

**THE AUSTRALIAN SOCIETY OF SPECIALIST GENERAL SURGEONS
TRADING AS**

**GENERAL SURGEONS AUSTRALIA
(INCORPORATED IN VICTORIA - LIMITED BY GUARANTEE)**

A.B.N 31 091 317 690

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 December 2010**

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Royal Australasian College of Surgeons
College of Surgeons Gardens'
Spring Street
Melbourne Victoria 3000

**GENERAL SURGEONS AUSTRALIA
GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

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**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. BOARD OF DIRECTORS

The names, qualifications, special responsibilities and experience of the Directors in office at any time during the year and at the date of this report are:

**Campbell, Mr Graeme John
(Vice President to 1 June 2010;
President from 1 June 2010)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Rural Surgery, Breast Surgery, and Skin Melanoma. Member of and RACS Victorian Board in General Surgery from 2005-2007. Member of RACS Divisional Group of Rural Surgery (DGRS) Committee since 2003. Member of RACS Rural Craft Group Audit Steering Committee 2006-2010. Member of RACS Care of the Critically Ill Surgical Patient Committee since 2007. Member of RACS Rural Trauma Committee since 2007. Member of RACS GP Procedural Working Party since 2007. Member of RACS Section of Breast Surgery and Victorian Hand Surgery Society. Secretary of RACS Victorian State Committee from 2006-2008. Ex-Officio member of RACS Victorian State Committee since 2008. Member of RACS Professional Development and Standards Board Executive since 2008. Member of RACS ASC Planning and Review Committee since 2010. Member of RACS Post Fellowship Education and Training Committee since 2009. Member of RACS Council since 2007. Chair, RACS Fellowship Services Committee since 2008. Chair, RACS Communications Working Party since 2009. Member of RACS Board in General Surgery since June 2010. Member of MOSES Steering Committee since 2010. Coopted GSA DGRS Representative and GSA Victorian State Committee Representative from 2006-2010. GSA Vice President from July 2006-June 2010. Elected GSA Victorian State Representative since May 2010. GSA President since June 2010.

**Truskett, Mr Philip Gregory
(Retired 1 June 2010;
President to 1 June 2010)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Upper-Gastrointestinal, Hepatobiliary, and Trauma Surgery. Member of RACS Early Management of Severe Trauma Committee from 2001-2007; Chair from 2007-2009. Member of RACS Care of the Critically Ill Surgical Patient Committee from 2002-2009. Member of RACS Safe Hours Working Party from 2006-2008. Member of RACS Emergency Surgery Working Party from 2007-2008. Member of RACS Trauma Committee since 2008. Members of RACS Fellowship Services Committee since 2008. Member of RACS ASC Planning and Review Committee since 2010. Member of RACS Infection Control Committee since 2004. Member of RACS International Committee since 2006. Member of the RACS Board of Basic Surgical Training Committee in 2008. Member of the RACS Post Fellowship Education & Training Steering Committee from 2008-2009. Member of RACS Younger Fellows Committee since 2009. Member of RACS Governance and Advocacy Committee since 2010. Member of RACS CIC Review Committee since 2009. Members of RACS Education Board since 2009. Member of RACS GP Procedural Working Party since 2007. Member of RACS Court of Examiners in General Surgery since 2004. Member of RACS Council since 2008. Chair, RACS NSW State Committee from 2006-2008; ex-officio member since 2008. Chair, RACS Skills Education Committee since 2008. Ex-Officio member of RACS Board in General Surgery from 2004-2010. Member of MOSES Steering Committee since 2010. Coopted GSA NSW State Representative from 2002-2004. Elected GSA New South Wales State Representative from 2004-2010. GSA Vice President from 2004-2006. GSA President from July 2006-June 2010.

1. BOARD OF DIRECTORS (CONT'D)

**Cox, Dr Michael Robert
(Vice President from 1 June
2010)**

MBBS, MS, FRACS. General Surgeon with sub-specialist interests in Upper-Gastrointestinal, Hepatobiliary, and Obesity Surgery. Professor of Surgery, Nepean Hospital. Member of RACS Section of Upper GI/HPB Surgery. Member of Australian Medical Association. Member of RACS Surgical Education and Training Working Party from 2006-2007. Member of RACS Court of Examiners in General Surgery since 2004. Member of RACS Board of Specialist Surgical Training from 2005-2007. Member of RACS Board in General Surgery from 2005-2009; Chair from 2005-2007. GSA Board in General Surgery Representative (Ex-officio) 2006-2007. Coopted GSA New South Wales State Representative from July 2007-May 2010. Elected GSA New South Wales Representative from May 2010. GSA Vice President since June 2010.

**Pitcher, Ms Meron Edith
(Retired 7 May 2010;
Secretary/Treasurer to 7 May
2010)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Breast Surgery and Surgical Oncology. Deputy Chair, Breast Study Committee, Cancer Council Victoria since 2001. Member of RACS Section of Breast Surgery. Member of RACS Court of Examiners in General Surgery from 2000-2010; Senior Examiner from 2007-2010. Member of RACS Surgical Oncology Committee from 2006-2010. Member of RACS Victorian Skills Consortium. Member of RACS Victorian State Committee Executive 1998-2002. Chair, RACS Victorian State Committee 2002-2004. Member of Victorian Board in General Surgery since 2005. Member of Radiation Safety Guidelines Working Party from 2006-2007. Member of RACS Professional Development Committee from 2007-2008. MOSES Presenter since 2010. GSA Professional Development and Standards Board Representative from 2004-2008. Coopted GSA Victorian State Representative from 2002-2004. Elected GSA Victorian State Representative from 2004-2010. GSA Secretary Treasurer from July 2005-May 2010.

**Donovan, Mr Michael Peter
(Appointed 7 May 2010;
Secretary/Treasurer from
1 June 2010)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Hepatobiliary, Upper-Gastrointestinal, and Breast Surgery. RACS Basic Surgical Training Supervisor (Queensland) from 2006-2007. Member of RACS Queensland Regional Subcommittee of General Surgery since 2008. Coopted GSA ASC Brisbane 2009 Representative from 2007-2009. Elected GSA Queensland State Representative since May 2010. GSA Secretary/Treasurer since June 2010.

Baker, Dr Sam Patrick

MBBS, FRACS. General Surgeon with sub-specialist interest in Rural, Skin Melanoma, Trauma, Hepatobiliary, Upper-Gastrointestinal, Burns, Colorectal, Endocrine, Obesity, and Oncology Surgery. Member of RACS FLS Advisory Group from 2006-2007. RACS Surgical Training Supervisor (Queensland) from 2006 to 2008. Member of RACS Section of Trauma Surgery since 2006. Member of RACS Queensland Trauma Committee since 2005. Member of RACS Heritage and Archives Committee from 2007-2009. Member of RACS Younger Fellows Committee since 2010. Member of RACS Audit Committee since 2010. Member of RACS Education Board since 2010. Member of RACS Resources Committee since 2010. Member of RACS Investment Committee since 2010. Chair of RACS Property Committee since 2007. Member of RACS ASC Planning and Review Committee since 2009. Member of RACS Communications Working Party since 2009. Ex-Officio member of RACS Queensland State Committee from 2008-2010. Member of RACS Professional Standards Committee since 2008. Member of RACS Council since 2008. GSA Professional Development and Standards Board Representative since 2008. Ex-Officio GSA RACS Speciality Councillor for General Surgery since June 2008.

1. BOARD OF DIRECTORS (CONT'D)

**Blackham, Dr Ruth Elisa
(Retired 18 September 2010)**

MBBS. General Surgical trainee (Western Australia). Member of RACS Trainee Rural Surgical Training Program from 2008-2010. Member of RACS Trainees' Association from 2008-2010. Coopted member of RACS WA State Committee from 2009-2010. Member of RACS Surgeons as Educators Committee from 2009-2010. Coopted GSA Trainees' Association representative from 2008-2010.

Christophi, Prof Christopher

MBBS, FACS, FRCS, FRACS. General Surgeon with sub-specialist interest in Hepato-Biliary Surgery. Member of ANZ Chapter American College of Surgeons. Chairman, RACS Victorian Board of General Surgery from 2000-2005. Chairman, RACS Board of General Surgery from 2003-2005. Member of RACS Court of Examiners from 1995-2003. Chairman, RACS Provisional Training Board in General Surgery from 2005-2007. Member of RACS Academy of Surgical Educators Committee since 2010. Member and Chairman of RACS Section of Upper GI/HPB Surgery since 2006. GSA Board in General Surgery Representative (Ex-officio) from 2003-2005. Coopted GSA Section of Upper GI/HPB Surgery Representative since July 2008.

**Danne, Assoc Prof Peter David
(Retired 6 August 2010)**

MBBS, FACS, FRACGP, M.D., FACS, FRACS. General Surgeon with sub-specialist interests in Colorectal and Trauma Surgery. Inaugural Director of Trauma Services and Trauma Unit, Royal Melbourne Hospital 1998-2003. Member of the Ministerial Task Force on Trauma and Emergency Services 1997-1999. Chair, RACS Main Trauma Committee 1999-2005, Trauma-Regional Chairmen Sub-Committee, and Trauma - Executive Sub-Committee from 2001-2005. Member of RACS Trauma-Education & Curriculum Development Sub-Committee, Trauma-Systems Performance Improvement & Registries Sub-Committee, and Trauma-Verification Sub-Committee from 2001-2010. Member of RACS DSTC Course Ad Hoc Committee since 2001. Member of National Trauma Register Consortium from 2001-2010. Member of Disaster Preparedness Working Party since 2005. Past Chair and Member of RACS Victorian State Committee. Coopted GSA Trauma Group Representative from May 2002-August 2010.

**Foster, Mr Hamish Cromie
McArthur**

MBBS, B.Sc., MS, FRCS, FACS, FICS, FRACS. General Surgeon with sub-specialist interests in Head & Neck, Breast, Colorectal, and Trauma Surgery. Member of Pan Pacific Surgical Association. Member of RACS Section of General Surgery, RACS Section of Upper GI/HPB Surgery, RACS Endosurgery Group, RACS Military Medicine Group, RACS Medico-Legal Group, RACS Trauma Group, and RACS Section of Breast Surgery. Past Director of General Surgery, Royal Darwin Hospital. Past Associate Professor of Surgery, NT Clinical School. Chair, RACS Military Surgery Executive since 2005. Previous coopted GSA Queensland State Representative 2004, and Northern Territory Representative 2005. Coopted Military Surgery and Regional Surgery Representative since May 2006.

**Oliver, Mr David John
(Retired 24 August 2010)**

MBBS, FRACS. General Surgeon with sub-specialist interests in Breast and Endocrine Surgery. Member of RACS Section of Breast Surgery, and RACS Section of Endocrine Surgery. Member of Australian Medical Association. Member of National Breast Cancer Audit Clinical Advisory Committee from 2005-2010. Member of RACS Breast Audit Committee from 2007-2010. Chair, RACS Section of Breast Surgery from 2005-2009. Coopted GSA Section of Breast Surgery Representative from July 2006-August 2010.

1. BOARD OF DIRECTORS (CONT'D)

Saunder, Mr Alan Charles

MBBS, FRACS. General and Vascular Surgeon with sub-specialist interest in Transplant Surgery. Unit Head, Vascular/Transplantation Surgery at Monash Medical Centre, and Supervisor of training. Member of AusAID General Surgery service at Dili National Hospital, East Timor in 2002 and 2004. Member of RACS Section of Transplantation Surgery. Member of Australian & New Zealand Society of Vascular Surgery. Member of RACS IMG Interview Committee 2008-2009. Member of RACS Victorian State Committee from 2004-2006. Chair, Victorian Regional Subcommittee, Board in General Surgery from 2005-2007. Member of RACS Board in General Surgery since 2003; Chair since 2009. GSA Board in General Surgery Representative (Ex-officio) since May 2009.

Serpell, Prof Jonathan William

MBBS, FACS, FRACS. General Surgeon with sub-specialist interests in Endocrine and Breast Surgery and Skin Melanoma. Member of RACS Section of Endocrine Surgery, RACS Section of Breast Surgery, and RACS Section of Academic Surgery. Member of ANZ Chapter American College of Surgeons. Member of RACS Victorian Board in General Surgery from 2000-2006. Members of RACS Board of Basic Surgical Training from 2002-2006. Chair of RACS Clinical Exam bank Subcommittee from 1994-2005. Member RACS Court of Examiners in General Surgery since 2002; Senior Examiner since 2010. Member of RACS Examinations Committee in 2005. Chair, RACS Section of Endocrine Surgery since 2006. President, Australian and New Zealand Endocrine Surgeons. Coopted GSA Section of Endocrine Surgery Representative since July 2006.

Shannon, Mr Kerwin Frank

MBBS, FRACS. General Surgeon with sub-specialist interests in Head & Neck, Trauma, and Endocrine Surgery, Skin Melanoma, and Surgical Oncology. Member of RACS SST Hospital Supervisors – General since 2001. Member of RACS NSW Regional Board in General Surgery since 2001. Coopted GSA Head & Neck Group Representative since June 2000.

Tan, Dr Jeremy Tian-Hui

MBBS, FRACS. General Surgeon with sub-specialist interests in Trauma, Hepatobiliary, Upper-Gastrointestinal, Colorectal, Obesity, and Oncology Surgery. RACS Surgical Training Supervisor (Western Australia). Coopted GSA ASC Perth 2010 Representative from 2008-2010. Elected GSA Western Australian Representative since May 2010.

Turner, Prof Richard Clive (Appointed 7 May 2010)

MBBS, B Med Sc, FRACS. General surgeon with sub-specialist interests in Rural, Trauma, Upper GI/HPB, Obesity, Colorectal and Minimally Invasive Surgery. Multi-disciplinary interests include Academic Surgery, Professional Development and Research. Interest in epidemiology, as it relates to surgical diseases and procedures. Professor of Surgery, University of Tasmania School of Medicine since 2009. Previous Associate Professor in Surgery at James Cook University, Cairns. Member of RACS Queensland Regional Subcommittee of the Board in General Surgery from 2005-2008. Member of RACS Rural Trauma Committee since 2006. Chair, Northern Australia Surgeons Network Steering Committee from 2007-2010. Deputy Chair of RACS Physiology Bank Subcommittee since 2008. Member of RACS Examinations Committee since 2008. Member of RACS Court of Examiners in General Surgery since 2008. Member of RACS Board in General Surgery since 2007. GSA elected Tasmanian State Representative since May 2010.

1. BOARD OF DIRECTORS (CONT'D)

Vallance, Mr Stephen (Retired 7 May 2010)

MBCHB, FRACS, FRCS (Eng), FRCS (Edin), MD. General Surgeon with sub-specialist interest in Vascular Surgery. Member of RACS Divisional Group of Rural Surgery (DGRS) since 2003. Member of RACS New Zealand National Board from 2007-2010. Member of NZAGS Executive Committee from 2006-2010. Member of RACS Board in General Surgery from 2008-2010. Member of the RACS Post Fellowship Education & Training Steering Committee from 2008-2009. President of New Zealand Association of General Surgeons (NZAGS) from 2007-2010. Coopted GSA NZAGS Representative from February 2007-May 2010.

Wall, Assoc Prof Daryl Robert

AM, MBBS (First Class Honours), FRACS. General Surgeon with sub-specialist interest in Transplantation, Trauma, Upper Gastrointestinal, and Hepatobiliary Surgery. Director of Surgery, Princess Alexandra Hospital. Senior Liver Transplant Surgeon, Associate Professor of Surgery, Department of Surgery, University of Queensland. Member of RACS Anatomy Bank Subcommittee from 2001-2002. Member of RACS Trauma Committee since 2007. Member of RACS Court of Examiners in General Surgery from 1999-2007. Member of RACS Section of General Surgery. Member of DSTC Course Ad Hoc Committee since 2006. Member of RACS Trauma Subcommittee since 1992; Chair since 2009. Member of National Road Trauma Advisory Committee since 2001. Coopted Member of RACS Queensland State Committee since 2006. Australian Sports Medal. Coopted GSA Section of General Surgery Representative since May 2000.

Wilson, Mr Thomas Graham

MBBS, FRACS. General Surgeon with sub-specialist interests in Upper Gastrointestinal, Hepatobiliary, and Obesity Surgery. Member of RACS Section of Upper GI/HPB Surgery, RACS Section of Transplantation Surgery, and RACS Endosurgery Group. Member of RACS Court of Examiners in General Surgery since 2004. Past Chair RACS South Australian State Committee 2000-2002. Coopted Member of RACS South Australian State Committee since 2008. Member of RACS South Australian Board in General Surgery since 2005. Previous Chair of Conjoint Committee for Recognition of Training in Gastrointestinal Endoscopy. Head of Upper GI & HPB Surgical Unit, Flinders Medical Centre. Elected GSA South Australian State Representative from May 2004-May 2010. Co-opted GSA South Australian State Representative since May 2010.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were to promote and represent the interests of Specialist General Surgeons in Australia, including associated specialties, and to administer the Surgical Education and Training (SET) Program in General Surgery in Australia. This included advising outside organisations and government bodies on all matters relating to General Surgery and General Surgery training, as well as Continuing Professional Development (CPD) in all areas of General Surgery. There was no significant change in the nature of that activity during the year.

3. RESULTS OF OPERATIONS

The net operating result for the year ended 31 December 2010 was a surplus of \$157,558 (2009: surplus \$427,920).

The Company is exempt from income tax (Division 50 of the Income Tax Assessment Act 1997) and no provision for income tax is included in these accounts.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

4. SHORT TERM AND LONG TERM OBJECTIVES OF THE COMPANY

In accordance with the Strategic Plan for 2007-2011, General Surgeons Australia has as its major objectives:

1. To assume responsibility for Specialist General Surgical training, to the level of Fellowship of RACS;
2. To promote and support education and training programs that produce Specialist General Surgeons of the highest professional standard;
3. To ensure that Specialist General Surgeons maintain the highest standards of professional competence;
4. To provide GSA members with valuable benefits and services that support their professional lives;
5. To promote research into Specialist General Surgical disorders;
6. To develop an autonomous, well-functioning society for Specialist General Surgeons, while maintaining mutually beneficial relationships with other specialty societies, interest groups, and professional bodies;
7. To promote the reputation of Specialist General Surgery in the Australian community;
8. To promote GSA as the authority for Specialist General Surgery in Australia, and to have the Society recognised as such by government, health groups, and the wider community;
9. To develop efficient and economical administrative processes for the management of GSA and its resources; and,
10. To implement processes that provide a secure financial position for GSA.

In 2011, the Directors of the Company will review its major objectives and develop a Strategic Plan for the period 2012-2016.

5. PERFORMANCE MEASUREMENT

The Board of Directors meets regularly to review and monitor the performance of the Company. This group is complemented by representatives from associated sub-specialty societies and interest groups, as well as trainee and young surgeon representatives.

The primary strategic objective of the Company was met in 2009, with General Surgeons Australia assuming responsibility for the administration of the Surgical Education and Training (SET) Program in General Surgery in Australia. A key indicator of success in the area of Education and Training has been an increase in the number of applicants to the SET Program in General Surgery over the past two years. In 2010, the Company also met its specific objective of redeveloping the curriculum for the SET Program in General Surgery.

A highlight of the Company's development has been in the area of Continuing Professional Development, with the Company achieving an increase of almost 40% in delegate numbers at the 2010 Annual Scientific Meeting. Another key indicator for the Company is its growth in membership, which has risen by 90 members in the past two years.

The Company has continued its work in the area of Professional and Community Liaison, establishing itself as an authority in the delivery of comprehensive General Surgical services in Australia. The Company has played a key role in advising state and federal health departments through the development of the *12 Point Plan for Emergency General Surgery*, particularly with regards to the provision of acute surgical services. The Company is well placed to expand this role in the future.

6. REVIEW OF OPERATIONS

In this financial year, the Board of Directors continued their work in meeting the objectives of the GSA Strategic Plan and the Service Agreement signed with the Royal Australasian College of Surgeons (RACS), for the administration of the Surgical Education & Training (SET) Program in General Surgery in Australia.

On 1 January 2010, four employees whose services were previously sub-contracted from the RACS transferred employment to GSA, with an additional transfer occurring on 1 April 2010. In June 2010, GSA employed a part-time Administrative Officer to support the NSW Regional Office, and three casual staff members were employed during the year to assist with major projects. This took the number of full-time, part-time, and casual staff employed by GSA to fifteen.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

6. REVIEW OF OPERATIONS (CONT'D)

Activities undertaken by GSA in 2010 as part of the Service Agreement included management of the Board in General Surgery (BiGS), selection into the SET Program in General Surgery for 2011, curriculum development, exam setting, hospital accreditation, and delivery of regional education and training activities.

The online Selection Application was launched seamlessly in March 2010. The application was developed specifically for the SET Program in General Surgery, and several improvements to the Selection process were made, including automation of Curriculum Vitae scoring.

In total, 347 applications were received, of which 237 applicants were ranked as eligible for selection. From this group, 134 offers were made, and 123 new trainees were appointed to the SET Program in General Surgery for 2011. In March 2010, Selection Information Workshops were held in Melbourne, Adelaide, Sydney and Brisbane for all potential applicants. Successful applicants attended nationally run SET Orientation Workshops, held in Melbourne, Sydney, Brisbane, Adelaide, and Perth in late November and early December.

Three editions of the electronic Trainee Newsletter, entitled "Trainee Talk", were published in 2010. An electronic Surgical Supervisor Newsletter was also introduced and will continue to be produced quarterly. A Selection Interviewer Training Workshop was held in September 2010, to ensure General Surgery interviewers received the most up-to-date training in interview etiquette and technique. GSA and the BiGS also contributed to an extensive review of the SET Program in 2010, with the participation of all Surgical Specialty Boards and the RACS.

A major review of the General Surgery curriculum was conducted in September 2010, with all fourteen technical modules reformatted to reflect more accurately the requirements for Early SET (years 1-2), Mid SET (years 3-4) and Late SET (year 5+). The new format was designed to align more accurately with assessable material for the Clinical and Surgical Science Examinations, and for the Fellowship Examination. A further distinction was included under Technical Expertise, with procedures classified under Operative Management proficiency and Operative Management knowledge. The BiGS anticipated that the new format would assist supervisors, by aligning assessment expectations for various surgical rotations to appropriate SET level.

In 2010, GSA and the BiGS co-ordinated physical and paper-based inspections of hospitals in Queensland (six), South Australia (four), Northern Territory (one), Victoria (44), Tasmania (five), New South Wales (five), and Western Australia (17), as part of the quinquennial re-inspection and accreditation process for the SET Program in General Surgery.

As part of the delivery of regional education and training activities, the General Surgery Course run in New South Wales comprised 16 sessions covering various aspects of General Surgery, with 15 to 20 trainees in attendance at each session. The Exam Preparation Course held in New South Wales Teaching Hospitals was attended by 15 trainees, and was designed to assist trainees sitting the Clinical and Vivas Fellowship Examination.

In Queensland, the Core Course in General Surgery comprised 20 sessions run over 11 months. Fourteen of these sessions were held at the Royal Brisbane and Women's Hospital, with an average of 19 trainees in attendance. Two Anatomy School sessions were held at the University of Queensland, with an average attendance of 18 trainees. Peripheral hospitals were connected to the Core Course sessions via video-conference, and this facility was sponsored by Queensland Health. Presentations from each session were uploaded to the GSA website and could be accessed by all General Surgery trainees.

In South Australia, the Long Course Tutorials program was held over 11 months. The program comprised Vivas, Pathology tutorials, and presentations by trainees on a nominated topic, facilitated by a consultant. On average, 25 trainees and International Medical Graduates were in attendance at each session. The South Australian Short Course (preparation for Fellowship Exam) was held over 12 weeks, and included trial Clinical Viva sessions in major hospitals, and practice written questions for exam preparation. Skills Courses in Advanced Laparoscopic Hernia, Advanced Laparoscopic Skills, Advanced Surgical Stapling, and Energy Sources in Surgery were again held in May, August, October, and November. In Western Australia, the monthly Teaching Program (WARTS) covered a variety of topics, and was attended by 31 trainees on average.

In Victoria, 25 trainees attended the Fellowship Examination Preparation Course, held over two weeks in March 2010. The course comprised lectures from surgeons, clinical demonstrations, and workshops and was aimed at senior trainees. The Saturday Educational Sessions program was held one Saturday per month from February to September 2010, with an average of 35 trainees in attendance. The one-week Surgical Science Examination Preparation Course was held in February 2010, with 32 trainees attending. The Victorian Trainees' Weekend was held in July 2010, with 43 trainees in attendance.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

6. REVIEW OF OPERATIONS (CONT'D)

GSA ran two national Trainees' Days on Sepsis, Shock, and Critical Care (May 2010, Perth) and Colorectal Emergencies (September 2010, Sanctuary Cove). The May program was attended by 75 trainees with speakers from Australia and the United States, and was followed by an educational dinner session providing an overview of various sub-specialty Post-Fellowship Training programs.

GSA held its Annual Scientific Meeting at the Hyatt Regency Sanctuary Cove from 17-19 September 2010. The program theme was "Emergency Surgery: The Cutting Edge", with 24 invited speakers from New South Wales, Queensland, Victoria, Auckland, and Dunedin. The meeting attracted 250 delegates (138 surgeons; 112 trainees) and 42 industry representatives.

Two major initiatives of GSA for 2010 were the development of the Management of Surgical Emergencies (MOSEs) course, and the release of the *12 Point Plan for Emergency General Surgery*.

The MOSEs course was designed to assist SET3 - SET5 trainees to: make better decisions, negotiate dilemmas, and manage distractors in emergency surgery; reduce error; achieve better outcomes; work more effectively within a team; improve situational awareness; and, provide strategies for getting out of trouble. The program comprised a variety of teaching methods, including lectures, small group work, scenarios, and case discussions. The pilot MOSEs course was held in Sanctuary Cove from 15-16 September 2010, with 16 senior trainees participating.

The *12 Point Plan for Emergency General Surgery* was developed as part of the Scientific Program at the GSA Annual Scientific Meeting, held in Sanctuary Cove in September 2010. Delegates at the meeting contributed to an open forum to develop the twelve points. The final plan was launched on 18 November 2010, with copies distributed to 21 state and federal health ministers, 195 hospitals, 129 surgical supervisors, 521 trainees, and 604 GSA members.

GSA continued to promote and support a large number of professional development, education, and training opportunities for its members through the website, Events Calendar, and regular Newsletters.

Employment costs for this financial period increased, as did expenses related to the delivery of activities under the Service Agreement, particularly courses, Selection, and the development of the online Selection Application for General Surgery. Revenue from the Service Agreement, General Surgery Selection, membership subscriptions, hospital inspection fees, administration, advertising, and the 2010 GSA Annual Scientific Meeting increased in this financial period, and contributed towards the surplus for the year.

7. DETAILS OF SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant change in the state of affairs of the Company occurred during the year.

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS

In 2011, GSA will continue with the expansion of activities delivered as part of the Service Agreement with the RACS, particularly with regards to data management, further improvements to the General Surgery Selection process, a review of regional education and training programs, and development of new assessment modules.

Projected revenue in 2011 from the RACS Service Agreement is approximately \$1,067,000. The first instalment will be paid in February 2011, and the second instalment will be invoiced in June 2011 following adjustments to final trainee numbers. Projected revenue from membership subscriptions and Selection fees is approximately \$300,000.

In April 2011, GSA and the BiGS will co-ordinate inspections of 11 hospitals in South Australia and one hospital in Darwin as part of the quinquennial re-inspection and accreditation process (nine physical inspections, and three paper based). Other hospital inspections to be undertaken in 2011 include Queensland (three), Tasmania (one), Victoria (nine, plus logbook reviews for ten hospitals), and Western Australia (six).

Further development of the online Selection Application process will occur in 2011, including direct entry of interview scores, automatic calculation of results, and automated offers to successful applicants. In June 2010, the GSA Board of Management approved the development of a customised database for General Surgery trainees and members. The database will integrate Selection data for new trainees and provide an online discussion forum for trainees across all regions. It will also include functionality for tutorial reviews and 'Q&A' sessions. Furthermore, the database will provide up-to-date information on trainee progress and an online portfolio for trainees. Surgical supervisors will have access to the database to view specific data relating to their allocated trainees for each surgical rotation. The database will be extensively tested in early 2011, with an anticipated launch of April-May 2011.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

8. LIKELY FUTURE DEVELOPMENTS AND EXPECTED RESULTS (CONT'D)

GSA will again run Selection Workshops in Melbourne, Sydney, Adelaide, Brisbane, and Perth in March 2011, with successful applicants required to attend regional SET Orientation Workshops later in the year. A second pilot MOSEs program is scheduled to be held in Melbourne in April 2011. GSA Trainees' Days will be held in Adelaide in May 2011 (Upper Gastrointestinal Surgery) and Darwin in September 2011 (Trauma Surgery).

Planning for the 2011 GSA Annual Scientific Meeting will continue. The theme of the meeting is Trauma Surgery, with a focus on topics such as Disaster Management, Biomechanics of Injury, and Management of Complex Wounds. A modified two-day version of the Australian Medical Assistance Team (AUSMAT) Surgical Disaster Course will be run by members of the National Critical Care and Trauma Response Centre (NCCTRC) in Darwin, prior to the Annual Scientific Meeting.

GSA will take part in a national review of Medicare Benefits Schedule Colonoscopy Items as part of a newly formed Clinical Working Group, and will continue its review of Medicare Benefits Schedule and Item Numbers for General Surgery. Education Workshops will be held in February, May, and September 2011, focussing particularly on SET Program assessment tools for General Surgery.

Existing regional education activities will continue in New South Wales, Queensland, South Australia, Victoria, and Western Australia. In addition to the regular Saturday Educational Sessions program, Victoria will introduce a weekly tutorial session at rotating hub hospitals, open to all Victorian and Tasmanian trainees. The conveners of the South Australian Long Course Tutorial program will conduct a three month trial of teleconferencing facilities for trainees based in rural hospitals. In Western Australia, the monthly WARTS program will provide video linkage to trainees based in rural hospitals. GSA will also investigate the possibility of producing pod-casts of various educational sessions, to improve equity of access for rural and regional trainees, and International Medical Graduates.

9. DIVIDENDS

The Company is limited by guarantee. The Memorandum of the Constitution precludes the payment of a dividend.

10. SIGNIFICANT AFTER BALANCE DATE EVENTS

Since the end of the financial year the Directors are not aware of any matter or circumstances not otherwise dealt with in the report of accounts that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

On 25 February 2011, the Company received the amount of \$615,680.85 from the Royal Australasian College of Surgeons representing the first instalment of the Service Agreement funding for the administration of the General Surgery training program.

11. ENVIRONMENTAL REGULATIONS

The Company's operations are not subject to any significant environmental regulations under Federal Government, State or Territory legislation.

12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

By way of coverage for all Directors and officers of the Company, the Company has paid a premium in respect of a contract insuring those Directors and officers against liability. In accordance with normal practice, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of the premiums paid are confidential.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010**

13. MEETINGS OF DIRECTORS

Name of Director	Number of meetings entitled to attend	Number of meetings attended
Truskett, P (Retired 1 June 2010; President to 1 June 2010)	3	3
Campbell, G (Vice President to 1 June 2010; President from 1 June 2010)	7	7
Cox, M (Vice President from 1 June 2010)	7	6
Pitcher, M (Retired 7 May 2010; Sec/Treasurer to 7 May 2010)	2	2
Donovan, M (Appointed 7 May 2010; Sec/Treasurer from 1 June 2010)	5	4
Baker, S	7	5
Blackham, R (Retired 18 September 2010)	5	3
Christophi, C	6	0
Danne, P (Retired 6 August 2010)	4	0
Foster, H	6	3
Oliver, D (Retired 24 August 2010)	4	2
Saunders, A	7	3
Serpell, J	6	2
Shannon, K	6	3
Tan, J	7	3
Turner, R (Appointed 7 May 2010)	5	3
Vallance, S (Retired 7 May 2010)	2	1
Wall, D	6	5
Wilson, T	7	5

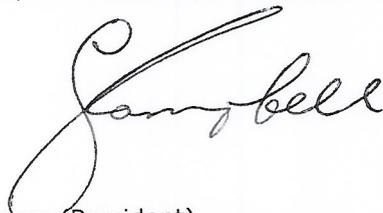
14. DIRECTORS' BENEFITS

Since the end of the previous financial year no Director has received or become entitled to receive a benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

15. AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out on page 27 and forms part of the Director's Report for the year ended 31 December 2010.

This report is made in accordance with a resolution of the Board of Directors.



Chairman (President)
23 March 2011

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
Revenue			
Members' subscriptions		92,885	88,275
Advertising income		5,068	1,273
Administration income		1,200	-
GSA ASM 2010 income		51,023	-
GSA Trainees Day - September 2009		-	5,718
GSA Trainees Day - May 2009		-	12,069
ISW2009 income		14,600	-
GSA Trainees Day - May 2010		8,945	-
Service Agreement income		990,566	954,539
Hospital Inspection income		72,500	52,900
Selection income		190,300	160,550
Regional Training Courses income		79,391	88,982
Cost of Sales - GSA Ties		(37)	-
		<u>1,506,441</u>	<u>1,364,305</u>
Other income - interest	2	43,008	15,118
		<u>1,549,449</u>	<u>1,379,424</u>
Expenses from Commercial activities:			
RACS ASC 2011		(5,773)	-
RACS ASC 2010		(5,334)	(5,609)
RACS ASC 2009		-	(5,315)
GSA ASM 2011		(160)	-
GSA ASM 2010		(2,507)	-
GSA Trainees Day - May 2011		(680)	-
GSA Trainees Day - September 2010		(40,897)	-
GSA Trainees Day - May 2010		(13,988)	-
GSA Trainees Day - September 2009		-	(17,791)
GSA Trainees Day - May 2009		-	(16,647)
COSA Trainees' Weekend - November 2010		(17,778)	-
MOSES - September 2010		(34,249)	-
Selection		(125,048)	(32,716)
Regional Training Courses		(65,352)	(54,117)
External professional services expense	10	(8,500)	(5,600)
Employee benefits expense		(728,580)	(379,624)
Administrative expense		(325,055)	(423,338)
Finance costs		(7,957)	(5,231)
Depreciation expense	3	(10,033)	(5,516)
		<u>157,558</u>	<u>427,920</u>
Surplus for the year		<u>157,558</u>	<u>427,920</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>157,558</u>	<u>427,920</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Notes	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	4	727,273	551,281
Trade and other receivables	5	65,631	71,543
Inventories	6	241	278
TOTAL CURRENT ASSETS		<u>793,145</u>	<u>623,101</u>
NON CURRENT ASSETS			
Plant and equipment	7	19,417	19,770
TOTAL NON CURRENT ASSETS		<u>19,417</u>	<u>19,770</u>
TOTAL ASSETS		<u>812,562</u>	<u>642,871</u>
CURRENT LIABILITIES			
Trade and other payables	8	21,139	40,256
Provision for employee entitlements	9	68,306	68,118
TOTAL CURRENT LIABILITIES		<u>89,445</u>	<u>108,374</u>
NON CURRENT LIABILITIES			
Provision for employee entitlements	9	47,603	16,541
TOTAL NON CURRENT LIABILITIES		<u>47,603</u>	<u>16,541</u>
TOTAL LIABILITIES		<u>137,048</u>	<u>124,915</u>
NET ASSETS		<u>675,514</u>	<u>517,956</u>
MEMBERS' FUNDS			
Accumulated surplus		<u>675,514</u>	<u>517,956</u>
TOTAL MEMBERS' FUNDS		<u>675,514</u>	<u>517,956</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Accumulated Surplus	Total Members' Funds
	2010	2010
	\$	\$
Balance at 1 January 2010	517,956	517,956
Other comprehensive income	-	-
Total comprehensive income for the year	157,558	157,558
	<u>675,514</u>	<u>675,514</u>
Balance at 31 December 2010	<u>675,514</u>	<u>675,514</u>

	Accumulated Surplus	Total Members' Funds
	2009	2009
	\$	\$
Balance at 1 January 2009	90,036	90,036
Other comprehensive income	-	-
Total comprehensive income for the year	427,920	427,920
	<u>517,956</u>	<u>517,956</u>
Balance at 31 December 2009	<u>517,956</u>	<u>517,956</u>

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 Inflows/ (Outflows) \$	2009 Inflows/ (Outflows) \$
Cash flows from operating activities			
- Receipts from members and customers		1,512,353	1,297,987
- Payments to suppliers and employees		(1,361,732)	(862,551)
- Interest received		43,008	15,118
- Interest expense		(7,957)	(5,231)
Net cash provided by operating activities	12(b)	185,672	445,323
Cash flows from investing activities			
- Payment for plant and equipment		(9,680)	(18,272)
Net cash used in investing activities		(9,680)	(18,272)
Net increase in cash held		175,992	427,051
Cash and cash equivalents at the beginning of the year		551,281	124,230
Cash and cash equivalents at the end of the year	12(a)	727,273	551,281

The accompanying notes form part of these financial statements.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

INTRODUCTION

The financial report is for the entity General Surgeons Australia as an individual entity. General Surgeons Australia is a Company limited by guarantee, incorporated and domiciled in Victoria, Australia. The financial statements are presented in Australian dollars and amounts are rounded to the nearest dollar. The registered office and principal place of business is c/- Royal Australasian College of Surgeons, 'College of Surgeons Gardens', Spring Street, Melbourne, Victoria.

The principal activities of the Company were to promote and represent the interests of Specialist General Surgeons in Australia, including associated specialties. This included advising outside organisations and government bodies on all matters relating to General Surgery, as well as Continuing Professional Development (CPD) in all areas of General Surgery.

The report was approved for issue by the Directors on the date the Declaration by Directors was signed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by General Surgeons Australia are stated to assist in a general understanding of this financial report. The accounting policies have been consistently applied except as otherwise indicated.

The financial report constitutes a general purpose financial report which has been drawn up in accordance with Accounting Standards and other Authoritative pronouncements of the Australian Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

(a) Overall Policy

The financial report has been prepared on a going concern and accruals basis, is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Standards include Australian equivalents to International Financial Reporting Standards. A statement of compliance with International Financial Reporting Standards cannot be made as the Company is considered to be a not for profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

(b) Significant Judgements and Key Assumptions

No significant judgements have been made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the Directors consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is provided on the straight-line basis, at rates which will fully depreciate assets over their estimated useful lives to the Company. Profits and losses on disposal of plant and equipment are taken into account in determining the result for the year.

Class of Asset

Rate of Depreciation

Computer hardware/software

33%

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant and equipment (continued)

Depreciation of plant and equipment

At each reporting date the Company reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Directors are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

(d) Income Tax

The Company is not liable for income tax as it is a non-profit organisation within the meaning of Division 50 of the Income Tax Assessment Act 1997.

(e) Trade and other receivables

All trade and other receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(f) Trade and other payables

Trade and other payables represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Membership subscriptions

Membership subscriptions are brought to account when invoiced on an annual basis throughout the membership period.

Meetings/Workshops

Meeting & Workshop revenue is not recognised until the meeting or workshop has been held.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Service agreement income

Service agreement income is brought to account when invoiced on a bi-annual basis.

(h) Conferences/Seminars

Conferences/seminars are an outsourced activity. Net income/expense has been recognised in the current financial year.

(i) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as defined above.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Finished goods are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at reporting date using the Weighted Average Costs basis.

Cost comprises all costs of purchase.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(l) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred and no longer controlled by the Company.

A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(m) New and Revised Accounting Standards and Interpretations

All the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the annual reporting period beginning on 1 January 2010 have been adopted by General Surgeons Australia in accordance with accounting policies described above. The directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of the Company.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
2. OTHER INCOME		
Interest	43,008	15,118
	<u>43,008</u>	<u>15,118</u>
	=====	=====
3. SURPLUS / (DEFICIT) FROM OPERATIONS		
Surplus / (deficit) from operating activities includes the following specific expenses and losses / (gains):		
Expenses:		
Rental expense	45,630	9,975
Depreciation - plant and equipment	10,033	5,516
Employee benefits expense	673,331	351,298
Defined contribution plan expenses	55,249	28,326
	<u>784,243</u>	<u>395,115</u>
	=====	=====
4. CASH AND CASH EQUIVALENTS		
Cash at bank	726,289	550,790
Cash on hand	984	491
	<u>727,273</u>	<u>551,281</u>
	=====	=====
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	4,855	5,005
Other receivables	60,776	66,538
	<u>65,631</u>	<u>71,543</u>
	=====	=====
Trade receivables consist of invoices to Members prior to 31 December 2010 for Membership Subscriptions relating to the 2010 financial year.		
There are no balances within receivables that contain assets that are past due but not impaired. It is expected these balances will be received when due. There are no impaired assets.		
6. INVENTORIES		
Ties - at cost	241	278
	<u>241</u>	<u>278</u>
	=====	=====
7. PLANT AND EQUIPMENT		
Plant and equipment - at cost	41,275	31,595
Accumulated depreciation	(21,858)	(11,825)
	<u>19,417</u>	<u>19,770</u>
	=====	=====
Total plant and equipment	19,417	19,770
	=====	=====

Reconciliation of movements

Reconciliations of the carrying amount of plant and equipment at the beginning and end of the current financial year is set out below:

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
7. PLANT AND EQUIPMENT (CONT'D)		
Plant and equipment at cost		
Carrying amount at 1 January	19,770	7,014
Additions	9,680	18,272
Depreciation	(10,033)	(5,516)
	<u>19,417</u>	<u>19,770</u>
Carrying amount at 31 December	=====	=====
8. TRADE AND OTHER PAYABLES		
Trade payables	19,720	18,078
Other	1,419	22,178
	<u>21,139</u>	<u>40,256</u>
	=====	=====
9. PROVISION FOR EMPLOYEE ENTITLEMENTS		
CURRENT		
Provision for annual leave	49,428	39,573
Provision for long service leave	18,878	28,545
	<u>68,306</u>	<u>68,118</u>
NON CURRENT		
Provision for long service leave	47,603	16,541
	<u>47,603</u>	<u>16,541</u>
TOTAL	<u>115,909</u>	<u>84,659</u>
	=====	=====
10. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the auditors for:		
Auditing services	8,500	5,600
	<u>8,500</u>	<u>5,600</u>
	=====	=====
11. RELATED PARTIES		

(a) Names of directors and key management personnel

The names of persons who held the position of director during the year ended 31 December 2010 were:

Truskett, Mr Philip Gregory (to 1 June 2010)
 Campbell, Mr Graeme John
 Pitcher, Ms Meron Edith (to 7 May 2010)
 Baker, Dr Sam Patrick
 Blackham, Dr Ruth Elisa (to 18 September 2010)
 Christophi, Prof Christopher
 Cox, Dr Michael Robert
 Danne, Assoc Prof Peter David (to 6 August 2010)
 Donovan, Mr Michael Peter (from 7 May 2010)
 Foster, Mr Hamish Cromie McArthur
 Oliver, Mr David John (to 24 August 2010)
 Saunder, Mr Alan Charles
 Serpell, Prof Jonathan William
 Shannon, Mr Kerwin Frank

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. RELATED PARTIES (CONT'D)	2010	2009
	\$	\$
Tan, Dr Jeremy Tian-Hui		
Turner, Prof Richard Clive (from 7 May 2010)		
Vallance, Mr Stephen (to 7 May 2010)		
Wall, Assoc Prof Daryl Robert		
Wilson, Mr Thomas Graham		

The names of key management personnel during the year ended 31 December 2010 were:
Benson, Ms Sarah
Carrarini, Ms Monica

(b) Director's Remuneration

Total income received or due and receivable by Directors	-	-
	=====	=====

The non-executive Directors of the Company serve voluntarily and do not receive any income for their services.

(c) Key Management Personnel Compensation

Key management personnel comprise directors and other persons having authority and responsibility for planning, director and controlling the activities of General Surgeons Australia.

The aggregate compensation of the key management personnel of the Company is set out below:

Short term employment benefits	167,144	156,217
Post employment benefit	15,043	14,060
	-----	-----
	182,187	170,277
	=====	=====

12. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks net of outstanding bank overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	726,289	550,790
Petty Cash	984	491
	-----	-----
	727,273	551,281
	=====	=====

(b) Reconciliation of net cash provided by operating activities to operating surplus

Operating surplus	157,558	427,920
Depreciation	10,033	5,516
Changes in assets and liabilities:		
Decrease / (Increase) in trade and other receivables	5,912	(65,110)
Decrease in inventories	37	-
(Decrease) / Increase in trade and other payables	(19,117)	15,584
Increase in provision for employee entitlements	31,247	61,413
	-----	-----
Net cash provided by operating activities	185,672	445,323
	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

13. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Company's principal financial instruments comprise receivables, payables and cash at bank. The main risks arising from these financial instruments are interest rate risk, credit risk and liquidity risk.

The following table sets out the carrying amount, by maturity of the financial instruments exposed to credit risk and interest rate risk as at 31 December 2010 and 31 December 2009:

2010	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash and cash equivalents	984	726,289	-	-	727,273
Trade and other receivables	65,631	-	-	-	65,631
	=====	=====	=====	=====	=====
	66,615	726,289	-	-	792,904
	=====	=====	=====	=====	=====
Weighted average interest rates	-	5.92%	-	-	
Financial liabilities:					
Trade and other payables	21,139	-	-	-	21,139
	=====	=====	=====	=====	=====
	21,139	-	-	-	21,139
	=====	=====	=====	=====	=====
Weighted average interest rates	-	-	-	-	
	=====	=====	=====	=====	=====
Net financial assets	45,476	726,289	-	-	771,765
	=====	=====	=====	=====	=====
2009					
2009	Non interest bearing \$	Floating interest rate \$	Fixed interest rate		Total \$
			1 year or less \$	1 to 5 years \$	
Financial assets:					
Cash and cash equivalents	491	550,790	-	-	551,281
Trade and other receivables	71,543	-	-	-	71,543
	=====	=====	=====	=====	=====
	72,034	550,790	-	-	622,824
	=====	=====	=====	=====	=====
Weighted average interest rates	-	4.05%	-	-	
Financial liabilities:					
Trade and other payables	18,078	-	-	-	18,078
	=====	=====	=====	=====	=====
	18,078	-	-	-	18,078
	=====	=====	=====	=====	=====
Weighted average interest rates	-	-	-	-	
	=====	=====	=====	=====	=====
Net financial assets	53,956	550,790	-	-	604,746
	=====	=====	=====	=====	=====

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

13. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Risk Exposures and Responses

(i) Interest rate risk

The Company's exposure to market interest rates relates primarily to cash at bank.

The Company's policy is not to actively manage interest income but to place surplus cash in interest bearing bank account.

Sensitivity analysis

At 31 December 2010, if interest rates had moved, as illustrated in the table below, with all other variables held constant, net results and net assets would have been affected as follows:

Possible Movements:	Net Results Higher / (Lower)		Net Assets Higher / (Lower)	
	2010	2009	2010	2009
	\$	\$	\$	\$
+1.0% (100 basis points)	4,303	2,231	4,303	2,231
-1.0% (100 basis points)	(4,303)	(2,231)	(4,303)	(2,231)

(ii) Price risk

The Company has no financial instruments that are subject to fluctuation in market prices.

(iii) Currency risk

The Company's cash and receivables are all dominated in Australian dollars and are not subject to foreign exchange risk.

(iv) Credit risk exposures

The credit risk on financial assets of the Company, which have been recognised on the statement of financial position, is generally the carrying amount, net of any allowance for doubtful debts.

The Company implements strict credit recovery controls which minimise the risk of non-recovery of trade receivables. The company is not materially exposed to any individual customer.

(v) Liquidity risk

The Company maintains sufficient cash assets and low amounts of liability. The Company's expose to liquidity risk is generally minimal.

(c) Net fair value of Financial Assets and Liabilities

The carrying amounts of bank accounts, accounts receivables and accounts payables are all approximate net fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amount of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

14. CONTINGENT LIABILITIES AND COMMITMENTS

There are no matters to report, relating to contingent assets or liabilities, or any capital commitments.

**GENERAL SURGEONS AUSTRALIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

15. SUBSEQUENT EVENTS

On 25 February 2011, the Company received the amount of \$615,680.85 from the Royal Australasian College of Surgeons representing the first instalment of the Service Agreement funding for the administration of the General Surgery Training program.

16. MEMBERS' GUARANTEE

General Surgeons Australia is a Company limited by guarantee. The amount of capital which is capable of being called up in the event of and for the purpose of the winding up of the Company is limited to \$1.00 per member. At 31 December 2010 the number of financial members was 531 (2009: 497).

17. OPERATING LEASE

Total future minimum lease payments under non-cancellable operating lease payable:

	2010	2009
	\$	\$
Less than one year	37,721	-
Between one and five years	37,721	-
	-----	-----
	75,442	-
	=====	=====

There are office premises under various lease agreements with expiry dates ranging from 12 months to 24 months.

**GENERAL SURGEONS AUSTRALIA
DIRECTORS' DECLARATION**

In the opinion of the directors of the General Surgeons Australia:

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2010 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Samybell', written in a cursive style.

Chairman (President)
23 March 2011



Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of General Surgeons Australia for the year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

D J Garvey
Partner
PKF

23 March 2011
Melbourne

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Chartered Accountants
& Business Advisers

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE GENERAL SURGEONS AUSTRALIA**

Report on the Financial Report

We have audited the accompanying financial report of the General Surgeons Australia, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the General Surgeons Australia are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion the financial statements of General Surgeons Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

PKF

23 March 2011
Melbourne

David Garvey
Partner

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