



AOA

AUSTRALIAN
ORTHOPAEDIC
ASSOCIATION

Annual Report 2013/14

EXCELLENCE IS OUR SPECIALTY

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Purpose & Objectives



AOA

AUSTRALIAN
ORTHOPAEDIC
ASSOCIATION

AOA is the peak body in Australia for training orthopaedic surgeons to world-class standards, assuring and advancing the quality of surgical practice and representing the professional interests of members.

STATEMENT OF PURPOSE

OBJECTIVES OF THE AUSTRALIAN ORTHOPAEDIC ASSOCIATION

- To foster and maintain the highest standard of surgical practice and ethics in orthopaedic surgery
- To advance the practice of orthopaedic surgery
- To promote research into musculoskeletal conditions
- To provide postgraduate education in orthopaedic surgery and, as necessary, accreditation in orthopaedic surgery
- To support orthopaedic humanitarian initiatives in Australia and overseas
- To foster scientific interchange between orthopaedic surgeons
- To act as an authority and adviser in relation to musculoskeletal conditions and orthopaedic surgery

KEY HIGHLIGHTS

AOA 21 LAUNCH	Key strategic initiative AOA 21 – Excellence in Orthopaedic Surgical Education and Training – launched October 2013
AOA 21 IMPLEMENTATION	Implementation of AOA 21 enthusiastically embraced and, as at the July 2014 Board Meeting, is progressing ahead of plan
AOANJRR STRATEGIC REVIEW	Implementation of the AOANJRR strategic review recommendations completed and/or substantially addressed
SERVICE AGREEMENT MATRIX	The Australian Medical Council (AMC) identified the service activity matrix for training (pioneered by AOA) in the service agreements between AOA and the Royal Australasian College of Surgeons (RACS) as a major innovation
INDEPENDENT TRAINING COSTING REVIEW	AOA commissioned an independent expert to undertake a detailed and 'forensic' activity-based costing review of the training activities provided by AOA for orthopaedic trainees
2013–2015 STRATEGIC PLAN	The implementation of all key deliverables identified in the 2013–2015 strategic plan has been completed and/or substantially progressed
NATIONAL ORTHOPAEDIC STRATEGIC RESEARCH FORUM	An inaugural national orthopaedic strategic research forum involving allied health professionals and AOA members was held in November 2013
YOUNG LEADERS	The 2nd successful Young Leaders' Forum was held in Melbourne November 2013
CONSTITUTION REVIEW	Proposals for amendments to the constitution were debated over the past two years and are to be considered at the Annual General Meeting in October 2014
BOARD EFFECTIVENESS	Board completed its first ever Board effectiveness review in February 2014
MEMBERSHIP GROWTH	AOA membership exceeds 1550
CONFERENCES AND EVENTS	AOA Conference and Events portfolio of meetings grows to 24 (0 in 2011)
ADVOCACY	Advocacy, profile and branding effectiveness increases; the value of media coverage over the past 12 months has grown to \$4.9m (\$1.2m last year)
MEMBER SERVICES	Member satisfaction increases to 90% (85% in 2012), with five functions (from one in 2012) scoring 90% and above
COMMUNICATION	Communication activities are becoming more relevant with increased online engagement with members
INTERNATIONAL RELATIONSHIPS	Global profile and branding solidified through participation at International Consortium of Registries (ICOR), International Society of Arthroplasty Registries (ISAR), International Medical Education Leaders' Forum (IMELF) and Asia Pacific Economic Cooperation (APEC) Business Ethics Forum
HEAD OFFICE	Member satisfaction with AOA head office records highest ever score: 96% (95% in 2013)

President Report

PRESIDENT & CHAIR OF BOARD OF DIRECTORS – PETER CHOONG



Placing excellence at the heart of our culture.

The aspiration of the Australian Orthopaedic Association (AOA) to go from good to great was facilitated by the signing of the new agreement between the Royal Australasian College of Surgeons (RACS) and AOA. This signalled the start of a relationship between the two bodies that recognises the place and leadership of AOA in the training of future orthopaedic surgeons.

AOA's work on education and training – together with its achievements in the areas of research, advocacy, and engagement – have kept the AOA Board, Executive and professional staff fully occupied over the last 12 months.

“A MAJOR THRUST OF THIS YEAR'S ACTIVITY HAS BEEN TO INCREASE ENGAGEMENT WITH IMPORTANT STAKEHOLDER GROUPS.”

AOA 21

Branding of our educational aspirations has helped to focus our efforts on what we are trying to achieve: excellence in a 21st century training program by 2021.

Ian Incoll, Chair of Education and Training, has led an energetic team of experts and educationalists to

design and develop a training program of the future. In this process, he has engaged the subspecialties and AOA membership, both senior and junior, to be part of the important groups that have been charged with reviewing and developing the curriculum, assessment, and module development. Ian has also been supported by an expert in-house team led by Jodie Atkin and mentored by A/Prof. Jason Frank (Toronto, Canada).

FEDERAL TRAINING COMMITTEE

Ian Incoll, together with the Federal Training Committee, has also continued to oversee the upgrading and ongoing activity of the current training program. Specific attention has been paid to ensure that the process follows a clear and transparent path, which has been reflected by a significant drop in the number of applications for reconsideration on procedural grounds.

A major step forward has been to operationalise the RACS/AOA agreement with the training arm officially being represented at the Board of Surgical Education and Training by AOA, rather than a committee of RACS. This has required division of the previous Board of Orthopaedics into an Australian and a New Zealand arm. Close corporation continues between the two training bodies to ensure consistency for the sake of examinations.

RESEARCH FOUNDATION

This year, the challenge for the AOA Research Foundation's new Chair, Minoo Patel (Victoria), has been to develop a strategy to increase the corpus of

the foundation. With changes in engagement between industry and AOA in recent years, there has been a steady decline in support of the research fund. The AOA Research Foundation, AOA's CEO, and I have reopened dialogue with industry to look at appropriate ways for this corpus to be refuelled. The outcome of these discussions has been promising with further discussions with interested parties planned.

STRATEGIC RESEARCH STEERING COMMITTEE

The Strategic Research Steering Committee (consisting of Ian Harris, Richard DeSteiger, Michael Scheutz, John Owen and I – supported by Adrian Cosenza and Kathy Hill) has convened on three separate occasions to discuss and delineate the aspirations arising from the National Strategic Research Consensus Forum held in November 2013.

The thrust of the Committee's efforts was how to build bridges between researchers, be they basic scientists or clinical scientists, to satisfy one of the key objectives of the AOA which is to promote and support research. The group embraced the concept of National Academic Orthopaedic Departments (NOADs) that could act as lighthouses to link research projects and researchers across the nation. The group also studied ways of enhancing the research capacity of orthopaedic surgeons as well as building research capabilities beginning at the registrar level by specific funding schemes and mentorship programs.

ENGAGEMENT

A major thrust of this year's activity has been to increase engagement with important stakeholder groups. This has been done in a variety of ways including better communication with members, participation in broader musculoskeletal initiatives, more frequent and focused interactions with government and regulatory bodies, and earlier and more proactive engagement with consumer groups.

Members: It is pleasing to report a continuation of the positive responses to feedback surveys put to the members through the year.

Government: Through Kathy Hill, Advocacy and Governance Manager, AOA has kept a very high profile with health and regulatory bureaucrats in Canberra.

Consumer Advocacy Groups: AOA has also formed important strategic alliances with consumer groups such as Arthritis Australia and Arthritis Victoria in promoting better models of care for osteoarthritis, rheumatoid arthritis and osteoporosis.

"A SIGN OF THE VITALITY OF ANY ASSOCIATION IS ITS PREPAREDNESS TO MEET THE CHALLENGES OF THE FUTURE."

Australian Rheumatology Society: AOA has supported and is committed to National Osteoarthritis and National Musculoskeletal Clinical Trials Summits headed by the Australian Rheumatological Society.

International Consensus Meeting on Prosthetic Joint Infections: Earlier this year, I had the privilege of representing AOA as one of the 400 delegates and 57 national societies who participated in the International Consensus Meeting on Prosthetic Infections held in Philadelphia. This important year-long activity has culminated in the production of global consensus statements regarding the appropriate management of prosthetic joint infections. These have been published in JBJS and Journal of Arthroplasty as well as in book form.

Asia Pacific Region: AOA continues to promote a closer tie between Australia and its Asian neighbours through the activities of Orthopaedic Outreach and the Asia Pacific Orthopaedic Association (APOA). Tangible examples of this include teaching and examination workshops with the Indonesian Orthopaedic Association at the recent combined IOA/AOA COE in Bali. Daryl Teague and John Owen have been spearheading this effort and there are greater plans afoot to engage the Asian neighbours through travelling fellowships and scholarships.

Carousel Group: Interactions with the carousel group of presidents has allowed a greater understanding of orthopaedic practice and politics on the global stage. This is a tremendous resource and is an ideal forum for uniting efforts to motivate change at the international level.

GROUP OF PAST PRESIDENTS

The experience and wisdom of our past presidents will be harnessed through the creation of a group known as the Group of Past Presidents. This invaluable resource will be utilised by the Board and Executive to inform its discussions and debates when considering issues of strategic importance.

John Owen has accepted the role of inaugural chair of this important and august group.

NATIONAL JOINT REPLACEMENT REGISTRY (AOANJRR)

The AOANJRR continues to lead in this high impact area. Under the directorship of Stephen Graves this facet of AOA has gone from strength to strength as it drives the development of important regulatory checks and balances required to ensure that joint replacement surgery remains a safe and effective option for patients with end-stage arthritis. An example of this is where the AOANJRR has used its interactions with the Therapeutic Goods Administration to highlight the need for greater clarity in the process of classifying new prostheses prior to being introduced into the Australian market.

CONSTITUTIONAL CHANGE

A sign of the vitality of any association is its preparedness to meet the challenges of the future. Ensuring that the constitution keeps up with the times is critical for allowing our association to pursue its vision and strategies effectively. Over the last three years, the constitution has been reviewed and changes raised and discussed at the member, state, and AOA Board levels. Last year, a preliminary framework was presented for discussion at the AOA Members' Forum, which signalled the Board's desire to restructure its size, composition and activities, and association membership structure. The extensive disbursement of information and recording of wide feedback has allowed the Board to craft a formal proposal which members will receive prior to the Annual Scientific Meeting for discussion and voting at the Annual General Meeting in October 2014.

PROFESSIONAL DEVELOPMENT AND STANDARDS

Michael Johnson (Victoria), the new Chair of the Professional Development and Standards Committee, has been working closely with Andreas Loeffler to address the rising numbers of complaints between and of members. Issues related to advertising, fees and professional conduct have been central to their deliberations. Moves have been made at RACS level as well as with the Australian Health Practitioner Regulation Agency (AHPRA) to explore ways where AOA may assist in the process of counselling, conciliation or investigation of complaints. AOA is also looking at ways to mitigate the rise of professional misconduct issues by developing education and training modules that target younger colleagues as they go through the training program.

RACS RELATIONSHIP

The relationship between AOA and RACS continues to develop. As important stakeholders in Australian surgery, it is incumbent on both bodies to seek paths that lead to mutual prosperity in their respective endeavours. Communication is at the core of this and several fora have been developed to assist this. These include a meeting of the respective executives of AOA and RACS on a regular basis as well as the Presidents' Forum, which sees the meeting of all the presidents of the specialty societies, including RACS, to discuss issues of mutual relevance. AOA is committed to keeping the lines of communication open.

PROFESSIONAL STAFF

Under the leadership of CEO, Adrian Cosenza, AOA head office has developed into a hive of activity where the feeling of collaboration is palpable. A lot of thought has gone into aligning recruitment and deployment with the strategic needs and portfolios of AOA. This has allowed the many committees of AOA to perform effectively and efficiently and to contribute to the advance of AOA strategies. Adrian and his team are to be congratulated for the exceptional jobs they have done in supporting and driving the efforts of our association.

CEO Report

CHIEF EXECUTIVE OFFICER – ADRIAN COSENZA



Four years in the making: a renewed, refreshed and globally relevant leader in orthopaedics.

The AOA journey over the past four years has been remarkable.

AOA has experienced healthy growth in members from 1362 (2011) to over 1550 (2014), trainees and hospital posts from 215 (2011) to 224 (2014) and accredited fellowships from over 60 (2011) to 107 (2014).

AOA's voice is being increasingly heard both internally and externally through increased advocacy, growing from five submissions in 2011 to 17 submissions in 2014. Communication activities have proven popular with open rates of the eNewsletter increasing from 47% (2011) to 69% (2014).

The Board has invested prudently in building AOA capabilities, including in the areas of director education, technology and our people. A disciplined investment in key strategic initiatives has been pursued including the AOANJRR Strategic Review, AOA 21, research, fellowships and the contemporary constitution proposals. AOA has honed its execution abilities through the professional adoption of strategic, risk, technology, public relations and project management planning capabilities.

The results speak for themselves – member satisfaction has increased from 85% in 2012 to 90% in 2014. The areas rated by members at 90% plus have increased from one in 2012 to five in 2014 and the rating range for all areas has increased from 80–89% satisfaction in 2012 to 87–93% in 2014. Staff engagement is at an all-time high. Industry partnership has strengthened in sponsorship meeting attendances and meeting support.

STRATEGY

The Board's strategic agenda is visionary and ambitious. It encompasses education and training through AOA 21 and the AOA National Joint Replacement Registry (AOANJRR) with both acknowledged in global orthopaedics as at or aspiring to world recognised status.

The Board has also initiated a major strategic review of AOA's role in research to determine the pathway for AOA to position itself as more relevant in the musculoskeletal research ecosystem, as well as commissioning a long overdue strategic review of fellowships. Discussions have also commenced in preparation for the next strategic plan 2016–2018 with ethics and professionalism emerging as likely key areas of focus.

The comprehensive strategic education and training review initiated late in 2011 has transformed into a contemporary flagship strategic initiative in AOA's core business – AOA 21 'Excellence in Orthopaedic Surgical Education and Training'. The aspiration is to pursue improved quality and patient care through the delivery of a world-recognised orthopaedic surgical education and training program.

A contemporary and pragmatic implementation plan over an eight-year period has been approved. A four year plus four year approach has been adopted covering five key areas of focus in the first four years and the remaining four in the second phase.

Members have enthusiastically embraced AOA 21 and it is most pleasing to note that external experts regard implementation so far as being ahead of other similar style transformation initiatives globally. The design and methodology in developing AOA 21 is regarded as contemporary and world best practice in strategy development.

Progress on each of the 30 recommendations from the 2012 Bosch strategic review report on the AOANJRR has been reported to each Board meeting over the past year. All of the recommendations have been completed and/or substantially progressed.

“THE BOARD HAS INVESTED PRUDENTLY IN BUILDING AOA CAPABILITIES, INCLUDING IN THE AREAS OF DIRECTOR EDUCATION, TECHNOLOGY AND OUR PEOPLE.”

The new service agreement with the Royal Australasian College of Surgeons (RACS) for training came into effect from 1 January 2014. The Australian Medical Council (AMC) identified the service activity matrix in the service agreement pioneered by AOA as a major innovation compared to many agreements reviewed by AMC.

In conjunction with two other specialties, AOA commissioned an independent expert to undertake a detailed and ‘forensic’ activity-based costing review of the training activities supported by AOA for orthopaedic trainees. To validate the AOA training fee, AOA provided full transparency on the costing methodology to RACS and to the Executive of the Australian Orthopaedic Registrars’ Association (AORA).

Implementation of all of the key deliverables identified in the 2013–2015 strategic implementation has been completed and/or substantially progressed. The Board has assessed implementation and execution of the strategic plan as well ahead of expectations and most pleasing.

GOVERNANCE

Members have continued an active and close engagement over the past two years in contributing to the proposals for changes to the constitution.

Consultation has been measured, extensive, prudent and considered. It has included two member surveys, discussions at state executive level, debates within the Constitution and Regulation Committee, discussions at the President and State Chair Meetings as well as many Board discussions.

The proposals to be tabled at the Annual General Meeting on 15 October 2014 in Melbourne reflect the combined feedback of members. The proposals are visionary, contemporary and forward thinking in that members are considering the shape of the Board and governance practices to best prepare AOA to address the challenges of the future.

The Board completed its first ever Board effectiveness review in 2014, which was conducted by the esteemed governance statesman Henry Bosch AO. Bosch concluded that the AOA Board and AOA management team worked effectively and our AOA Board effectiveness is regarded as top performing when compared with similar not-for-profit board effectiveness reviews he has completed.

OPERATIONS

AOA’s financial position remains solid and strong. The Audit and Risk Committee is functioning effectively.

The AOA risk register and the AOANJRR risk register have been reviewed and refined to improve AOA’s risk profile. AOA risk management continues to solidify the important role it plays in the ever changing health sector. All of AOA insurance arrangements have been refreshed and reviewed over the past year to continue to best protect AOA’s assets and people. The Audit and Risk Committee reviewed AOA’s legal contract register during the year noting over 250 agreements, with over 70 current at any one time.

Members continue to benefit from ongoing investment in AOA technology. Initiatives progressed during the year include enhancements to CPD online, improvements to the selection process for the 2015 trainee intake, back-end enhancements to the AOA website, the launch of a newly enhanced AOA

eProceedings library and online consent process, further improvements in the eLC (Education Learning Centre) including the successful development of the mandatory assessment suite for AOA 21, and the very first use of an online voting system for the 2014 Western Australian Executive elections.

Advocacy activities continue to ensure that AOA's voice is heard in government and the relevant areas of the health sector. The integration of policy development, advocacy and media has enabled a more responsive and professional positioning for AOA in the sector.

This has resulted in positive public relations profile and branding, with the value of media coverage over the past 12 months assessed by AOA media advisors at around \$4.9m (\$1.2m last year).

AOA conference and event management activities continue to flourish and grow. From a standing start in 2011 AOA conference and event management is currently managing 24 meetings in its growing portfolio.

The 'one orthopaedic community' theme is best reflected in this portfolio with AOA overseeing meetings for most state ASMs, a number of subspecialty societies, the Asia Pacific Orthopaedic Association (APOA) global congress as well as federal ASM and COE meetings.

Industry sponsorship and registration attendances continue to grow with all meetings setting record attendances and industry support for similar corresponding meetings previously held.

AOA communication activities have grown and resulted in increased member engagement. The AOA eNewsletter continues to perform above industry averages with open rates and click through rates increasing year on year. The Bulletin continues to play an important role in connecting the AOA community. The 2014 member survey reported that 99% of members regularly read the Bulletin with 83% reading every issue. Contributions from members, state chairs and subspecialty presidents are also on the rise – recording the highest level of engagement and submissions over the past 12 months.

INTERNATIONAL

AOA's global profile in orthopaedics is becoming increasingly relevant and sought. AOA continues to play a leadership role in arthroplasty registries through Professor Stephen Graves as Chair of the International Consortium of Registries (ICOR) and Professor Richard de Steiger as President Elect of the International Society of Arthroplasty Registries (ISAR). The Asia Pacific Economic Cooperation (APEC) Forum, comprising 21 countries in the region including the United States, invited AOA (as one of two Australian representatives) to participate in the business ethics forum in 2013 (Indonesia) and 2014 (China). AOA, through its pioneering work in education and training and AOA 21, has also participated in the International Medical Education Leaders' Forum (Canada) in 2012 and 2014.

AOA TEAM

It is indeed a privilege to work with such highly engaged, caring, professional and dedicated staff. The efforts in positioning AOA as a global leader over the past four years are thanks to their continued dedication and support for the members and the many AOA committees which are supported by the staff. I am most grateful for the incredible camaraderie demonstrated by the Executive and Board. The relentless focus on actions and initiatives that are in the best interest of AOA through teamwork and united cohesion is indeed a pleasure to witness. I would like to express my humble thanks to all AOA staff and in particular to the Presidential Line, Executive and Board for their wise counsel, guidance and support over the past year and indeed the past four years.

THE NEW ERA

AOA is entering a new era and is at a defining point of change as it charts its future pathway over the next decade. Members' ambitions, reflected through the Board's stewardship, are to position AOA as the 'best of the best' in all matters defining the role of a successful and globally relevant peak professional body in orthopaedics. The challenge is stimulating, invigorating and reflects Australian orthopaedics' well-known characteristics as bold, decisive and pioneering. It continues to be an honour to work for the profession.

CORE STRATEGIES

PROGRESS

EDUCATION AND TRAINING

- To continue to provide world-class orthopaedic surgeons.
- To design, organise and facilitate high quality selection, training and assessment
- To establish a fully functional faculty of orthopaedic surgery by June 2015
- Completed 4 phases of strategic education review and recommendations approved at October 2013 Board meeting
- Implementation plan over 8 years comprising a 2 phase – 4 years plus 4 years approach approved at February 2014 Board meeting
- Implementation is ahead of plan as at July 2014 Board and regarded as operating at best practice for major change initiatives
- An independent expert completed activity-based costing review of the AOA training activities
- The Australian Medical Council (AMC) identified the service activity matrix for training (pioneered by AOA) in the service agreements with RACS as a major innovation

MEMBER REPRESENTATION AND ADVOCACY

- To improve member satisfaction levels
- To deliver relevant member support and services
- To successfully advocate prioritised key policy matters at a state and federal level
- To achieve greater than 95% AOA membership by 2015
- Overall member satisfaction levels increased from 85% in 2012 to 90% in 2014
- All AOA functions rated satisfactory or better by 87–94% of respondents (80–89% in 2012)
- Conference and Event management portfolio increased from 0 in 2011 to 24 in 2014
- Advocacy issues handled increased from 4 in 2011 to 31 in 2014
- AOA membership increased from 94% in 2012 to 98% in 2014

PROFESSIONAL STANDARDS

- To be regarded as a leader in setting and achieving high standards of patient care
- To support all practicing AOA members in reaching CPD compliance
- To maintain and improve global leadership of the AOANJRR
- CPD online rated satisfactory or better by 93% (96% in 2013) of respondents
- 53% of respondents rate professional standards/AOANJRR as an area of most interest
- AOANJRR strategic review recommendations completed and or substantially advanced
- Global leadership maintained through AOA Chair of International Consortium of Registries (ICOR) and AOA Chair designate of International Society of Arthroplasty Registries
- Positive global profile of AOANJRR in influential academy health review

PATIENT EDUCATION

- To enhance AOA's profile as the only relevant authority for patient education for all matters orthopaedic
- Subspecialty societies continuing to contribute to online content development
- Technology architecture of new patient/community web portal agreed

Education & Training Report

CHAIR OF EDUCATION & TRAINING – IAN INCOLL



Extraordinary progress for AOA 21 thanks to the vision, inspiration, generous involvement and leadership of the AOA community.

This time last year I wrote of the commencement of an internal and external review of our education and training program.

In less than 12 months extraordinary progress has been achieved with our AOA 21 project, thanks to the vision, involvement and generosity of so many.

The goal of AOA 21 is the pursuit of improved quality and patient care through the delivery of a world-recognised orthopaedic surgical education and training program.

At the October 2013 Annual Scientific Meeting (ASM) in Darwin, the AOA Board considered and endorsed Associate Professor Jason Frank's recommendations regarding the way forward in enhancing AOA's postgraduate surgical education and training program.

His 16 recommendations were the culmination of a two-year process of review which:

- Described the current scope and perceptions of educational activities under the auspices of AOA
- Administered and analysed a comprehensive survey of AOA stakeholders' opinions of the effectiveness of AOA training
- Conducted an environmental scan of leading practices in surgical education worldwide
- Identified gaps between current activities and leading practices.

A REVISED CURRICULUM TO DEVELOP GRADUATE EXPERTISE

At the heart of the revised training program and curriculum development is consideration of the

essential abilities of an AOA graduate on their first day of independent practice.

The curriculum will be competency based, with an emphasis on 'foundation competencies', such as professionalism, communication and teamwork. These will be explicitly taught and embedded in the accompanying assessment strategies of the program, alongside the trainees' acquisition of medical and technical expertise.

Two AOA 21 working groups have been progressing the development of the revised curriculum and assessment strategies.

The Curriculum Review Committee, led by Michael Falkenberg, has created a revised draft of the curriculum. This has been reviewed, and will be ready for distribution and comment after the ASM in October 2014. An assessment working party has been convened and preliminary workshops have already been held to consider possible assessment methods to target each section of the curriculum.

The development of an improved assessment strategy, which will be aligned to the revised curriculum, is the goal.

COMMUNICATION AND ENGAGEMENT WITH MEMBERS

A dedicated AOA 21 section of the AOA website has been created to ensure that resources and the latest progress updates are available to all.

As the momentum for the project has built, opportunities for engagement with trainees and members have been sought. To this point, these have included presentations at the Victorian, South

Australian, Queensland, New South Wales and Western Australia ASMs as well as to the RACS ASM in Singapore. Briefings about AOA 21 have also occurred with bodies such as the Australian Medical Council.

BUILDING CAPABILITY

Alongside the development of the curriculum has been a focus on enhancement of supervisor capabilities. The webinar series entitled, 'Helping Underperforming Trainees' has been trialled and offered to AOA directors of training and training supervisors.

The webinar provides tools to identify trainees that require extra help early in their training; it outlines steps in addressing underperformance and provides the opportunity to discuss experiences and ways in which management could be improved. The webinar facility enables polling, group discussion, and automated evaluation. It is envisaged that this technology will help AOA reach more members involved in training roles, in a time efficient manner.

INTERNATIONAL COLLABORATION

Discussions with colleagues at the American Academy of Orthopaedic Surgery (AAOS) and the American Orthopaedic Association have occurred to share experiences and identify relevant strategies that might assist in the implementation of AOA 21. Learning from others' developments of learning modules, research and methods of educational delivery have been identified as future areas for conversations and exchanges.

eLEARNING

A four-year eLearning Development Plan is in place to support the delivery of the AOA 21 curriculum and assessment objectives. To this end, capacity is being developed on the AOA website for the Learn@aoa portal which will be the home for all the resources and assessments of the SET program.

The Trainee Information Management System (TIMS) is currently being developed. At the commencement of 2015 all trainees in SET 1–5 will use the three mandatory assessment tools (QARs, DOPS and eLogs) via TIMS. As AOA 21 identifies additional and new assessment tools these will be incorporated into the eLearning platform.

The fact that so much has been achieved to this stage of AOA 21 is a testament to the many AOA members

engaged and contributing to this project. My sincere thanks goes to each person who has offered support or suggestions and, in particular, to those who are contributing as members of the Federal Training Committee, Curriculum Review Committee and Assessment Working Party and Review Team.

I would particularly like to thank Jodie Atkin for her expertise, drive, commitment and sheer hard work in steering the project, and Michael Falkenberg and John Owen for their leadership and vision. Thanks also go to the AOA Board and to Adrian Cosenza for their untiring support and initiative in the pursuit of excellence, and to the AOA staff who underpin all this activity.

BEHIND THE SCENES OF E&T – SOME STATISTICS AND MANY COMMITTED PEOPLE

Applications for selection to the orthopaedic SET program for 2015 were received from 219 doctors with 100 applicants being interviewed, as follows:

NSW/ACT – 38	QLD – 19	SA – 8
VIC/TAS – 25	WA – 10	

The interviews were conducted on Saturday 14 June 2014, thanks to the generosity of 109 AOA members.

The offers of places were determined based on the rankings of combined CV/application documents, in-depth referee reports and interview scores derived from six interview stations. Fifty-three offers to commence SET in 2015 have been made and accepted.

This year, we have 224 trainees enrolled in the orthopaedic SET program. Thirty-six trainees have passed their orthopaedic fellowship examination and await successful completion of their final term assessments before being admitted to orthopaedic and AOA fellowship. Throughout the year we have had 11 trainees undergo varying forms of remediation to support them in achieving the competencies of the training program.

The 2014 hospital accreditation inspections were held across two weeks from 17–28 March 2014. Thirty-seven AOA inspectors across Australia attended the 27 hospital inspections. Sixteen of the inspections were held as quinquennial inspections within the state of Queensland, with two mini-inspections, four additional post inspections and six initial post applications held nationally.

On behalf of RACS, Dr Don Pitchford (Chair of Orthopaedic Services) and I have participated in the assessment of international medical graduates (IMG) seeking to practice in Australia in the discipline of orthopaedic surgery. There are currently 23 IMGs under oversight/assessment.

While all of the developments for AOA 21 represent an exciting future for AOA, on a daily basis our current trainees are being mentored, taught and assessed to the highest standards and with huge commitment by our members. These members give of their time as DOTs, trainee supervisors, examiners, accreditation inspectors, selection interviewers and course convenors.

To all who have given their time so generously in support of the daily activities of the training program, I extend my sincerest gratitude.

I would like to especially acknowledge the members of the Federal Training Committee (FTC), in particular our Regional Training Committee Chairs: Drs Omar Korshid (WA), Russell Bourne (QLD), Geoff Rosenberg (NSW/ACT), Graeme Brown (VIC/TAS) and Ben Beamond (SA/NT) without whose dedication the education and training activities of the AOA would not be possible, as well as the NSW Regional Board of Studies Chairs Drs Minas Petrelis, Richard Boyle and Tim O’Carrigan.

Thanks also go to the staff of the education and training team and the regional executive officers for their support and management of the training program.

AORA: Building a Strong Future for Our Profession

AORA PRESIDENT – ALEXANDER NICHOLLS

The AORA Executive Committee has this year focused on creating a strong voice of representation for our members as they progress through the orthopaedic Surgical Education & Training (SET) Program, and building a strong future for our profession through the development of camaraderie and collegiality.

Our committee has sought to introduce new initiatives to AOA and to bring some of the questions that are circulating amongst members to those who can answer them, such as attendance requirements at Bone School, AAOS OITE, and trainee research requirements. We have also had input into the fellowships review, particularly concerning the impact of these on training experiences, and discussions regarding the training fee.

AORA Annual Meeting

We have great hopes that the new format for AORA’s 2014 Annual Meeting in Melbourne will be a huge success. It is very important for the trainee community to have a robust annual meeting with good attendance and representation from every state. This year includes a new instructional course lecture (ICL) series. Over the three-day program, eminent Australian surgeons will each chair a short lecture series focusing on eight subspecialty areas.

One AOA Community

In order to provide an opportunity for our state trainee representatives to discuss issues that are important locally and nationally, we requested support for the holding of a bi-annual face-to-face meeting. The first meeting took place in the AOA Boardroom on 19 July 2014. Our inaugural meeting provided an excellent opportunity for the AORA Executive to meet with AOA’s CEO Adrian Cosenza and to hear more about AOA 21 and discuss training issues with Ian Incoll, AOA Chair of Education & Training.

We all found the meeting a very positive way to enhance communication between trainees and the FTC, AOA Board and AOA staff. At the meeting we decided that each individual member of our committee would take on some extra responsibility with the aim of achieving more as a group and better serving both the AORA constituency and AOA.

Scientific Secretary Report

SCIENTIFIC SECRETARY – ALLAN WANG



Scientific evidence is the basis for optimal patient care and advancement of orthopaedic surgery as a specialty.

ANNUAL SCIENTIFIC MEETING (ASM), MELBOURNE, 12-16 OCTOBER 2014

The meeting theme: 'Advances in the 21st Century, What is the Evidence?' underlines how vital scientific endeavour is to optimise patient care. The President's guest speaker Professor Stefan Lohmander, a renowned academic orthopaedic surgeon, will set the scene for the meeting in the opening ceremony.

We are honoured to also have Nobel Laureate Professor Peter Doherty present. The meeting theme will further be developed in a plenary session, which will include RACS guest speaker and registry expert Professor Göran Garellick, practising clinicians, and perspectives from a politician and hospital administrator whose policies impact on what we can do.

The meeting has been strongly supported by the membership with a record number of scientific abstracts submitted. Subspecialty societies have been most enthusiastic in assisting with program development, inviting guest speakers, and presenting educational lectures.

All carousel presidents have been invited to speak at this ASM. In addition, an International Presidents' Forum will be held and will include presidents from the Asia Pacific associations. AOA members can learn about the state of orthopaedics in neighbouring nations, what their challenges are, what collaborations are available in outreach, education and training, and academic interchange.

The Melbourne ASM will feature a strong social component. Tony Dunin and his local organising committee have reintroduced sports on the Sunday afternoon, and organised some highly anticipated evening functions. The positive feedback from the 2013 Darwin ASM has indicated AOA members value the informality and opportunity for relaxed networking with their colleagues.

**ONE DIAMOND SPONSOR
AND SIX GOLD SPONSORS
HIGHLIGHT THE SUCCESS
AND INCREASING SUPPORT
BY INDUSTRY FOR THE ASM.**

INDUSTRY

Industry continues to increase its support and sponsorship for the ASM. The diamond sponsor will present an industry masterclass within the scientific program. The gold sponsors will present an IMC in concurrent breakfast sessions. The IMC content continues to be reviewed by the scientific committee, and complements the scientific program by being an in-depth presentation of a new technique or technology by local or international experts.

COE

The COE program continues with the successful format of two meetings a year, covering all the subspecialties over the four-year cycle. Andrew Oppy has succeeded Richard Williams as COE Chair. The May 2015 Meeting 'Hip and Knee Arthroplasty' will be held in Sydney.

AORA

The AORA Annual Meeting continues to be held in the weekend preceding the ASM. Under the capable leadership of AORA President Alex Nicholls, the AORA Annual Meeting will take on a slightly different format, including more educational talks.

The scientific secretary has reviewed all scientific abstracts submitted for this meeting. Fewer abstracts have been received compared to previous years, but the quality of scientific work is much higher. This year all 20 submitted abstracts have been accepted. It is hoped that registrar attendance at the AORA meeting will improve, and that many registrars will stay on to attend the ASM.

BRISBANE ASM 2015

Early planning is on the way. The theme is 'Training Tomorrow's Orthopaedic Surgeons Today'. Professor Andy Carr has accepted the invitation as President's guest speaker.

ACKNOWLEDGEMENT

I wish to thank Alison Fallon and other members of AOA office for their assistance this past year.

Professional Development & Standards Report

CHAIR OF PROFESSIONAL DEVELOPMENT & STANDARDS – MICHAEL A JOHNSON



AOA continues to invest in establishing a clinically relevant and compliance-friendly CPD program.

The position of Chair of Professional Development and Standards is one that is both on the Board and Executive Committee of AOA.

Embedded within the position are a number of roles. These roles include the investigation and resolution of complaints through mediation, if possible, and the evolution of a Continuing Professional Development (CPD) program that is clinically relevant, consistent with the expectation of the public and regulators and as easy as possible for members to comply with. This is increasingly important, as this year Australian Health Practitioner Regulation Agency (AHPRA) will begin an auditing process, which will be independent of CPD providers.

In an attempt to change the emphasis of CPD from just complying with a set of requirements to one that focuses on real professional improvement AOA is considering increasing the importance of mentoring and practice review and audit with colleagues.

CONTINUING PROFESSIONAL DEVELOPMENT

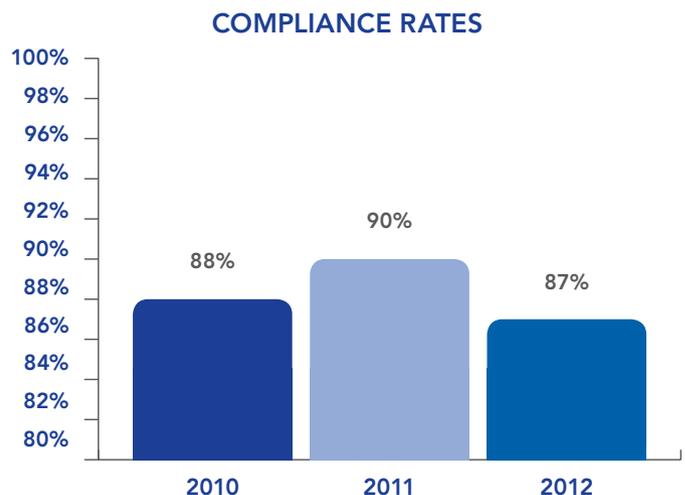
CPD Program

In early 2014, AOA launched some enhancements to CPD Online to assist members in reaching compliance. These new features have been outlined in the 'Updated features for CPD Online' section on the main summary page on CPD Online 2013 onwards.

Members can now upload and store their verification documents to their CPD Online portfolio and points and a certificate will now be automatically allocated to

a member's portfolio if they attend any AOA meeting or event.

The following graph represents the number of members who have completed all sections of CPD for the 2010–2012 triennium. It shows that the completion rates exceeded the strategic objectives of 85% annual completion by the end of the 2010–2012 triennium.



CPD AUDIT AND VERIFICATION

In 2013, AOA requested verification (for two sections) from 5% of its members for 2012. Of the 60 members who were randomly selected for audit, 53 members (51 AOA Program and 2 RACS Program) provided verification of their CPD activity. This represents a rate of 88% compliance with the audit process.

MAJOR FINDINGS FOR 2012 RANDOM AUDIT	NUMBER
AOA active members	1008
Members participating in AOA CPD program	631
Members participating in RACS CPD program	278
Members not participating in a CPD program	99
Total members audited	60
Audited members participating in AOA CPD program	55
Audited members participating in RACS CPD program	2
Audited members that did not respond to audit request	2
Audited members that correctly verified their CPD activity in the AOA program	51
Audit members excused from the audit	1

AOA has recently concluded the 2013 random audit of 5% of members for verification of CPD activity. The enhancements to the CPD program allow members to upload verification at the time of entering data. As a result, the audit was less labour intensive for both the audited members and staff. A report of the outcome of this audit will be available in the next AOA Annual Report.

AHPRA has now commenced audits of medical practitioner CPD compliance. Non-compliance in CPD may affect the member's employment as well as medical registration. It is also a breach of the AOA Code of Conduct.

PROFESSIONAL STANDARDS

During the year we have dealt with a small number of complaints primarily about advertising and practice promotion. These complaints have almost universally arisen from other orthopaedic surgeons. They appear to range from more aggressive albeit acceptable advertising, to advertising which appears clearly in opposition to the AHPRA advertising guidelines. All of these matters have been dealt with within AOA's dispute resolution processes – either federally or at the local branch level.

Members are reminded that Internet and social media sites are regulated in the same way as print media and that members are responsible not only for the content, patient privacy issues and other related issues of their own website but also for the websites to which they choose to link their site.

AOA realises that the Code of Conduct has not kept pace with change, particularly in the area of the Internet and social media, so a revision of the code is currently underway. AOA, of course, is limited in the disciplinary options and is very dependent on members' goodwill and self-reflection. Members wishing to advertise are strongly advised to view the AHPRA website.

ACKNOWLEDGEMENTS

Finally I would like to thank all the AOA staff, particularly Megan Cetinic and Kathy Hill, who do the vast majority of work in professional development and standards.

Orthopaedic Services Report

CHAIR OF ORTHOPAEDIC SERVICES – DONALD PITCHFORD



AOA further bolsters the provision of services in rural and metropolitan centres and monitoring of IMGs.

Orthopaedic training and supervision – both at registrar level and at international medical graduate (IMG) level – are being further refined as we develop the AOA 21 curriculum into the future.

The momentum of AOA 21 has started to make some impact as the curriculum is being refined and this has taken some focus away from industrial and staffing issues.

Area of need requests appear to have noticeably reduced – both from rural health services and IMG candidates being interviewed. This has not slowed down the ongoing applications for assessment by RACS of prospective IMGs wishing to practice orthopaedic surgery in Australia.

AOA accredited fellowships have become a contributing source of candidates wishing to remain living and practising orthopaedic surgery in Australia.

There are currently 23 IMG candidates across Australia undergoing supervision or oversight. While these candidates are being assessed, they are technically not being trained, as this has not been the role of the IMG process. However, in reality, this spread out group of candidates constitutes another source of orthopaedic surgeons exiting with a FRACS qualification – whether it be by oversight or by examination.

IMG TRAINING & ASSESSMENT

The pass rate of IMG candidates has remained lower than that of the final year orthopaedic registrars and this has led to the recognition that indeed some

training is necessary in order to adequately prepare an IMG candidate for the final examination.

As part of this process, IMG candidates have been included in state training at Bone School level and have been included in trial examinations – subject to them paying the designated registrar fee covering Bone School participation.

The Federal Training Committee (FTC) has therefore, out of necessity, become involved in supervising IMG candidates at a training level.

The March 2014 examination was held both in Brisbane and in Auckland due to a large number of Australian trained and IMGs sitting the examination.

As part of the growth in IMG assessments and adequate service provision, it has been decided to split the duties previously held by the Orthopaedic Services Committee. IMG assessments and supervision are to be taken over by the FTC and service provision will be overseen by the State Orthopaedic Services Committees. The Federal Orthopaedic Services Chair position will therefore no longer exist.

ACKNOWLEDGEMENT

I wish to thank AOA for the privilege of serving in this capacity for the past three years and anticipate further fine tuning of an already robust and well functioning process of both the provision of services in rural and metropolitan centres and the monitoring of IMGs until they attain Australian orthopaedic surgeon status.

Research Foundation Report

CHAIR OF AOA RESEARCH FOUNDATION – MINOO PATEL



The research foundation has had another successful year increasing its assets and awarding grants of over \$125,000 for 2014.

2014 ROUND OF RESEARCH GRANTS

The AOA Research Foundation (AOA RF) received a record number of applications for a second year in a row in 2014, with 36 applications received. The top ten grants have been shortlisted for the Board's review. Five grants totaling \$125,000 will be awarded. The successful grants will be formally announced at the Melbourne Annual Scientific Meeting.

GRANT APPLICATIONS GO ELECTRONIC

The AOA RF grant applications were this year submitted online using DropBox. The system was efficient and worked well. Our team of Jeff Clark, Adam Levy and Kirsty Hogarth worked tirelessly to achieve this. This is only the first step in an ambitious 18-month plan to convert the entire process of grant applications and assessments online for greater efficiency. The AOA RF has signed contracts with AOA technology supplier Avion software who hope to deliver the electronic platform in time for the Early Researcher Grants, due to open in late 2014.

2014 EARLY CAREER RESEARCHER GRANTS

This is a new category of grants for our younger researchers, registrars and junior consultants. These grants open in late 2014.

REGISTRAR AND JUNIOR CONSULTANT RESEARCH SEMINARS

The AOA RF will organise a research seminar for our younger researchers, registrars and junior consultants, based on the Royal Australasian College of Surgeons'

CLEER program. With the aim of fulfilling its mission of not only funding but also promoting orthopedic research especially at the grass roots, the AOA RF is working on a sponsorship plan which will allow all registrars to attend for free. The research seminar will cover ethics applications, grants application and ethical conduct of research as well as critical evaluation of literature.

NEW TREASURER

We welcomed Dr David Martin to the Board of the AOA RF. The Board will be undertaking a strategic review of the AOA RF finances with the aim of adopting investment strategies in line with our core commitments.

NEW APPOINTMENTS TO RESEARCH ADVISORY COMMITTEE

Prof. Ian Harris was appointed to the Research Advisory Committee (RAC). He replaces Prof. Jegan Krishnan who served on the RAC for many years. On behalf of the Board I thank Prof. Krishnan for his many years of dedicated service to the RF. Further appointments are in the pipeline, with plans to form two separate sub-committees; for clinical and basic sciences.

FINANCES

Finances remain healthy with assets growing by approximately \$250,000 from \$4.7 million to \$4.9 million in 2014. Overall revenue remained stable at \$395,480, with an operating surplus of \$241,069, down from \$328,126 last year. Last year's revenue of \$558,721 included income of \$145,899 from the musculoskeletal

project, funding for which has now ceased. The grants awarded last year totalled \$152,727, more than double the grants of \$71,647 awarded in 2012. This year it has been decided to reduce the grants awarded to \$125,000, a more sustainable amount.

INDUSTRY FUNDING

Prof. Peter Choong, Mr Adrian Cosenza, Mr Jeff Clark and I met with the CEOs of the major orthopaedic companies in Sydney in August. The US legislation, in particular the Sunshine Act, now constrains how companies may fund research and foundations such as the AOA RF. This means that the AOA RF has to evolve with the changing times to look for other avenues of fund raising. The AOA RF will commence a philanthropy drive and introduce a bequest project to allow high net worth individuals within the AOA and the general community to contribute to the worthy cause of orthopaedic research.

Orthopaedic Outreach Report

CHAIR OF ORTHOPAEDIC OUTREACH – STEPHEN QUAIN



ORTHOPAEDIC
OUTREACH

Some changes and continuing challenges in the landscape.

Orthopaedic Outreach activity remains at a high level to all our traditional areas of support throughout the Pacific, Timor, Indonesia and other areas of South-East Asia.

An area of concern and uncertainty is the disbandment of AusAID now being incorporated into the Department of Foreign Affairs and Trade (DFAT). This presents a potential shift of aid priorities. It appears at this stage that the Pacific Islands Program and the Strengthening Specialised Clinical Services in the Pacific will continue but the level of funding is uncertain.

FINANCES

The support from the AOA Board is greatly appreciated particularly in light of the diminishing finances from the orthopaedic industry. Whilst our financial situation remains sound, this year the Board of Management decided to place a limit on the financial support provided for each surgeon, and established that first time contributors self-fund. This is consistent with other Australian humanitarian organisations.

A recruitment drive for contributions to Outreach by subscription was successful in raising approximately \$17,000 for our cause. This, combined with major donations from a single benefactor, has prevented any surgical visits being curtailed.

PROJECTS

Fiji continues to experience changes in the delivery of medical education through the School of Medicine within the Fiji National University, providing uncertainty and major challenges in the provision of service to the local populations. As the primary medical education facility in the Pacific, this is of great concern.

Skills-based workshops held in Cambodia led by A/Prof. Graham Gumley and the hand microsurgery workshops in Vietnam coordinated by Dr Peter Scougall with the assistance of Australian Hand Society members continue to be outstanding successes.

Professor Bill Cumming amongst other Australian delegates met with Professor Mohamed Hidayat, Chairman of the Indonesian College of Orthopaedics and Trauma and Dr Putu Astawa, Dean of Medicine at Sanglah University in Bali noting that the original 10 year agreement had come to a conclusion. Whilst no formal written agreement has been reached it was clear that our Indonesian colleagues wish to continue the strong relationship with a particular focus on education and examining. This is further consolidated through the influence of nursing Professor Di Brown, continuing to foster the relationship between Royal Darwin and Sanglah Hospitals.

The Pacific Island Training program in the Solomons, led by Dr Des Soares has completed its 5th module, and will be reported on at the ASM. Whilst funded independently from Switzerland, Outreach members actively participate.

I acknowledge all my colleagues who donate their time and expertise repeatedly to help achieve the ideals of Orthopaedic Outreach. It is also satisfying to note the Presidential line containing two long term active Outreach members in Dr John Tuffley and Dr Andreas Loeffler, ensuring Outreach maintains an appropriate profile amongst the Board.

Membership

The first half of 2014 has seen 28 applications processed for AOA memberships. The streamlined application process has enabled time-complete and exam-complete trainees to be fast tracked without the requirement of providing references.

New Fellows 2013-2014

Allcock Paul	SA	Camdon Fary	VIC	Bandulasena Palapitige	NT
Idris Arogundade	VIC	Cem Gultekin	QLD	James Rhorsheim	NSW
Aziz Bhimani	NSW	Sanjeev Gupta	NSW	Andrew Patten	QLD
Roger Bingham	VIC	Dennis Hartig	QLD	Kalman Piper	NSW
Robert Baird	SA	Amen Hassan	QLD	Michael Selby	SA
Arshad Barmare	VIC	Majid Jabur	QLD	Kate Stannage	WA
David Broe	NSW	Evan Jones	NSW	Jaikrishnan Sungaran	NSW
Terence Chin	VIC	Yasser Khatib	NSW	Austin Vo	VIC
James Chiu	VIC	Gawel Kulisiewicz	ACT	Robert Wallace	SA
Jonathan Dick	QLD	Lloyd King	QLD	Nicola Ward	QLD
Eugene Ek	VIC	Benjamin Miller	VIC		
Kevin Eng	VIC	Mohamad Mourad	NSW		

New Associates 2013-2014

Mohammed Baba	NSW	Alan Loch	VIC	Dinesh Sharma	QLD
Christopher Bell	QLD	Catherine McDougall	QLD	Louis Shidiak	NSW
Peter D'Alessandro	WA	James McLean	SA	Mark Shillington	QLD
Umeshchandra Dhanjee	QLD	Avanthi Mandaleson	VIC	Bjorn Smith	QLD
Travis Falconer	WA	Andrew Myers	NSW	Daniel Sydenham	VIC
Ilan Freedman	VIC	Catherine McDougall	QLD	Arash Taheri	WA
Juliette Gentle	VIC	James McLean	SA	Christopher Wainwright	NSW
Shyan Goh	NSW	Eli Olschewski	NSW	Matthew Yalizio	NSW
Ashish Gupta	QLD	William Pianta	VIC	Julian Yu	NSW
Janet Hsuan	VIC	Igor Policinski	NSW		
Sam Joseph	VIC	Gareth Prosser	WA		
Jacob Kaplan	NSW	Christopher Phoon	NSW		
Troy Keith	VIC	Ross Radic	WA		
Martin Laird	NSW	Sunil Randhawa	NSW		
David Lieu	NSW	Sasha Roshan-Zamir	NSW		

New Affiliates 2013-2014

David Ackland	VIC
Reto Lerf	Switzerland

Deceased Members 2013-2014

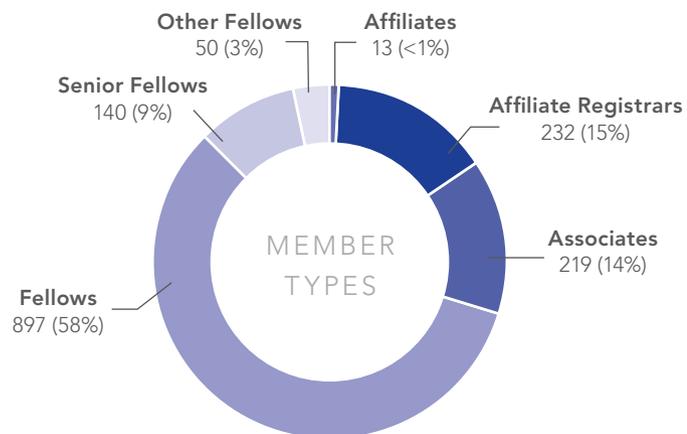
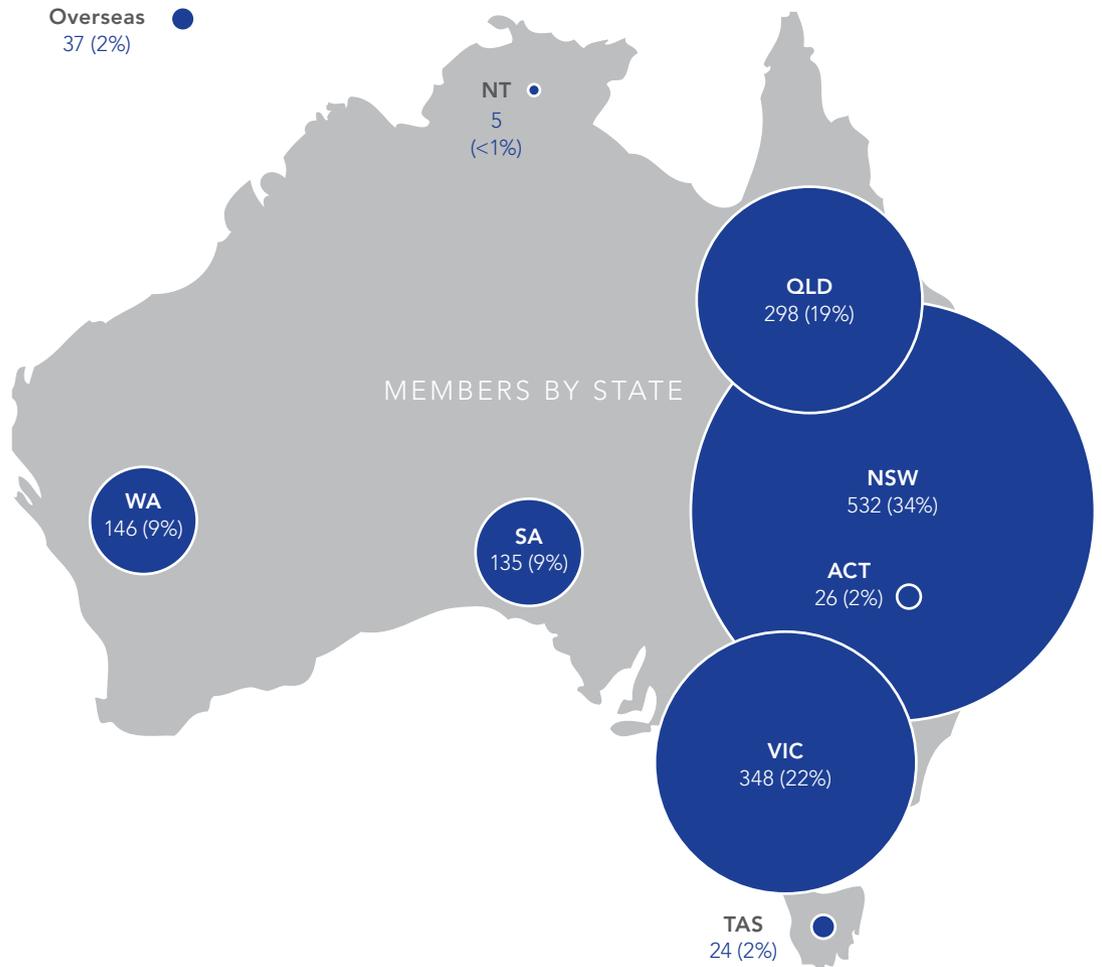
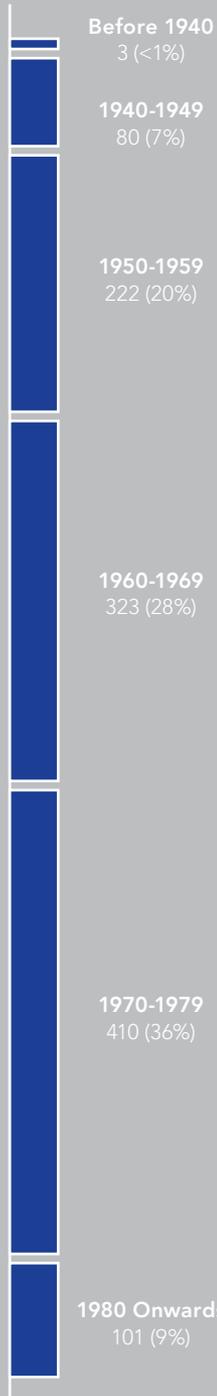
Richard Horton	VIC
Alan Nicholls	NSW
Peter Isbister	NSW
Ian McNicol-Smith	VIC
Thomas Parsons	QLD

Honours & Awards 2013-2014

L O Betts Memorial Medal:	Bernard Einoder
Life Fellow:	John Walters & Miron Goldwasser
Award for Humanitarian Service:	Robert Genat
Award for Meritorious Service:	Michael Sandow
Orthopaedic Education:	Graham Gumley
Award for Orthopaedic Research:	Michael Schuetz & Zsolt Balogh
Special Award:	Michael Falkenberg & David Davidson
Leadership Award:	Kelly Macgroarty & Simon Zilko

AGE RANGE OF PRACTICING AOA MEMBERS

(Dates of birth by decade)

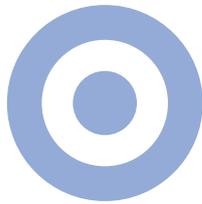


Total number of members as of 30 June 2014 = 1551

Facts & Figures

AOA STRATEGY

Strategic Initiatives



75

Number of milestones completed and/or substantially progressed.

MILESTONE DELIVERY ACHIEVED THROUGH THE 2012-2015 AOA STRATEGIC PLAN, AOA NJRR STRATEGIC PLAN AND AOA 21 IMPLEMENTATION PLAN.

COMMUNICATIONS & EVENTS

Media Profile



400%

Percentage increase in value of media coverage over past 12 months from \$1.2m in 2013 to \$4.9m in 2014.

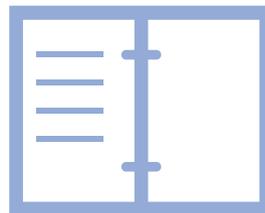
Events



24

Number of meetings in the events portfolio, increased from 0 in 2011.

AOA Bulletin



99%

Percentage of members that regularly read the Bulletin.

EDUCATION & TRAINING

SET Selection



Number of Surgical Education & Training applications received in 2014 for the 2015 intake, an increase of 23%.

AOA 21

93

Number of AOA 21 milestones to be delivered, with more than 500 associated tasks, over the next four years.



STATISTICS

Advocacy



340%

Percentage increase in advocacy submissions since 2011.

Research



Applications for research funding received in 2013-14.

RACS

\$3.8m

Training fees paid by AOA to RACS 2008-14.

Membership

98%

AOA member percentage of total Australian orthopaedic surgeons.

Outreach

\$1m

Pro-bono equivalent of services donated by AOA members in overseas humanitarian activities.

Member Satisfaction

90%

Overall member satisfaction.

BOARD COMMITTEES AS AT 30 JUNE 2014

BOARD COMMITTEE	CHAIRMAN
Executive Committee	Peter Choong
Asia-Pacific Committee	Daryl Teague
Audit and Risk Committee	John Tuffley
Constitution and Regulations Review Committee	Peter Choong
Continuing Professional Development Committee	Michael Johnson
Fellowships Committee	Andrew Ellis
ABC Travelling Fellowship Committee	William Donnelly
Scientific Committee	Allan Wang
Honours and Nominations Committee	Peter Choong
NJRR Committee	Ed Marel
Professional Conduct and Standards Committee	Michael Johnson
Rural Surgeons Committee	Vinny Mamo
Subspecialty Presidents' Committee	Andreas Loeffler
Federal Training Committee	Ian Incoll
AD HOC COMMITTEES AND WORKING GROUPS	CHAIRMAN
Spinal Education Committee	Richard Williams
Digital Imaging Committee	John Tuffley

DIRECTORS AS AT 30 JUNE 2014



P Choong



J Tuffley



A Ellis



M Gillespie



I Incoll



B Halliday



M A Johnson



A Loeffler



P S Mackie



D Martin



A Wang



C Whitewood

Treasurer Report

TREASURER – DAVID MARTIN

CHAIR, AUDIT & RISK COMMITTEE – JOHN TUFFLEY



AOA continues capability-building and achieves sound result.

SUMMARY

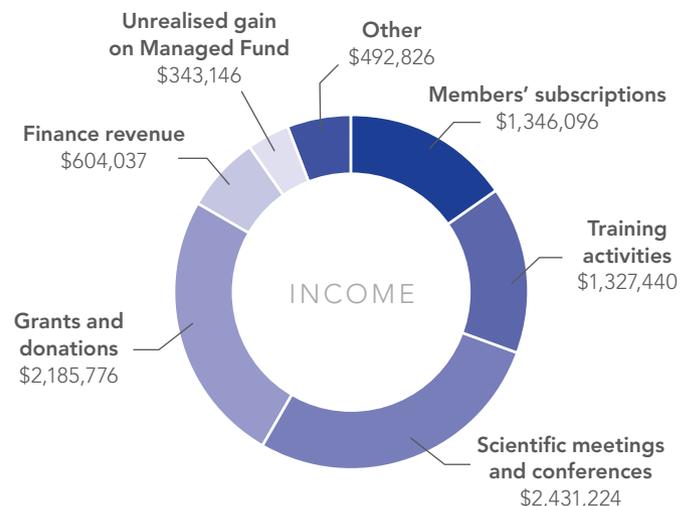
A surplus of \$563,382 resulted from AOA's operations for the year compared to the prior year's result of \$526,680. The positive result is comprised of surpluses of \$270,087 for AOA Head Office, \$214,104 for state branches, \$21,665 for other entities (Medico-Legal Society, World Orthopaedic Concern, and the Ian Stratton Trust), and \$57,526 from the AOA National Joint Replacement Registry. Unrealised gains for the year on market-related investments amounted to \$343,146. AOA continued to invest in initiatives of strategic importance, the most significant of which was AOA 21, and \$584,719 was expended in this area during the year. The result for the year of \$563,382 includes the strategic expenditure, giving a surplus from normal operations of \$1,148,101 compared to \$925,437 in 2012/13.

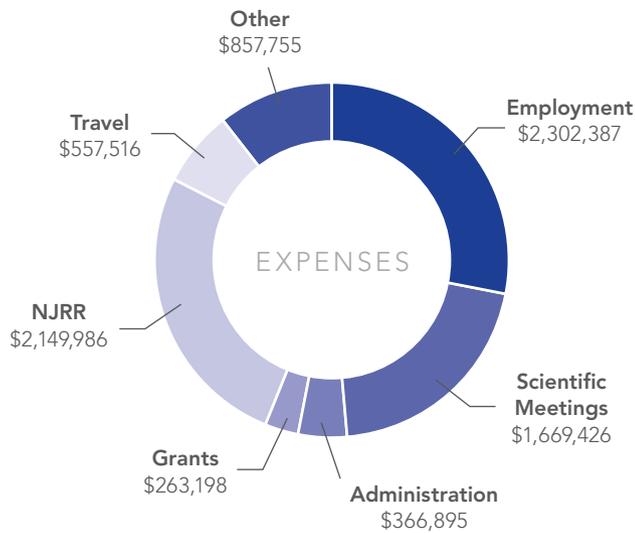
MARKET INVESTMENTS

Although AOA benefited from continuing gains in market-related investments, interest rates maintained their downward trajectory during the year and resulted in net finance revenue being lower than the previous year (\$579,324 in 2013/14 compared to \$669,834 for 2012/13). As foreshadowed in last year's report, the bias towards cash maintained during the Global Financial Crisis has been progressively and gradually eased in favour of a less conservative risk profile and towards a more balanced portfolio. The Audit and Risk Committee continues to carefully monitor the risk profile and investment strategy.

OPERATING REVENUE/EXPENSES

Operating revenue for the year of \$8,730,545, including finance revenue, increased by 0.2% compared to revenue of \$8,716,034 in 2012/13. Operating expenses of \$8,167,163 were 0.3% lower than 2012/13's expenses of \$8,189,354. When expenditure on strategic initiatives is removed from operating expenses, normal operating expenses for the 2013/14 year reduced by 2.7%. The following graphs provide a pictorial view of income and expenses for the 2013/14 year:





AOA Research Foundation and Orthopaedic Outreach amounted to \$263,198 compared to \$309,696 in the previous year.

GOVERNANCE

The Audit and Risk Management Committee of the Board, chaired by Vice-President John Tuffley, met three times during the year ended 30 June 2014 to oversee financial and risk management practices. Regular reviews of the Association’s financial management reports were undertaken during the year. The Association’s insurance policies were reviewed in detail and as a result of that review it was determined that a Cyber Risk Policy should be added to the insurance portfolio. Insurance consultants advised that this is a growing area of risk and one which has the potential to impose substantial cost in the event of hacking incidents which expose privacy information. An in-depth review of the Association’s investment portfolio was also undertaken, and, as noted earlier in this report, a gradual easing of the previous bias towards cash in favour of a more balanced portfolio was determined upon. The Association’s investment profile, however, continues to be conservative. A test of the Association’s disaster recovery plan was undertaken during the year under review with the exercise validating the plan and resulting in a satisfactory outcome.

STRATEGIC INITIATIVES

AOA’s best practice program continued in the year under review and it is pleasing to be able to report that it has moved into the implementation phase. The program is branded ‘AOA 21’, and implementation is planned to progress over a period of eight years. As part of the AOA 21 initiative, AOA is investing in significant improvements to its information technology systems with a view to ensuring that the trainee experience is as seamless as possible incorporating mobile technology. These developments will continue in the current and later financial years. As noted above, an investment of \$584,719 was directed to AOA 21 in 2013/14.

MEMBERSHIP

The Association’s membership at 30 June 2014 totalled 1551 compared to 1530 at 30 June 2013. Membership subscriptions, including state branch subscriptions, increased by 6.6% in 2013/14 compared to an increase of 10.4% in 2012/13. The increase reflects the growth in member numbers and the usual CPI-related membership fee adjustments.

MEMBERS’ EQUITY

Members’ equity in the Association increased by \$563,382 to \$17,508,729 at 30 June 2014 compared to \$16,945,347 at 30 June 2013, an increase of 3.3%. Total assets increased by \$491,439 to \$19,167,971 and total liabilities were lower at \$1,659,242 (last year \$1,731,185). Funds invested increased by \$883,717 for the year to \$15,076,783. Grants to associated entities including the

Financial Report for Year End June 2014

AUSTRALIAN ORTHOPAEDIC ASSOCIATION LIMITED – ABN 45 000 759 795

Directors' Report for the Year Ended 30 June 2014

Your directors present this report on the Australian Orthopaedic Association Limited for the financial year ended 30 June 2014.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

DIRECTOR	TITLE*	APPOINTED/RESIGNED
J W Owen	President	Resigned 08/10/2013
P F M Choong	President	Appointed 26/10/2004
J C Tuffley	First Vice President Chair – Audit & Risk Committee	Appointed 10/10/2012
A H Loeffler	Second Vice President	Appointed 19/05/2008
A M Ellis	Branch Director, NSW	Appointed 10/10/2011
M J Gillespie	Branch Director, ACT	Appointed 10/10/2012
B R Halliday	Branch Director, QLD	Appointed 06/10/2013
I W Incoll	Chair – Education & Training	Appointed 20/03/2009
M A Johnson	Chair – Professional Development & Standards	Appointed 14/10/2009
P S Mackie	Branch Director, TAS	Appointed 20/05/2011
D K Martin	Branch Director, SA & Treasurer	Appointed 10/10/2012
P B Steadman	Branch Director, QLD, Treasurer	Resigned 08/10/2013
A W Wang	Scientific Secretary	Appointed 10/10/2011
C N Whitewood	Branch Director, WA	Appointed 10/10/2012
R P Williams	General Director	Resigned 08/10/2013

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

*Title as at 30 June 2014 or upon resignation.

DIRECTORS' QUALIFICATIONS

Each director is an orthopaedic surgeon

CHIEF EXECUTIVE AND COMPANY SECRETARY

A R Cosenza BCom, MCom, MBA (IMD), FCPA, FAICD, FFinsia

PRINCIPAL ACTIVITIES

The principal activity of the Association during the year was to give effect to the company's objectives described below.

The company's objectives, both short and long term, are to:

- a. Foster and maintain the highest standard of surgical practice and ethics in orthopaedic surgery;
- b. Advance the practice of orthopaedic surgery;
- c. Promote research into musculoskeletal conditions;
- d. Provide postgraduate education in orthopaedic surgery and, as necessary, accreditation in orthopaedic surgery;
- e. Support orthopaedic humanitarian initiatives in Australia and overseas;
- f. Foster scientific interchange between orthopaedic surgeons; and
- g. Act as an authority and adviser in relation to musculoskeletal conditions and orthopaedic surgery.

STRATEGIES

To achieve these objectives, the company has adopted a strategy of requiring that all proposals presented for Board approval include statements describing how the proposals comply with and advance the company's objectives.

KEY PERFORMANCE MEASURES

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's objectives are being met.

KEY PERFORMANCE MEASURES	2014	2013
Service quality-measured by member satisfaction surveys	90%	87%
Number of trainee surgeons	222	222
Fellowship exam pass rates	64%	73%
Advocacy submissions to government bodies	17	13
Membership – total members	1,551	1,530
AOA member percentage of total Australian orthopaedic surgeons	98%	98%
Number of scientific meetings (completed or in planning)	24	18
Website visits	10,500	9,700

OPERATING RESULTS

The profit of the Association amounted to \$563,382 (2012-2013 \$526,680).

MEETINGS OF DIRECTORS

During the financial year, five meetings of directors were held. Attendances by each director were as follows:

	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
J W Owen	4	4
P F M Choong	5	3
J C Tuffley	5	5
A M Ellis	5	5
M J Gillespie	5	4
B R Halliday	1	1
I W Incoll	5	4
M A Johnson	5	2
A H Loeffler	5	4
P S Mackie	5	4
D K Martin	5	4
P B Steadman	4	2
A W Wang	5	3
C N Whitewood	5	5
R P Williams	4	2

MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$15,510 (2013 \$15,300).

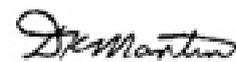
AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 can be found adjacent to this directors' report.

Signed in accordance with a resolution of the Board of Directors:



P F M Choong
President and Chairman



D K Martin
Treasurer

Dated this 10th day of September 2014

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN ORTHOPAEDIC ASSOCIATION LIMITED

I declare to the best of my knowledge and belief that during the year ended 30 June 2014 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

STIRLING INTERNATIONAL



STIRLING INTERNATIONAL
CHARTERED ACCOUNTANTS

R C Williams

Signed at Sydney this 27th day of August 2014

Independent Auditor's Report to the Members of Australian Orthopaedic Association Limited

We have audited the accompanying financial report, being a special purpose financial report, of Australian Orthopaedic Association Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 have 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 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 judgment, 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 company's preparation of the financial report that gives a true and fair view 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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Australian Orthopaedic Association Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

OPINION

In our opinion the financial report of Australian Orthopaedic Association Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

STIRLING INTERNATIONAL



Roger Williams FCA
Dated this 11th day of September 2014



Directors' Declaration

The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

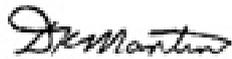
1. The financial statements and notes set out below and on the following pages are in accordance with the Corporations Act 2001, and
 - a. comply with the Australian Accounting Standards applicable to the company; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



P F M Choong
President and Chairman

Dated this 10th day of September 2014



D K Martin
Treasurer

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue			
Revenue from ordinary activities -			
Members' subscriptions		1,346,096	1,262,264
Training activities		1,327,440	906,778
Scientific meetings and conferences		2,431,224	2,920,489
Grants and donations	2(a)	2,185,776	1,862,706
Finance revenue	2(b)	604,037	692,567
Net fair value gains on the measurement of investments in managed funds	2(c)	343,146	596,542
Other	2(d)	492,826	474,688
Total revenue from ordinary activities		<u>8,730,545</u>	<u>8,716,034</u>
Expenses			
Employment		2,302,387	2,261,501
Scientific meetings and conferences		1,669,426	1,841,279
Administration		366,895	447,561
Advertising and promotion		67,309	46,456
Depreciation and amortisation	3(a)	85,840	60,122
Grants	3(b)	263,198	309,696
Occupancy		202,349	194,746
Prizes, fellowships and awards		18,359	164,405
Professional services	3(c)	358,030	249,573
Project expenditures - National Joint Replacement Registry		2,149,986	2,005,240
Travel		557,516	520,023
Finance costs		24,713	22,734
Other	3(d)	101,155	66,018
Total expenses		<u>8,167,163</u>	<u>8,189,354</u>
Surplus for the year		<u>563,382</u>	<u>526,680</u>
Other comprehensive income			
Other comprehensive income		0	0
Total other comprehensive income		0	0
Total comprehensive income attributable to members of the Association		<u>563,382</u>	<u>526,680</u>

The accompanying notes form part of these financial statements

Statement of Financial Position

At 30 June 2014

	Note	2014 \$	2013 \$
Current Assets			
Cash on hand	4	7,631,220	7,716,255
Accounts receivable and other debtors	5	1,110,438	1,204,638
Other current assets	6	486,887	413,306
Total current assets		<u>9,228,545</u>	<u>9,334,199</u>
Non Current Assets			
Financial assets	7	9,660,573	9,041,638
Property, plant and equipment	8	130,810	166,430
Intangibles	9	148,043	134,265
Total non current assets		<u>9,939,426</u>	<u>9,342,333</u>
Total Assets		<u>19,167,971</u>	<u>18,676,532</u>
Current Liabilities			
Accounts payable and other payables	10	1,482,345	1,592,933
Provisions	11(a)	144,126	121,496
Total current liabilities		<u>1,626,471</u>	<u>1,714,429</u>
Non Current Liabilities			
Provisions	11(b)	32,771	16,756
Total non current liabilities		32,771	16,756
Total liabilities		<u>1,659,242</u>	<u>1,731,185</u>
Net assets		<u>17,508,729</u>	<u>16,945,347</u>
Equity			
Retained earnings	12	17,508,729	16,945,347
Total Equity		<u>17,508,729</u>	<u>16,945,347</u>
The accompanying notes form part of these financial statements			

Statement of Changes in Equity

For the year ended 30 June 2014

	\$
Balance at 1 July 2012	16,418,667
Comprehensive Income	
Surplus for the year	526,680
Total comprehensive income	<u>526,680</u>
Balance at 30 June 2013	16,945,347
Comprehensive Income	
Surplus for the year	563,382
Total comprehensive income	<u>563,382</u>
Balance at 30 June 2014	<u>17,508,729</u>

The accompanying Notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flow from operating activities			
Members' subscriptions		1,602,367	1,168,034
Training activities		995,309	906,778
Grants and donations		2,433,258	2,038,085
Scientific meetings and conferences		3,071,232	3,894,431
Investment income		647,888	648,438
Other		539,979	499,620
Payments to suppliers and employees		(9,035,282)	(8,933,603)
Net cash provided by operating activities	13 (a)	<u>254,751</u>	<u>221,783</u>
Cash flows from investing activities			
Payments for plant and equipment		(21,260)	(11,110)
Payments for Intangibles		(44,284)	(124,496)
Investment in managed funds		(274,242)	314,106
Net cash (used in)/provided by investing activities		<u>(339,786)</u>	<u>178,500</u>
Net (decrease)/increase in cash held		(85,035)	400,283
Cash on hand at the beginning of the financial year		7,716,255	7,315,972
Cash on hand at the end of the financial year	13 (b)	<u>7,631,220</u>	<u>7,716,255</u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2014

The financial statements cover Australian Orthopaedic Association Limited as an entity. Australian Orthopaedic Association Limited is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements were authorised for issue on 10 September 2014 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

ACCOUNTING POLICIES

A. REVENUE

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are

attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Membership fees and sponsorship revenue is recognised when the right to receive the revenue has been established

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the members.

All revenue is stated net of the amount of goods and services tax.

B. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Notes to the Financial Statements Continued...

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset Depreciation</i>	<i>Rate</i>
Furniture, fixtures and fittings	20-40%
Plant and equipment	20-40%
Library	20-25%
Leasehold Improvements	20%
Intangibles	20-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

C. FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits

itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss

pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial assets.

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

Notes to the Financial Statements Continued...

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

D. IMPAIRMENT OF ASSETS

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair amount less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus

in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

E. EMPLOYEE PROVISIONS

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of accounts payable and other payables in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

F. CASH ON HAND

Cash on hand equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

G. ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Accounts receivable and other debtors include amounts due from members and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

H. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

I. INCOME TAX

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

J. INTANGIBLES

Software

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

K. PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

L. COMPARATIVE FIGURES

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

M. ACCOUNTS PAYABLE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

N. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

O. KEY ESTIMATES

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

P. ECONOMIC DEPENDENCE

The Australian Orthopaedic Association is not dependent on external agencies or government for the majority of its revenue used to operate the business.

P. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

AASB 9: *Financial Instruments* (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

Notes to the Financial Statements Continued...

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although, the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* and AASB 2013–8: *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities* (applicable to not-for-profit entities for annual reporting periods commencing on or after 1 January 2014).

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a

subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued.

AASB 2013-8 amends AASB 10 by adding an appendix to that Standard to explain and illustrate how the principles in AASB 10 apply from the perspective of not-for-profit entities in the private and public sectors. Similarly, AASB 2013–8 amends AASB 12 by adding an appendix to that Standard to explain the concept of a structured entity in a not-for-profit context. Neither of these appendices apply to for-profit entities, nor affect the application of AASB 10 or AASB 12 by for-profit entities.

These Standards are not expected to significantly impact the company's financial statements.

2014

2013

\$

\$

Note 2 Revenue**a) Revenue from (non-reciprocal) government grants and other grants**

Grants and donations	23,776	162,706
Project funding - AOANJRR	2,162,000	1,700,000
	<u>2,185,776</u>	<u>1,862,706</u>

b) Finance Revenue

Interest received-bank	226,069	232,285
Income received-managed funds	377,968	460,282
	<u>604,037</u>	<u>692,567</u>

c) Net fair value gains on the measurement of investments in managed funds

Net fair value gains on the measurement of investments in managed funds managed by Centric Wealth Advisers Limited	343,146	596,542
	<u>343,146</u>	<u>596,542</u>

d) Other Income

Accredited fellowships	2,727	1,727
Administration and secretarial fees	41,920	35,500
Advertising	11,510	5,213
Advertising-AOA Bulletin	81,864	63,202
Fellowships administration	173,927	260,645
Hospital Audits	0	51,441
Royalties	10,837	13,171
Ad hoc reports - AOANJRR	52,750	34,522
Governance Rebate	66,150	0
Miscellaneous	51,141	9,267
	<u>492,826</u>	<u>474,688</u>

Note 3 Expenses**a) Depreciation**

Building improvements	39,983	39,982
Computer equipment	11,210	11,579
Furniture and fittings	97	122
Plant and equipment	587	815
Intangibles	33,963	7,624
	<u>85,840</u>	<u>60,122</u>

b) Grants

AOA Research Foundation Ltd	100,000	100,000
AOA Specialty Societies and humanitarian grants	127,500	150,404
Orthopaedic Nurses Association-WA	3,000	3,000
Queensland Orthopaedic Research Trust	0	10,000
Australian Paediatric Orthopaedic Society	12,000	2,000

Notes to the Financial Statements Continued...

	2014	2013
	\$	\$
Australasian Sarcoma Study Group	0	20,000
Foot and Ankle Society	0	20,000
Orthopaedic Outreach grants by Ian Stratton Trust	15,504	0
Other minor grants	5,194	4,292
	<u>263,198</u>	<u>309,696</u>
c) Professional Services		
Remuneration of auditors		
for auditing services	20,300	17,500
for services other than auditing	1,850	420
Consulting fees	236,674	174,688
Legal fees	99,206	56,965
	<u>358,030</u>	<u>249,573</u>
d) Other Expenses		
Catering	12,958	14,045
Relationship reform-RACS	42,854	51,205
Miscellaneous	45,343	768
	<u>101,155</u>	<u>66,018</u>
Note 4 Cash on hand		
Cash	500	300
Cheque accounts	2,214,510	2,564,527
Term deposits	5,416,210	5,151,428
	<u>7,631,220</u>	<u>7,716,255</u>
Note 5 Accounts receivable and other debtors		
Trade receivables	1,019,469	1,069,819
Interest receivable	90,969	134,819
	<u>1,110,438</u>	<u>1,204,638</u>
Note 6 Other current assets		
Prepaid expenses	176,238	127,930
Deposits paid for scientific meetings	310,649	285,376
	<u>486,887</u>	<u>413,306</u>
Note 7 Financial assets at fair value through profit and loss		
Investment in managed funds (at market value)	9,660,573	8,641,638
Term deposits - RaboBank	0	400,000
	<u>9,660,573</u>	<u>9,041,638</u>
Note 8 Property, plant and equipment		
Improvements (at cost)	198,638	198,638

	2014	2013
	\$	\$
Less accumulated amortisation	(145,324)	(105,341)
	<u>53,314</u>	<u>93,297</u>
Furniture, fixtures and fittings (at cost)	777	777
Less accumulated depreciation	(390)	(293)
	<u>387</u>	<u>484</u>
Plant and equipment (at cost)	171,984	150,724
Less accumulated depreciation	(95,720)	(79,429)
	<u>76,264</u>	<u>71,295</u>
Computer Equipment-WA Branch (at cost)	4,990	4,990
Less accumulated depreciation	(4,145)	(3,636)
	<u>845</u>	<u>1,354</u>
Total property, plant and equipment (at cost)	376,389	355,129
Less accumulated depreciation	(245,579)	(188,699)
	<u>130,810</u>	<u>166,430</u>

Note 9 Intangibles

Computer Software	202,135	159,398
Less accumulated amortisation	(54,092)	(25,133)
	<u>148,043</u>	<u>134,265</u>

Note 10 Accounts payable and other payables

Trade payables and accruals	1,033,890	1,162,419
Deferred revenue - scientific meetings	188,309	137,223
Goods and services tax payable	69,499	148,879
Payroll payables	45,446	37,492
Payables to associated entities	145,201	106,920
	<u>1,482,345</u>	<u>1,592,933</u>

Note 11 Provisions

a) Current - Employee annual leave	144,126	121,496
b) Non-Current - Employee long service leave	32,771	16,756
	<u>176,897</u>	<u>138,252</u>

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion of this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Notes to the Financial Statements Continued...

	2014	2013
	\$	\$
Note 12 Equity		
Retained earnings at 30 June 2013	16,945,347	16,418,667
Surplus attributable to members	563,382	526,680
Other comprehensive income for the year	0	0
Retained earnings at 30 June 2014	<u>17,508,729</u>	<u>16,945,347</u>
Note 13 (a) Reconciliation of cash flow from operations with surplus for the year		
Surplus attributable to members for the year	563,382	526,680
Non cash flows in surplus -		
Depreciation	85,840	60,122
Provision for employee leave entitlements	38,644	20,651
Unrealised gain in managed funds	(343,146)	(596,542)
Changes in assets and liabilities		
Decrease/(increase) in receivables	94,200	(450,862)
Decrease in prepayments and deposits	(73,581)	(133,494)
(Decrease)/increase in payables	(110,588)	795,228
Cash provided by operating activities	<u>254,751</u>	<u>221,783</u>
Note 13 (b) Reconciliation of cash		
Cash on hand	500	300
Cash at bank	2,214,510	2,564,527
Cash on deposit	5,416,210	5,151,428
	<u>7,631,220</u>	<u>7,716,255</u>
Note 14		
The Association controls the AOA Conference and Event Management Trust which is a unit trust responsible for organising and managing events. All of the surplus of the trust has been distributed to the Association and assets and liabilities of the trust have been consolidated with those of the Association. The financial position of the trust at 30 June 2014 was as follows:		
Cash and cash equivalents	14,737	302,557
Trade and other receivables	255,681	569,810
Prepayments and deposits	384,598	336,447
Total Assets	<u>655,016</u>	<u>1,208,814</u>
Trade and other payables	655,016	1,208,814
Total Liabilities	<u>655,016</u>	<u>1,208,814</u>
Net Assets	-	-
Note 15 Association Details		
The registered office and principal place of business of the Australian Orthopaedic Association Limited is Level 12, 45 Clarence Street, Sydney.		

Note 16 Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2014, the number of members was 1551 (2013 1530).

Note 17 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, managed funds, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows :-

	Note	2014 \$	2013 \$
FINANCIAL ASSETS			
Cash on hand	4	7,631,220	7,716,255
Managed funds at market value	7	9,660,573	9,041,638
Receivables	5	1,110,438	1,204,638
Total Financial Assets		<u>18,402,231</u>	<u>17,962,531</u>
FINANCIAL LIABILITIES			
Trade and other payables	10	1,482,345	1,592,933
Total Financial Liabilities		<u>1,482,345</u>	<u>1,592,933</u>

A) MARKET RISK

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the company to interest rate risk are limited to lease liabilities, listed shares, government and fixed interest securities, and cash on hand.

The company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The Company's exposure to interest rate risk and the effective weighted interest rate for classes of financial assets and financial liabilities are set out below:-

	Note	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Maturing in 1 year or less	1 to 5 years	Non- Interest Bearing	Total
2014			\$000	\$000	\$000	\$000	\$000
FINANCIAL ASSETS							
Cash on hand	4	3.43%	2,215	5,416	0	0	7,631
Investments	7	3.53%	9,661	0	0	0	9,661
Receivables	5		0	0	0	1,110	1,110
Total			<u>11,876</u>	<u>5,416</u>	<u>0</u>	<u>1,110</u>	<u>18,402</u>
FINANCIAL LIABILITIES							
Accounts payable	10		0	0	0	1,482	1,482
			<u>0</u>	<u>0</u>	<u>0</u>	<u>1,482</u>	<u>1,482</u>

Notes to the Financial Statements Continued...

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The company is exposed to other price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations and management has been delegated to a fund manager, Centric Wealth.

Centric Wealth invests the company's funds through other managed funds spread through a range of sectors in order to minimise risk.

B) FOREIGN CURRENCY RISK

The Company is not exposed to fluctuations in foreign currencies.

C) LIQUIDITY RISK

The Company manages liquidity risk by monitoring forecast cash flows.

D) CREDIT RISK

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

The Company does not have any derivative financial instruments.

E) PRICE RISK

The Company is not exposed to commodity price risk.

F) NET FAIR VALUES

The company measures and recognises the following assets at fair value on a recurring basis after initial recognition.

– financial assets at fair value through profit or loss;

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation technique selected by the company is consistent with the following valuation approach:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

	Note	30 JUNE 2014 Level 1	30 JUNE 2013 Level 1
Recurring fair value measurements			
Financial assets			
Financial assets at fair value through profit or loss			
Investments in managed funds	7	9,660,573	8,641,638
Total financial assets recognised at fair value		9,660,573	8,641,638

Note 18 Credit Risk – Trade and other receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company. No provision has been made for doubtful debts.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality. Overdue debtors from members for membership fees are expected to be recovered in full. Overdue debts from sponsorship providers are not expected to be paid until immediately prior to the event being sponsored and are expected to be recovered in full.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)			
			<30	31-60	61-90	>90
2014	\$	\$	\$	\$	\$	\$
Accounts Receivable members	663,728	0	424,976	0	0	238,752
Events Sponsorship debtors	255,545	0	37,275	46,900	77,000	94,370
Other	191,165	0	144,115	1,570	13,168	32,312
Total	1,110,438	0	606,366	48,470	90,168	365,434



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