

THIRTEENTH ANNUAL REPORT OF THE VICTORIAN
CYTOLOGY (GYNAECOLOGICAL) SERVICE
FOR THE YEAR ENDING 30th JUNE, 1978.

In the financial year just concluded two major advances have been made. Firstly, a basic research programme has been established with the financial support of the Anti-Cancer Council of Victoria. This research programme will complement the diagnostic activities of the Service and will utilise valuable information derived from these activities. Secondly, considerable progress has been made towards computerization of the many clerical activities of the Service.

Diagnostic activity has been maintained at a high level and this activity continues to yield cases of cervical cancer, many at an early and potentially curable stage.

BOARD OF MANAGEMENT:

Early in 1978 members of the Board were saddened by the death of Dr. E. E. K. Bottomley. Dr. Bottomley joined the Board of the Service in 1972 as a representative of the Board of Management of Prince Henry's Hospital. He made a significant contribution to the activities of the Service and, in particular, contributed greatly to the harmonious relationship that has always existed between Prince Henry's Hospital and the Service.

In March, 1978, Dame Ella Macknight resigned her position as a member of the Board of Management. Dame Ella had been a member of the Board since the inception of the Service in 1965. As a representative of the Anti-Cancer Council of Victoria she made a major contribution to the work of the Service, particularly in its early years of development.

DIAGNOSTIC ACTIVITIES:

From July 1st, 1977, to June 30th, 1978, 231,183 cervical smears were examined. This represents an increase of 2,491, or approximately 1 per cent. on the volume of specimens received in the previous financial year. Since the inception of the Service in January, 1965, 2,044,767 specimens have been received.

In the financial year under discussion major abnormalities were detected in 942 women. As in previous reports the term "major abnormalities" refers to all cases of invasive or established cancer and also to those conditions believed to immediately precede invasive cancer, namely, severe dysplasia

and carcinoma-in-situ. Since the inception of the Service major abnormalities, as defined, have been detected in 6,914 women. It is again emphasized that these figures refer to number of women, not specimens, since a patient with an abnormality may have repeated smears to confirm the presence, or aid in the interpretation, of this abnormality.

FINANCIAL ASPECTS:

For the year ending 30th June, 1978, the maintenance or operating cost of the Service was \$653,223. This represents an increased expenditure of \$90,714, or 16 per cent., on the previous financial year. The major component of the operating cost was that of salaries and wages which accounted for \$522,783, or 80 per cent. of the total. Expenditure on salaries and wages rose by \$78,248 or 18 per cent. when compared to the previous financial year. This increased expenditure was due to significant award increases, and to additional staff employed towards the end of the previous financial year. Although staff levels have been "frozen" since August, 1977, the impact of two qualified technologists and three part-time screeners, employed in March, 1977, was apparent in the financial year under discussion.

As suggested in previous reports, the most valid measure of the efficiency and economy of the Service is the cost per specimen examined. This can be calculated by dividing the operating costs for the full financial year by the total number of specimens examined in this period. Calculated on this basis the cost per smear during the financial year under consideration was \$2.82. A comparison may be drawn between this figure and the current schedule fee of \$9.40 per smear. Indeed it is again emphasized that a combined fee of \$15.60 is usually charged by private pathology laboratories, the additional charge being made for hormonal assessment. The latter assessment is provided by the Service whenever requested by the referring medical practitioner. The benefit component of the single fee is \$8.00 whilst for the combined fee it is \$13.30. It is believed that the economy with which the Service operates is due to the way in which it is organized and to the enthusiasm and technical competence of every staff member. However, it also reflects the benefits of "mass production" techniques and is a prime example of the economic advantages of rationalization of laboratory services. Such rationalization would appear mandatory in these days of rising health costs.

STAFF:

Several significant staff changes occurred during the financial year. One such change was the reorganization of the medical staff structure. Thus in January, 1978, Dr. S. K. Tang was transferred to the staff of Prince Henry's Hospital, and, in this capacity, was seconded half-time to assist in the work of the Service. At the same time Dr. J. F. Funder was seconded half-time in a similar capacity. This has created a situation where four pathologists, employed within the Department of Anatomical Pathology of Prince Henry's Hospital, are involved part-time in the Cytology Service, the total commitment being the equivalent of one and three quarter full-time pathologists. More importantly it has re-established the original pattern of medical staffing where all pathologists responsible for the diagnostic work of the Service are also engaged in routine diagnostic histopathology.

In June, 1978, Dr. Gabriele Medley was appointed Deputy Director of the hospital department of Anatomical Pathology and also Deputy Director of the V.C.(G.)S. This joint appointment was formerly held by Dr. H. D. P. Thomson but had remained vacant since his resignation in January, 1974 because of the lack of a suitable applicant for the position. Dr. Medley has had considerable training and experience in Anatomical Pathology, including Cytopathology, and also sound administrative experience.

In February, 1978, the Assistant Director of the Service, Mr. E.D. Wilson resigned to enter private pathology practice. Mr. Wilson joined the staff of the Service in January, 1967, as a Senior Cytotechnologist. He was subsequently appointed Laboratory Manager and then, in 1975, Assistant Director. He made a substantial contribution to the development of the Service and was largely responsible for the plans to computerize its clerical activities. In this latter respect it is gratifying to record that he has made himself available on a sessional basis to assist in the implementation of computer facilities.

On June 30th, 1978, the following technical and clerical staff was employed:

Technical Staff:

- Full-time Fifteen (15) Cytotechnologists.
- Part-time Twenty-eight (28) Cytotechnologists and Screeners.

Clerical Staff:

- Full-time Fifteen (15) Typists, Clerks, and Key-Punch Operators.
- Part-time One (1) Typist Clerk.

As already indicated the medical staff comprises four pathologist each on a part-time basis, and each holding appointments within the Prince Henry's Hospital Department of Anatomical Pathology. The pathologists concerned, and the extent of their commitment, are as follows:

Dr. Michael Drake (Director)	Quarter-time.
Dr. Gabriele Medley (Deputy Director)	Half-time.
Dr. John F. Funder	Half-time.
Dr. S. K. Tang	Half-time.

ASSISTANCE FROM OTHER ORGANIZATIONS:

The Anti-Cancer Council of Victoria continues to provide considerable support for the Service. As in previous years it has promoted the activities of the Service by way of its public and professional educational programmes. In addition, as already recorded, it is now supporting the research activities of the Service.

Members of the Floral Group of the Prince Henry's Hospital Auxiliaries have again provided many hours of work to pack the kits of materials used by the medical practitioners throughout Victoria. Because of limitations of space this work has been carried out in difficult circumstances but always cheerfully and efficiently. This help is vital to the functioning of the Service and is deeply appreciated.

TEACHING AND EDUCATIONAL ACTIVITIES:

The teaching activities of the combined laboratories of the Service and of the Prince Henry's Hospital Cytology Section continue at a high level. As in past years a number of cytology subjects have been taught in collaboration with the Royal Melbourne Institute of Technology. The Service maintains a large collection of documented teaching materials which is used by technologists and pathologists throughout Victoria.

SPACE:

In recent years considerable space problems have developed. The present building was occupied by the Service early in 1969. Since that time there has been a substantial increase in the volume of work received and a commensurate increase in staff numbers. During the financial year just concluded the existing space was modified to provide maximum usage for pure service or diagnostic activities. The clerical area was re-located and a new technical area established. These alterations provided an increased number of microscopy areas for screeners and also increased the area available for clerical activities. However, in order to achieve

this it was necessary to sacrifice the seminar room, the technician training area, and portion of the staff room. The loss of teaching facilities is particularly regrettable as the Service is very dependent on continued in-service technician training. It is believed that serious consideration will have to be given in the near future to the provision of additional floor space.

RESEARCH ACTIVITIES:

Previous reports have referred to the need to establish a research programme to complement the diagnostic activities of the Service and to utilise the vast amount of material generated by these activities. Clearly the desirability of a research programme was envisaged when the V.C. (G.)S. was first established and the by-laws of the Service designate such research as a prime object.

During 1977 an approach was made to the Anti-Cancer Council of Victoria for financial support to investigate certain factors relating to the development of cervical cancer, this investigation to be carried out by Dr. Malcolm Simons, an immuno-geneticist, in collaboration with the Director of the Service, Dr. Michael Drake. It was proposed to use material derived from patients whose cervical smears had been processed by the laboratories of the V.C. (G.)S. The project was accepted by the Anti-Cancer Council and a grant of \$25,000 was made to support the work during 1978.

The investigation is based on the belief that cervical cancer may be due to an agent transmitted during sexual intercourse. There is considerable evidence to support such a belief and this evidence also implicates the herpes simplex virus, type 2 (HSV-2) as the possible agent. In addition, it is postulated that a person's genetic make-up may influence her response to the herpes virus increasing her susceptibility to develop cervical cancer and/or determining her survival from the disease. The project, therefore, involves a detailed study of certain women to establish their genetic make-up and, at the same time, to determine whether they have ever been infected by the herpes simplex virus type 2. The techniques for such studies have already been established and specimens of blood are being obtained. The women being investigated are those who have, or have had, cervical cancer, and those who may be developing the disease as indicated by the repeated demonstration of the lesser degrees of dysplasia in their cervical smears. Material for the study is being derived from patients whose smears have been processed by the Service. Considerable co-operation is being received from these patients and also from the medical practitioners throughout Victoria who use the cytology service.

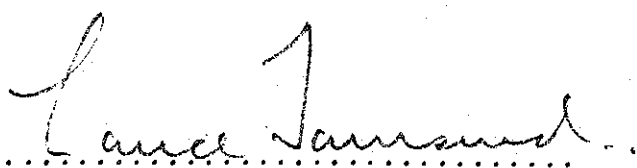
The establishment of this programme has provided a considerable stimulus to the staff of the Service, both medical and technical. More importantly it is believed that the project will yield important information regarding the origin and development of cancer of the uterine cervix.

CLERICAL ACTIVITIES:

For some years now reference has been made to difficulties being experienced in the clerical activities of the Service and the last annual report indicated the need to utilize on-site computer facilities to handle these activities. During the financial year just concluded a decision was made to acquire a Univac V77/600 mini-computer to form the basis of an on-line computer system. In addition, arrangements have been made for the development of the software necessary to provide a comprehensive system to replace virtually all the existing clerical activities of the Service and to allow the expansion of these activities. Work is proceeding satisfactorily despite a considerable delay in delivery of the computer. It is not yet known when the new system will be implemented but it is anticipated that it will be fully operational by the end of 1978 or, at the latest, early in 1979. At this stage tribute should be paid to the former Assistant Director, Mr. Edgar Wilson, and Mrs. Lourdes Brent, Computer Scientist, who have done a vast amount of work evaluating systems and specifying the needs of the Service.

CONCLUSION:

That the Victorian Cytology (Gynaecological) Service is meeting a need within the community is evident from the continued high level of diagnostic activity. That it is meeting this need efficiently and economically is made abundantly clear by the figures contained within this report. The acquisition of on-site computer facilities should increase, even further, the efficiency of the Service whilst the research programme now initiated should add another dimension to the work of the Service in understanding and combating cancer of the uterine cervix.



.....
CHAIRMAN
Sir Lance Townsend



.....
SECRETARY
W. A. Cross

AUDITORS' REPORT TO THE

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

We report that we have examined the accounting records and financial statements of the Victorian Cytology (Gynaecological) Service for the year ended 30th June, 1978.

The financial statements comprise Operating Account Statement of Cash Receipts and Payments and Statement of Funds for the year ended 30th June, 1978 and Statement of Balances at 30th June, 1978.

In our opinion -

1. the Operating Account Statement of Cash Receipts and Payments is properly drawn up so as to give a true and fair view of the cash receipts and payments of the Service for the year ended 30th June, 1978.
2. the Statement of Balances and the Statement of Funds are properly drawn up so as to give a true and fair view of the state of affairs of the Service at 30th June, 1978 and the results of operations for the year ended on that date.
3. the accounting and other records of the Service examined by us have been properly maintained.

Parkhill Lithgow & Gibson

PARKHILL LITHGOW & GIBSON
Chartered Accountants

B.W. Lithgow
B.W. LITHGOW
Partner

Melbourne ² October 1978

DECLARATION BY THE SECRETARY

I, WILLIAM ALBERT CROSS Secretary of Victorian Cytology
(Gynaecological) Service do solemnly and sincerely declare that -

The accompanying Statement of Balances at 30th June, 1978,
Statement of Receipts and Payments and Statement of Funds for year
ended 30th June, 1978, are to the best of my knowledge and belief correct.

And I make this solemn declaration conscientiously believing the
same to be true and by virtue of the provisions of an Act of Parliament
of Victoria rendering persons making a false declaration punishable for
wilful and corrupt perjury.

W. A. Cross

Declared at Melbourne in the State of Victoria

this ..Ninth..... day ofOCTOBER..... 1978

Before me

[Signature]
A Commissioner for taking Declarations and
Affidavits under the Evidence Act 1958.

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

OPERATING ACCOUNT - STATEMENT OF RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED 30TH JUNE, 1978

<u>1977</u>			<u>1978</u>
	<u>RECEIPTS</u>		
543,306	Government grants		689,000
569	Other Income		-
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\$ 543,875			\$ 689,000
	<u>PAYMENTS</u>		
	Salaries		
399,940	Non medical	466,480	
44,595	Medical	<u>56,303</u>	522,783
4,026	Superannuation		4,371
	Administration Expenses		
16,721	Kit stationery	13,814	
4,099	Stationery	4,366	
14,076	EDP expenses	14,544	
32,935	Postal charges	40,469	
3,380	Travel	16	
3,432	Insurance	8,490	
2,504	Telephone	3,454	
3,859	Other	<u>7,012</u>	92,165
292	Food expenses	629	
4,222	Domestic charges	5,151	
2,200	Fuel, light and power	2,745	
5,698	Repairs & Maintenance	7,519	
	Medical & Surgical		
6,492	Internal	6,537	
14,038	External	<u>11,323</u>	33,904
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562,509			653,223
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\$ (18,634)	Operating Surplus (Deficit)		\$ 35,777
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VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

STATEMENT OF BALANCES AT 30TH JUNE, 1978

LIABILITIES

<u>1977</u>		<u>1978</u>
-	Research trust fund	10,817
161,456	Capital funds	196,839
(45,711)	Accumulated operating deficit	(23,560)
<u>115,745</u>		<u>184,096</u>
⁵ 47,731	Bank overdraft - operating account	23,784
-	Funds held in trust	307
<u>\$ 161,476</u>		<u>\$ 208,187</u>

ASSETS

Current Assets

20	Cash on hand	20
-	Cash at bank - research trust account	10,817
-	Prepayments (note 2)	511
<u>20</u>		<u>11,348</u>

Fixed Assets

161,456	Furniture and equipment - at cost	169,213	
-	Computer programming - at cost	<u>27,626</u>	196,839
<u>\$ 161,476</u>			<u>\$ 208,187</u>

Notes to and forming part of the accounts

- Statement of Accounting Policy
The financial statements are compiled on a cash accounting basis.
- Prepayments
Prepayments represent moneys paid to the Hospitals Superannuation Board in advance of the employees' contributions being received. \$511
- Commitments not provided for in the accounts
(a) Contracts for the purchase of equipment \$14,000
(b) Amount approved for future lease rental commitments but not contracted for at balance date

Varian computer - annual commitment 1978/79	\$42,250
total future premiums	\$211,200
residual value	\$42,317

VICTORIAN CYTOLOGY (GYNAECOLOGICAL) SERVICE

STATEMENT OF FUNDS FOR THE YEAR ENDED 30TH JUNE, 1978

<u>1977</u>		<u>1978</u>
<u>RESEARCH TRUST FUND</u>		
-	Grant received - Anti Cancer Council	25,000
-	Other receipts - bank interest	159
		<u>25,159</u>
-	<u>Less</u> Expenditure - salaries	5,898
-	- maintenance	<u>8,444</u>
		<u>14,342</u>
\$ -	<u>Balance - 30th June, 1978</u>	<u>\$ 10,817</u>
 <u>CAPITAL FUND (Represented by Fixed Assets)</u>		
125,464	Balance 1st July, 1977	161,456
35,992	<u>Add</u> Capital grant received	21,757
-	Transfer from Operating Fund	13,626
		<u>196,839</u>
\$ 161,456	<u>Balance - 30th June, 1978</u>	<u>\$ 196,839</u>
 <u>OPERATING FUND</u>		
(27,077)	Accumulated deficit 1st July, 1977	(45,711)
(18,634)	<u>Add</u> Operating surplus (deficit)	<u>35,777</u>
		(9,934)
-	<u>Less</u> Transfer to Capital Funds	<u>13,626</u>
\$(45,711)	<u>Accumulated Deficit 30th June, 1978</u>	<u>\$(23,560)</u>