P B Burke
- A W Burns
- P A Campbell
- B I Cameron
- B Cass
- W W Chan
- P Charalabidis
- D B Chen
- M I Chin
- E T Choy
- G R Christey
- D A Christie
- B M Clancy
- A M Cook
- R A Coren
- G L Creamer
- J A Curtis
- P A Dalton
- N Dayananda
- E M Denholm
- G R Donald
- U H Dorgecloth
- S R Dubenec
- Z S Dulcie
- P L Dutton
- D N Edis
- J M Ellis-Clark
- K P Eparsi
- S Erak
- G J Farran
- W N Fong
- R B Freihaut
- P A Gallow
- S Ganananda
- R M Geth
- M Y Ghali
- D R Gil
- D G Goodall-Wison
- P W Gourlas
- M R Grage
- S Gradowsk
- R L Grue
- T K Halder
- W S Hargreaves
- R C Hau
- B J Hewitt
- T D Hewitt
- S J Inder
- M J Jackson
- A K Jhamb
- R Jhang
- R Jithoo
- P B Jumeau
- T Kahil
- P A Keams
- S H Keogh
- R K H Ko
- M P Koya
- A J Knugur
- K B Kua
- M T Kuan
- Y Kwon
- C S Lai
- V W Lam
- J G Lambeley
- T T Lee
- A K Leong
- C M Li
- V Y Liew
- M I Liu
- D S Lockwood
- K S Loh
- S J Macdessi
- P S Mackie
- C H Mak
- D J Marshall
- M J Mauritie
- B A Mcmenagle
- A D Mellies
- R J Mobs
- E Moisidis
- D A Moon
- A Nabavi-Tabrizi
- S Naidu
- M G Neil
- S Nicklin
- J Ooi
- J E Paterson
- P A Plank
- P J Puckridge
- M J Ray
- P J Rice
- A J Richards
- R I Richardson
- P Riddell
- D P Rimmington
- B G Seeto
- N Singh
- T Sitarhan
- E T Smith
- M D Smith
- K L Snook
- S J Sowter
- D C Spilias
- R A Story
- R C Studd
- T K Suen
- P C Summersell
- Z LSzomor
- C J Taylor
- J Titus
- K H Tse
- C E Turner
- M J Tyjocinski
- G M Tynms
- D P Van Bavel
- N Van Zyl
- VS Vijayasekaran
- J O W agener
- M W W arner
- A R Webb
- A J W Illiams
- D W Illiams
- M P W ines
- S T Wood
- T T Wu
- G P Yang
- M J Yeung
- X Zhang
- J M Zwart

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**Deaths Of Fellows**

The College Council notes with regret the deaths of the following fellows during the year 2004.

- N Anumugasamy
- J S Barnett
- W C Beetham
- W R Beetham
- N Bevan
- A G Bond
- J Bremner
- D H Bromfield
- S Chand
- C T Collins
- W J Crawford
- W W Davey
- T E Dick
- T A Dinning
- F W Easton
- H H Eddey
- M W Fallows
- N R Freeman
- V A James
- R P Jury
- K H Keller
- J P Kelly
- R H Kernutt
- P King
- B L Kneale
- J M McGarrah
- P J M McGarrah
- N Myers
- R Paton
- T S Ong
- I C O’Rourke
- R R Talbot
- W G Shilach
- A Wardale

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**ANNUAL REPORT 2004**
**HONOURS AND AWARDS**

Royal Australasian College of Surgeons. Head Office, College of Surgeons Gardens, Spring Street, Melbourne 3000. Telephone: +61 3 9249 1200, Facsimile +61 3 9249 1219, Email: college.sec@surgeons.org.

**Honorary Fellowship**
Dr Mitchell Notaras.
Prof Ernest Weymuller

**The Gordon Trinca Medal**
Dr Paul Woods.

**Sir Louis Barnett Medal**
Prof Jim May

**Certificate of Appreciation**
His Honour Judge Wally Tutt

**Award of Excellence in Surgery**
Prof Graeme Clark
Prof Michael Lawrence Brown

**RACS Medal**
Mr Michael Jay

**Court of Honour**
Prof Gordon Clunie

**Colin McRae Medal**
Mr Allan Panting

**RACS Surgical Research Award**
Prof Reg Lord

**Provincial Surgeons Awards**
Mr Barrie Aarons

**Australia Day Honours**

<table>
<thead>
<tr>
<th>AC</th>
<th>Prof G raeme C lark</th>
</tr>
</thead>
<tbody>
<tr>
<td>AO</td>
<td>Mr Victor Fazio</td>
</tr>
<tr>
<td>AM</td>
<td>Mr Michael Gordon</td>
</tr>
<tr>
<td></td>
<td>Prof Reginald Lord</td>
</tr>
<tr>
<td></td>
<td>Mr Alan Nichols</td>
</tr>
<tr>
<td>OAM</td>
<td>Mr Franklin Bridgewater</td>
</tr>
<tr>
<td></td>
<td>Mr Peter Packer</td>
</tr>
<tr>
<td></td>
<td>Mr Robert Faton</td>
</tr>
</tbody>
</table>

**New Zealand Honours**

<table>
<thead>
<tr>
<th>AC</th>
<th>Prof Sir Peter Morris</th>
</tr>
</thead>
<tbody>
<tr>
<td>AO</td>
<td>Prof Donald Simpson</td>
</tr>
<tr>
<td>AM</td>
<td>Prof Brian Buxton</td>
</tr>
<tr>
<td></td>
<td>Prof Andrew Kaye</td>
</tr>
<tr>
<td></td>
<td>Dr Clifton Maxwell</td>
</tr>
<tr>
<td></td>
<td>Prof Richard Vaughan</td>
</tr>
<tr>
<td>OAM</td>
<td>Ms Catherine Boaden</td>
</tr>
<tr>
<td></td>
<td>Dr Simon Hockley</td>
</tr>
<tr>
<td></td>
<td>Dr Graeme Southwick</td>
</tr>
</tbody>
</table>

**Queen’s Birthday Honours**

<table>
<thead>
<tr>
<th>MNZM</th>
<th>Barry Partridge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>AC</td>
</tr>
<tr>
<td></td>
<td>Prof Sir Peter Morris</td>
</tr>
<tr>
<td></td>
<td>AO</td>
</tr>
<tr>
<td></td>
<td>Prof Donald Simpson</td>
</tr>
</tbody>
</table>

**New Year’s Honours**

<table>
<thead>
<tr>
<th>ONZM</th>
<th>Mr G avin W ilton</th>
</tr>
</thead>
</table>

**University of New South Wales Degree of Doctor of Letters.**
Mr Ken Unsworth

**COlLeG E SUPpoRTERS**

The College received $1,184,903 in donations from Fellows, private benefactors and corporate sponsors. In addition, it received $845,000 worth of in-kind sponsorships from industry supporters for its educational activities throughout 2004.

The College gratefully acknowledges and thanks our generous corporate sponsors and benefactors.

**Major Corporate Sponsors**

- Affinity Healthcare
- Ansell
- ANZ Private Bank
- AstraZeneca
- Johnson & Johnson
- Kimberly-Clark
- Unilab
- Matrix Surgical
- Medivicision
- Olypmyus
- Smith and Nephew
- Tyco Healthcare

**Benefactors**

- Prof R C Bennett
- The Eric Bishop Trust
- Mrs Marjory Edwards
- The Paul Mackay Bolton family
- Mr B P Morgan
- Sporting Chance Cancer Foundation
- Mrs Elisabeth Unsworth

The College also thanks and gratefully acknowledges the generous contributions made by Australian, New Zealand and international Fellows.

2004 College Council

**Front row left to right**
Russell Stitz, Chairman of Professional Development and Standards, Anne Kolbe, President, Trish Davidson, Censor in Chief and Andrew Sutherland, Honorary Treasurer.

**Second row, left to right**
Ross Blair, Chairman, Court of Examiners, Emol Maguire, Stephen Deane, Chairman, Board of Basic Surgical Training and Peter Wodruff, Vice President.

**Third row, left to right**

**Fourth row, left to right**
Ian Civil, Adrian Anthony, John Collins, Dean of Education, Murray Pfeiffer, Chairman of New Zealand National Board, David Scott, Executive Director of Surgical Affairs, Michael Cousins, President of ANZCA and Bruce Waxman.

**Absent:**
Robert Akinson, Paddy Dewan, Ian Dickinson, Anthony Hardy and John Harrs