



VETERINARY COUNCIL
OF NEW ZEALAND
Te Kaitiaki Take Kōwhiri o Aotearoa

Annual Report

For the year ended 31st December 2010



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Council role and functions

The Veterinary Council of New Zealand (VCNZ/the Council) is the statutory body set up under the Veterinarians Act 2005 to regulate the veterinary profession.

The primary purpose of the Council is to protect the public interest. It does this through the exercise of its statutory functions which include:

- registering veterinarians who are properly trained and qualified;
- setting and monitoring the standards veterinarians must meet;
- promoting high standards of veterinary education and conduct;
- accrediting and monitoring the institutions which train veterinarians;
- recertifying veterinarians' competence and fitness to practise annually;
- reviewing and acting, where necessary, in circumstances where concerns about a veterinarian's performance, professional conduct or health have been raised; and
- advising and making recommendations to the Minister of Agriculture and Massey University on matters related to veterinarians, veterinary education and the practice of veterinary science.

Council Membership

There are seven Councillors, three of whom are elected by veterinarians. Three other members of the Council are appointed by the Minister of Agriculture. Two of these appointees are lay members and the Council cannot meet without at least one of these lay members being present. The Programme Director of Veterinary Science at Massey University is also a member of the Council. The Chairperson and Deputy Chairperson are elected by the Council members at the first Council meeting each year.

The Council holds formal meetings four times a year and holds teleconference meetings where particular issues arise.

Council members during 2010 were:

Ron Gibson: Elected veterinarian and Chair
CEO, Animal Health Centre

Norm Williamson: Deputy Chair
Programme Director, Veterinary Science, Massey University

Barbara Benson: Ministerial appointed layperson
Manager, Teacher Education, New Zealand Teachers Council

Penny Mudford: Ministerial appointed layperson
Rural Arbitrator

Julie Wagner: Elected veterinarian
General Manager, PacificVet

Jim Edwards: Ministerial appointed veterinarian
Consultant

Peter Jerram: Elected veterinarian
Retired veterinarian
Retired at the December 2010 elections to be replaced by:
Nick Twyford: Director, Franklin Veterinary Services

The Council appoints Committees and working parties to undertake functions on its behalf, to provide it with advice and to make policy recommendations. The business and membership of the Council's standing committees and working parties is reported on in the relevant sections of this report.

Council Staff

CEO/Registrar
Executive Officer Complaints
Executive Officer Finance and Re-certification
Administration Officer

Janet Eden
Anthea Black
Helen Piercy
Margriet Philipsen

From the Chair

The VCNZ's mission is to protect the public interest by regulating the veterinary profession and by promoting and encouraging high professional standards through prudent implementation of the Veterinarians Act 2005. It is pleasing to note that in 2010 the Council has made major progress on two work programmes - the review of the Code of Professional Conduct (COPC) and the development of a compulsory Continuing Professional Development (CPD) framework - that will enhance our performance in meeting that mission statement.

Code of Professional Conduct review

This major project began in 2008 when it became clear that the original COPC developed in the early 1990s by the New Zealand Veterinary Association (NZVA) and taken over by the Council in 1994 needed to be looked at again to ensure it met contemporary needs and issues.

This has been a huge task for the Code Review working party since some of the issues, such as revised requirements for veterinary medicines and 24-hour emergency care requirements are controversial. The working party is to be commended for resisting a quick fix and for keeping an open mind on the issues. It has made its work available for comment section-by-section to ensure the veterinary community has a chance to debate this important document at an early stage. As a result, the process has been slower than originally envisaged. It means, however, that the final document will be workable, robust and fit for 21st century veterinary practice. The Council thanks everyone who has contributed their ideas during the initial consultation, and to those who have organised special meetings at which working party members have been able to talk about their work and hear ideas first hand. In early 2011 the Council will hold formal consultation on the final draft to ensure it meets the needs of veterinarians and the public before its final implementation, probably in the latter half of the year.

Continuing Professional Development framework

This will come into effect on 1 April 2011 and will replace the current system under which veterinarians are encouraged to undertake professional development but are not required to do so. From 2014, veterinarians will be required to declare what CPD activities they have been doing to maintain and enhance their performance in order to be eligible for the issue of an Annual Practising Certificate (APC). This brings veterinary practice into line with other professional bodies in New Zealand and meets public expectations that veterinarians should, like other health professionals, ensure they keep up to date. For most veterinarians, this will require no change, since the majority already take the need to maintain and enhance their performance very seriously. It will, however, encourage the minority who have not seen the need for continuing professional development to reconsider. The new regime places more emphasis on interactive peer activities. This reflects the fact that professional isolation is a recognised major factor for under-performance. The CPD framework will be reviewed at least every three years and the Council will keep a close watch on developments in New Zealand and overseas on other ways to maintain and enhance professional standards.

Amendments to the Act

There is, unfortunately, not such good news regarding the Council's efforts to amend the Veterinarians Act to improve its operation and clarify some aspects of the Council's functions. While the amendments remained on the legislative agenda in 2010, they were

given very low priority and were not actioned. At the Ministry of Agriculture and Forestry's (MAF's) suggestion, the Council is pursuing some amendments of a minor and technical nature to the Act through the annual Statutes Amendment Bill process in 2011. Among the minor amendments being sought are:

- Amending the provisions for electronic resolutions of Council from the current requirement for unanimous assent by all members to majority assent with existing quorum provisions.
- Allowing the Council to treat a veterinarian who has submitted an APC application and fee as the holder of a practising certificate from the date the application is received until the date it is issued, issued with conditions, or declined.
- Introducing measures to require Court Registrars to notify the Council of convictions (as exists for all registered health professionals).
- Amending the health provisions to provide that health examinations can be carried out by other health practitioners and not just medical practitioners.
- Removing the requirement for the financial year of the Council to end on 31 December.
- Providing the ability for the Council to propose to issue a practising certificate with conditions on receipt of the application rather than after having to propose to decline and reconsidering on receipt of the applicant's submissions.
- Providing the Registrar with the ability to delegate to staff.

Some amendments the Council believes are important to its mission of protecting the public cannot be dealt with in this way and we will be continuing to lobby for an amendment to the Act to address these.

Registration of para-professionals

During 2010 we went to the Minister with a case for introducing regulation for para-professionals in the veterinary field following examples of harm to, and deaths of animals due to poor practice by some para-professionals. This was done following the adoption of agreed international guidelines by the World Organisation for Animal Health (the Office International des Épizooties). The Minister has informed us that our case fails to meet the threshold for regulation required by the Government. We will continue to pursue this since we are concerned that market access and animal welfare are at stake, especially given the trend for para-professionals to be working on their own account outside established veterinary services. We have set up a database of cases of harm and are urging veterinarians to report any incidents and are pursuing other avenues to deal with this issue.

Fees increase

For a second year the Council has had to increase the annual practising fees. They will rise from \$320 to \$420 in 2011. The Council has previously advised veterinarians that it had no option but to raise the fees, given the need to cover costs and maintain reserves at an acceptable level. The Council has also signalled that the annual practising fees will likely need to rise further in 2012 to ensure reserves are not further run down.

The veterinary workforce

For a second year, we have carried out a workforce survey. There are some positive signs in the results. There has been an increase in the workforce since 2002 and greater retention of graduates. However, like other professions, we are faced with an aging workforce and this is an issue we will have to plan for in future. The quality of the information that we gather in this survey depends on veterinarians filling out the questionnaire every year. We appreciate the effort, since the information we gain for the

workforce analysis allows us to identify trends and act on them before they become serious issues. I thank Dr Mark Stevenson who again analysed the raw data for us.

Stakeholder relations

VCNZ has continued its close links with the Australasian Veterinary Boards Council (AVBC) during 2010 through regular meetings to discuss issues of shared interest. The Registrar and I attended an AVBC meeting in Brisbane and Wellington hosted an AVBC education forum in October. The forum was attended by 28 delegates from Australia and New Zealand and provided an opportunity to review progress in issues identified at a similar forum held in Darwin in 2008. Two particular issues were identified as needing action. One was the high cost of veterinary education, particularly for clinical training, and delegates stressed the need for improved government funding in this area. The other proposal was for an Australasian veterinary workforce study to be carried out by an independent well-recognised group, to identify where veterinarians are currently employed and areas for future employment. It is proposed to hold another forum in 2012.

In May 2010, VCNZ and AVBC signed an agreement allowing New Zealand candidates to apply to sit the Australian final national veterinary examination in the event the New Zealand final examination is oversubscribed and vice versa.

World Veterinary Year

A joint planning committee has been regularly meeting regularly during 2010 to consider activities to mark World Veterinary Year in 2011. The year's activities will be launched at a function hosted by the French Embassy early in the year.

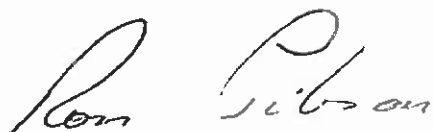
Appreciation

Finally I would like to personally thank some of the people for their assistance during the year.

Council member Peter Jerram stood down at the December 2010 election. He was elected to the Council in November 2007 and during his three year term he has made a valuable contribution to the Council's work, including convening the working party which has been developing the new CPD framework. We will miss Peter's thoughtful approach to issues and his understanding of the realities of day-to-day veterinary practice. We wish him the best for the future.

Peter has been replaced by Nick Twyford. He brings to the Council table 14 years experience with the Complaints Assessment Committee (CAC) – the past six as Chair - and is convenor of the working party revising the COPC.

I would also like to thank Katja Geschke for her work on the Registration Committee. She has provided valuable comment on, and ideas for, the New Zealand National Veterinary Examination (NZNVE) process thanks to her experience as a candidate.



Ron Gibson
CHAIR

CEO/Registrar's report

The major focus of the Council's work this year has been the finalisation of the CPD framework and the review of the COPC. Both pieces of work are vital to the Council's primary purpose to protect the public interest by ensuring that veterinarians are fit and competent to practise.

Maintaining and enhancing practise

The CPD Framework is designed to ensure veterinarians maintain and enhance their performance by requiring them to undertake and record their professional development through continuing veterinary education and collegial activities as well as self-directed learning. There was a good response to the consultation about the proposed framework, with feedback generally positive. There was some scepticism that setting a target of CPD points assures competence. There is no solid proof this is so, but there is evidence that CPD activity is associated with the maintenance and development of professional competency. Practising in isolation has been identified as a significant risk factor in poor performance and hence the emphasis on collegial CPD activities in the framework. The framework is also an important development in that it will help assure public confidence and provides a mechanism for the Council to identify and target remedial action towards those veterinarians who may be at risk of not maintaining competence.

Ethical expectations

The COPC has been the other major preoccupation of the Council in 2010. The working party has consulted with the profession during this process, using the Council website to publish their draft material and making themselves available to present on the proposed requirements. The response from the profession to date has been minimal, but better feedback has been obtained when the working party has targeted individual veterinarians or practices on specific issues. This feedback is being incorporated into the final draft Code to be circulated in April/May 2011. The new COPC will provide veterinarians with clear guidance on the ethical standards expected of them and the further explanation, by way of supporting explanatory notes and guidelines, should provide a useful tool that can be applied directly in their day-to-day practise.

Enhanced governance and management

One of the three goals outlined in the Council's 2010 Annual Plan is to ensure high standards of corporate governance and management in the conduct of its business. In pursuit of this, we have developed guidelines for Judicial Committee members to ensure those sitting on hearings are well trained and well informed in their role. We have continued annual governance training for Council members.

We are constantly looking at our processes to see if we can improve efficiency and reduce delays.

Changes during the 2010 year include Council delegation to the Registrar of approvals for provisional registrations where applicants meet the necessary requirements. This is resulting in a much quicker turn around for these applications.

We have also made changes to the complaints process. Not all the notifications the Council receives about veterinarians' actions should necessarily be considered as formal complaints but until now many have been dealt with as such. Sometimes people do not wish to make a formal complaint about a veterinarian but feel very strongly about providing Council with information they consider important for example, concerns about a

veterinarian's competence or health.

To deal with these sorts of complaints, a new 'concerns' policy has been introduced. A Preliminary Assessment Committee (PAC) has been established to consider issues relating to a veterinarian's conduct, performance or health arising from information received and in circumstances where the notifier does not wish to make a formal complaint. Its processes are similar to CACs, in that the veterinarian's comments will be sought in circumstances where there appears to be some substance to the issue raised.

A very common outcome is for recommendations to be made to the veterinarian on ways to enhance their practice, with this information being retained on their file, and available in the event of similar concerns being raised.

Raising VCNZ's profile

There have been a number of developments towards our goal of raising the Council's profile both inside the veterinary profession and among the public at large. The Communication Plan has been reviewed, as has the media we use to communicate. That review has resulted in new and revised information publications and greater use of the Internet to communicate rapidly and accurately on issues as they arise.

Stakeholder engagement

The Council continues to put great stock on maintaining contact with key stakeholders and during the year I have, as VCNZ Registrar, held regular meetings with key organisations and individuals. Our relationship with the veterinary bodies in Australia has also remained a priority activity and 2010 has seen important developments in opening up national examinations in both countries to each other's students, in accrediting Australian degree programmes, and in ensuring the equivalency of examinations on both sides of the Tasman.

VCNZ relies, to carry out its statutory duties, on the assistance and advice, of outside veterinarians and experts and I thank those who serve on Complaints Assessment Committees and those who participated in the CPD and COPC working parties for their valuable input. In particular I would like to thank our medical advisor on the Health Committee, Tom Flewett. We are very fortunate to be able to draw on his wisdom in what is a highly sensitive area of our work.

Finally I thank the administration team at VCNZ for their dedicated work in what has been a busy and productive year.



Janet Eden
Registrar/CEO

Registration

The Council's Registration Committee is responsible for ensuring all applicants for registration meet the standard required for safe and competent practice, so meeting the Council's statutory requirement to protect the public interest.

In doing so it:

- ensures statutory registration requirements are met;
- ensures registration processes are fair, equitable, transparent and timely;
- makes recommendations to Council on limited registration applications;
- approves full, Trans-Tasman Mutual Recognition Act, and specialist registration applications under delegated authority from the Council. The Registrar is delegated to approve provisional registrations where they meet the criteria.

In 2010, the committee members were:

Norm Williamson (VCNZ member and Chair)

Chris Mawson (NZFSA)

Joe Mayhew (Massey)

Sandra Forsyth (Massey and NZNVE Chief Examiner)

Paul Wiseman (Totally Vets)

Katja Geschke (Wellington Zoo)

Barbara Benson (VCNZ lay member)

Policy issues in 2010

During the year, the Committee advised the Council on a number of policy issues regarding the registration of veterinarians.

English language requirements: The Council has accepted the Registration Committee's recommendation to amend the English language policy to provide that all four components of the International English Language Testing System (IELTS) test must be passed during one sitting.

Raising the bar for registration: The Council wants to supplement the current recognised qualification and "fit and proper person" requirements for registration with provisions for competence and fitness. This would ensure applicants would need to show they had maintained recency and competence to practice. The Council has been pursuing the change through a range of amendments it is proposing to the Veterinarians Act. However, as noted previously, there is currently no political will to proceed with the legislation.

Limited scope registration: The Council has developed a separate application for limited scope applicants so that the requirements are clear and transparent. Three limited scope applications were approved during the year.

Delegation for provisional registrations: In 2010, the decision was made to delegate to the Registrar the authority to approve provisional registrations where these applications meet all the requirements. The result has been a significant turnaround in the time taken to process these applications.

Staff training to identify fraud: A training programme is being put in place to ensure staff involved in registration and examination processes are equipped with the skills to identify fraudulent documentation. The Registrar is liaising with New Zealand Police and other regulatory authorities with a view to initiating a joint fraud training course in 2011.

Regulation of para-professionals

For some time, the Council has been concerned at the lack of effective means to ensure the competency of veterinary para-professionals, especially since there is an increasing trend for veterinary technical services to be provided outside the formal veterinary infrastructure. A consequence is growing evidence of poor practice in this area, resulting in death or significant harm to animals. The Council considers that failure to follow international trends to regulate para-professionals risks the credibility of New Zealand's management of animal health, welfare and food safety and has the potential to affect market access.

During 2009 the Council developed, in consultation with the NZVA, the Veterinary Nurses Association, and Massey University, proposals for regulation of para-professionals. The Minister of Agriculture, on advice from the MAF, has now told the Council that he cannot progress its proposals since they do not meet the current Government threshold for regulation. He has said, however, that if the Council can provide sufficient further evidence of the risks of significant and irreversible harm arising from poor practice, he will re-examine the case. He also suggested the veterinary profession explore options for non-regulatory measures. These could include voluntary accreditation, the development of industry standards, and extending the list of procedures restricted to veterinarians.

The Council continues to be very concerned about the risks posed by para-professionals and is aware that any future submissions in support of regulation will need to demonstrate why non-regulatory options are not working.

The Council has set up a database to record cases of sub-standard practice by para-professionals and is inviting veterinarians and others to contact Council staff of incidents as they occur. The Council will also raise its concerns as part of the review of the Animal Welfare Act.

Registration statistics

Number of veterinarians with practising status (June 2010)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Practising	1833	1940	2047	2122	2171	2275	2312	2360	2392
Non-practising	370	401	369	347	320	310	258	219	168
Total	2203	2341	2416	2469	2491	2585	2570	2579	2560

Veterinarians gaining specialist registration in 2010

Specialist	Speciality
Dr Els Acke	Small animal medicine
Dr Dawn Kingsbury	Small animal medicine
Dr Tania Banks	Small animal surgery

Registration Statistics (cont.)

New registrations by country where primary degree obtained

	2010	2009	2008	2005	2002
Great Britain	42	37	38	54	48
New Zealand	72	97	71	70	80
Australia	11	15	18	15	15
USA	14	2	21	20	12
Netherlands	4	4	7	7	11
Ireland	8	11	4	2	2
South Africa	4	6	9	7	14
Canada	4	7	3	10	2
Iraq	-	-	-	-	2
India	4	2	2	-	1
Czech Republic	-	-	-	1	1
Egypt	1	-	-	-	-
Mexico	-	-	1	-	-
Denmark	-	1	1	-	-
Romania	-	-	1	1	-
Zimbabwe	-	-	1	1	2
Germany	3	5	-	3	-
Bulgaria	-	1	-	-	-
Belgium	1	1	-	1	-
Poland	-	1	-	-	-
Serbia	-	-	-	-	1
Nigeria	-	-	-	1	-
Total	168	190	177	193	191
Total overseas	96	93	106	123	111

Annual Practising Certificate declarations

In the 2010 APC declaration round, a total of 76 veterinarians declared possible competence or fitness to practise issues.

Of these, 23 responses declared CAC investigations conducted during the practising year ended 31 March 2010.

A further three involved convictions, 2 related to competency or disciplinary action taken by an employer and one involved an overseas complaint investigation.

Three veterinarians declared they had not worked as a veterinarian in the last five years while 32 declared they had resumed, or were planning to resume, practise in a field of

activity they had not been involved in for five or more years.

Twelve veterinarians declared a new mental or physical condition with the potential to affect their fitness to practise. Of these 6 cases related to episodes of depression, 5 to medical conditions and 1 to a major physical injury.

Safeguards and support were put in place where necessary.

New Zealand National Veterinary Examination

The NZNVE is the means by which a veterinarian who is trained overseas but whose degree is not immediately eligible for registration in New Zealand can demonstrate competence to be registered. The Registration Committee has stewardship of this examination. The Council thanks Sandra Forsyth, Chief Examiner and the other staff at Massey University for their invaluable role in ensuring that registration standards are maintained and that all candidates are treated fairly and equally.

In the preliminary NZNVE examination, four of the 17 entrants were successful. Seven candidates sat the final NZNVE clinical/written examination at Massey November in November 2010. One candidate passed. Four candidates were awarded supplementary passes and will now need to sit and pass the section or sections they failed before being eligible for registration. Two candidates failed the final examination.

The accompanying table shows performance in the preliminary and final examination over the past five years

National Veterinary Examination Result Summary 2005-2010

2005

	Preliminary	Final	Supplementary
Candidate attempts	9	8	1
No. of passes	6	7	1
Pass rate overall	66.67%	87.50%	100%

2006

	Preliminary	Final	Supplementary
Candidate attempts	7	5	
No. of passes	5	5	
Pass rate overall	71.43	100%	

2007

	Preliminary	Final	Supplementary
Candidate attempts	9	5	
No. of passes	5	2	
Pass rate overall	55.56%	40%	

2008

	Preliminary	Final	Supplementary
Candidate attempts	23	9	2
No. of passes	13	1	2
Pass rate overall	56.52%	11.11%	100%

National Veterinary Examination Result Summary 2005-2010 (cont.)

2009

	Preliminary	Final	Supplementary
Candidate attempts	20	7	3
No. of passes	13	4	3
Pass rate overall	65%	57.14%	100%

2010

	Preliminary	Final	Supplementary
Candidate attempts	17	7	4
No. of passes	4	1	
Pass rate overall	23.52%	14.28%	

Total 2005 –2010

	Preliminary	Final	Supplementary
Candidate attempts	85	41	6
No. of passes	46	20	6
Pass rate overall	54.11%	48.78%	100%

Communication requirements added to final examination

From 2011, candidates for the final NZNVE will have to undertake formal assessment of their communications skills. The Council has decided that an additional examiner with experience in communications assessment will be appointed to assist with this assessment. This examiner will be present during the small animal medicine and one large animal section of the examination to observe and assess each candidate's communications skills. The communications skills assessment will not be a substitute for the English language test, but will be an additional competency requirement.

Trans-Tasman exchange of chief examiners

Chief examiners from Australia and New Zealand undertook an exchange programme to ensure equivalency of final examinations in the two countries. Professor Leo Jeffcott attended the New Zealand Final examination in November in his capacity as Chair of the Board of Examiners. Dr Sandra Forsyth, NZNVE Chief Examiner, attended the Australian final clinical examination. They have prepared reports and recommendations to their governing bodies on any issues they identified during the exchange.

Professional Standards

The role of the Professional Standards Committee is to:

- advise the Council on matters relating to professional standards;
- review and make recommendations on changes to the Code of Professional Conduct
- review and make recommendations on changes to the Continuing Professional Development Framework.

The Committee has not met formally during 2010 as members have been involved in working parties reviewing the COPC and the CPD framework.

Committee members in 2010 were:

Julie Wagner (VCNZ member and Chair)

Stu Hutchings (NZVA)

Tony Zohrab (NZFSA)

Nick Tywford (CAC Chair)

Ron Gibson (VCNZ Chair)

Penny Mudford (VCNZ lay member)

Peter Jerram (VCNZ member until December 2010)

Matthew Stone of MAF was appointed during the year to serve on the committee in 2011.

Review of the Code of Professional Conduct (COPC)

Since 2008, the Council has been undertaking a major review of the COPC for veterinarians to bring it up to date. The Council has taken into account the changes in the professional and legislative environments and provided the flexibility to accommodate future developments in veterinary science and practice. During 2010, the working party consisting of representatives from VCNZ, NZVA, MAF and New Zealand Food Safety Authority (NZFSA) and led by Nick Twyford has largely completed the task.

A major aim of the review was to ensure that the Council's expectations are clear to the profession, and to the public, and as such distinguish between what must be done and what is recommended.

The new draft COPC sets out the ethical standards which veterinarians are required to adhere to and may be measured against. It clarifies the seven core responsibilities of veterinarians in relation to:

- protecting animal welfare and alleviating animal suffering
- practising in a way that promotes effective communication, trust, meets confidentiality and consent requirements and recognises clients' right to choose
- interacting with colleagues honestly and with respect and in a way that fosters good relationships and communication
- acting in a manner that promotes the public's trust and confidence in the profession
- striving to provide a high standard of veterinary practice
- exercising sound professional judgement when authorising, dispensing, recommending, selling and using veterinary medicines
- practising in accordance with all relevant legislation and other applicable standards

The new Code is a much shorter principle based document, supported by explanatory notes and guidance documents which will be available electronically.

The working party has sought comment on its work section-by-section over the past two years. Their final draft will be undergo a formal consultation process early in 2011 before it is finalised and implemented.

Maintaining and enhancing performance

The CPD framework finalised during 2010 is aimed at ensuring veterinarians maintain and enhance their performance through continuing veterinary education activities and collegial and self-directed learning. Under the CPD framework, applicants for the APC will be required to record the CPD activities they have undertaken in these three areas. To qualify for the renewal of the APC, applicants will be required to achieve a total of at least 60 points over a three-year period in the three categories of CPD.

While continuing education through activities such as conferences, seminars and workshops are an important activity in continuing professional development, of equal importance are:

- collegial learning activities such as in-house training, peer discussion and review activities, supervision and mentoring, journal and study clubs, case presentations, Quality Assurance activities, on-line discussion fora and any other self-directed activities that involve interaction with peers; and
- self-directed learning through reading and research and participation in discussion forums on line.

Veterinarians will be required to keep records so that participation can be verified. In the self-directed and peer learning categories, where verification is difficult or is not the prime purpose of the activity (eg, professional body meetings), participation can be counted towards CPD points if the learning and impact on practice is recorded and retained.

The CPD requirements will be implemented for the first time for the 2014 APC round meaning that veterinarians must start recording their CPD activities from 1 April 2011.

Competence

The Veterinarians Act 2005 allows the Council to undertake an assessment of veterinarians whose competence has been called into question and to put in place remedial measures where this is found to be necessary. There were no competency assessments in 2010.

Supervision relating to recency of practice

In 2010, there were 36 cases in total of self-reported recency of practice issues. Of these, three veterinarians had supervision and reporting conditions attached to their practising certificates.

From 2011, the time period for recency of practice period will change from five years to three years to align with the CPD framework requirements.

Veterinarians' health

The Health Committee is responsible for ensuring managing individual cases where health issues can bring a veterinary practitioner's competence and fitness to practice into question.

In 2010, the members of the Health Committee were:

Julie Wagner (VCNZ member and Chair)

Ron Gibson (VCNZ Chair)

Tom Flewett (Medical Advisor)

The Committee uses an assessment and rehabilitation process based on the tested methods used by other health regulatory bodies and designed to separate health issues from those of discipline or competence. The emphasis is on support, rehabilitation and confidentiality, with all efforts being on gaining the voluntary co-operation of the veterinarian involved rather than using the statutory powers of the Act. The statutory powers are only used in extreme cases where the veterinarian refuses to co-operate and suspension or conditions on practise are necessary to protect the public interest. There has been only one case where this has been required in the past three years.

Most notifications come to the Council through self-reporting or reports from employers. Most of the former do not result in any further action if the individual involved has insight into the potential impact of their condition, is receiving support or treatment and a GP confirms their fitness to practice. However, if the Committee thinks the concerns are valid and significant, it will seek the veterinarian's voluntary agreement to undergo a medical assessment at the expense of the VCNZ.

If a medical assessment confirms concerns about a veterinarian's fitness to practise, the usual outcome is a negotiated agreement with the veterinarian, underpinned by acknowledgment that a breach may result in statutory conditions being imposed on practise. Currently, ten veterinarians are under active monitoring.

In the case of drug abuse, monitoring continues for a five-year period based on research in other professions that shows the best results are achieved with this approach. In the case of a lapse, the five-year monitoring starts afresh. Currently, one veterinarian is subject to random drug testing and other conditions to promote recovery.

A typical rehabilitation programme for managing an unwell veterinarian might include some or all of the following:

- limiting the veterinarian's practice to certain procedures, locations, times supervised practice and reporting
- informing employers and work colleagues about the relevant health issues treatment, counselling or other therapy e.g. naltrexone or antabuse
- random urine, blood and hair testing to check for the presence of drugs or alcohol regular GP supervision
- prescribing restrictions
- attendance at peer support groups such as Alcoholics anonymous and Narcotics Anonymous mentoring

Health notifications in 2010

There were seven new referrals to the Health Committee in 2010. This compares with 15 in 2008 and 21 in 2009. The reason for the decrease in Health Committee cases is because of new delegation policies that have enabled the Registrar, together with the medical advisor in some cases, to handle cases that are considered to be of low risk.

In 2010, a large number of veterinarians declared a new mental or physical condition during the APC renewal process at the beginning of the year. Only 12 were considered to have the potential to affect their fitness to practice. There were also two CAC referrals, four self notifications and one notification by an employer during the year.

Of these:

- ten were deemed by the Health Committee, or the Registrar in consultation with the medical advisor, to have their health issues under control and were getting good support, so no further action required;
- voluntary agreements were established for eight cases, with a range of conditions imposed based on individual circumstances, including limitations on practice such as reduced hours, no surgery, no sole charge, and no after-hours work: and
- in one case, the veterinarian declined to proceed with their practising certificate application.

During 2010, the Health Committee continued monitoring of ten cases from previous years.

Predominant issues in new health cases

	2009	2010
Depression or other mental condition	11	9
Physical injury	2	2
Medical/Degenerative Conditions	4	7
Addiction	4	1

Stress factors for the veterinary profession

Veterinarians are vulnerable to the same physical and psychological disorders as the rest of the community and incidence of these is in line with their incidence in the general population. However, in terms of suicide, alcohol and drug abuse and accidents, the incidence is higher among veterinarians than in the general population. This is due to the exposure veterinarians have to a greater number of stressors and hazards than the rest of the community. These include the physical and mental demands of the work, long hours, fatigue and sleep deprivation, debt, the demands of clients and external bodies and fear of litigation and complaints. Veterinarians also have to deal with euthanasia of animals, with the accompanying need to manage grief a stressor that is specific to the veterinary profession.

Health promotion initiative with NZVA

The Council has reached agreement with NZVA to encourage greater awareness of health promotion and stress prevention through specific activities. These will build on initiatives taken in 2009, including the Council's support for the promotion of early intervention through the NZVA's revised *Vets and Stress* publication and funding for 24-hour confidential helpline support service for those with personal or work issues provided by the

specialist workplace assistance organisation, Seed. In 2010, the Council agreed to increase its contribution to the Seed scheme so that is available to all veterinarians, regardless of whether or not they are members of NZVA.

Workforce analysis

The 2010 workforce analysis shows a total of 2392 veterinarians were practising in New Zealand as at 30 June 2010. This represents 55 veterinarians per 100,000 head of population, an increase of 30% on 2002 when the figure was 48 per 100,000. Of these, 40% work in the agricultural sector, 37% are in companion animal practice. The remainder work in laboratories, in teaching, research, epidemiology and the regulatory sector.

The annual workplace analysis was instituted in 2009 following concerns about the shortage of veterinarians in rural areas. At the same time, the Government introduced a rural bonding scheme as an incentive for veterinarians to work in these regions. The scheme appears to have had an impact in boosting the workforce in Gisborne, Wairoa, the West Coast, Southland and Gore. The Council has been tracking retention rates for graduates from Massey University for a number of years and the 2010 workforce analysis shows that of the 2008 cohort, 72% were retained in the profession in New Zealand a year after graduation.

Like many professions, the 2010 workforce analysis shows that the veterinary science workforce is aging and it is clear that as the current cohort of veterinarians in the 50 to 65 age group retire, there will be fewer New Zealand graduated veterinarians available to replace them. As a result, unless undergraduate student numbers at Massey University are increased, New Zealand will need to rely on veterinarians trained overseas to make up the shortfall. Currently, 28% of the workforce received their primary veterinary degree overseas, with graduates from the UK comprising the largest group of these at 9%, followed by Australian graduates (6%).

In other statistics, just under half (48%) of practising veterinarians are women and veterinarians are tending to work longer hours. There has been a decrease in the numbers working less than 40 hours a week – from 36% in 2009 to 27% in 2010.

Complaints and disciplinary action

Complaints Assessment Committees (CACs) consider complaints received about veterinarians, decide whether further investigation or referral to the Council is indicated and, following any investigation, decide on further action including:

- recommending to Council that the veterinarian undergo a medical and/or competence assessment;
- recommending to Council, if the committee considers that the matter can be resolved with the agreement of the veterinarian, that conditions be placed on the veterinarian's practice;
- recommending to Council that the veterinarian's practising certificate be suspended pending medical or competence assessment or disciplinary hearing;
- instituting mediation between the veterinarian and complainant;
- providing recommendations to the veterinarian on ways to improve his or her practise;
- taking no further action; and,
- laying disciplinary charges in cases where the severity of the alleged breach of professional conduct standards indicates disciplinary action may be required.

A CAC comprises two veterinarians and a layperson. In 2010 two standing CACs were in operation. The members of these two Committees were:

Nick Twyford (Veterinarian and Chair)

Phyllis Huitema (Lay member)

Grahame Joyce (Veterinarian - replaced in December 2010 by Rob Mills)

Nick Twyford (Veterinarian and Chair)

Tania Turfrey (Lay member)

Charlotte Cantley (Veterinarian)

If members of these 2 CACs declare a conflict of interest or are unavailable to sit then other members may be appointed or a new CAC established from the panel of other veterinarians and laypersons available for complaints work.

New "concerns" category introduced

In 2010, the Council introduced a new "concerns" policy to deal with notifications it receives about veterinarians' actions where people do not wish to make a formal complaint but feel very strongly about providing Council with information they consider important for example, concerns about a veterinarian's competence or health. Until now many of these had been dealt with as formal complaints.

A new Preliminary Assessment Committee (PAC) has now been established to consider issues relating to a veterinarian's conduct, performance or health arising from information received and in circumstances where the notifier does not wish to make a formal complaint.

The members of the Committee in 2010 were Council members:

Ron Gibson (veterinarian)

Barbara Benson (lay person)

Peter Jerram (veterinarian)

The PAC's processes are similar to CAC, in that the veterinarian's comments are sought in circumstances where there appears to be some substance to the issue raised. In

determining how the matter should be managed the PAC has the following options available to it:

- no further action;
- no further action with recommendations to the veterinarian concerned;
- referral to the Council or Health Committee (in the event of significant competence or health concerns);
- referral of the matter to a CAC.

The Committee consider 19 matters in 2010 raised by 9 members of the public, 8 veterinarians and two outside agencies (the Compliance Investigation Group of the NZ Food Safety Authority and Medicines Control). Of these:

- five resulted in no further action. In two cases the issues raised were publicised in the Council's NewsBrief and in another the veterinarian was asked to discuss the matter directly with the client
- eight resulted in no further action, but with recommendations made to the veterinarian with this information being retained on file, and available in the event of similar concerns being raised
- six were referred to a Complaints Assessment Committee.

Complaints during 2010

Fifty-three complaints were received in 2010 compared to 57 complaints in 2009. Of the 53, 14 (26%) did not reach the threshold for investigation. By the end of the year the CAC had investigated and closed 53 complaints, 15 of these from previous years. There are currently two complaints from 2009 and two from previous years still under investigation. Of the 2010 complaints, 60% were related to small animal practise, 4% related to farm/other services, 11% involved equine practise and 25% were not animal related. At the time of writing, one of the completed 2010 complaints resulted in charges being laid against a veterinarian, one veterinarian has been referred to the Council's Health Committee and the parties to one complaint were referred for mediation. None of the veterinarians involved has been referred for competence assessment.

	2010	2009	2008	2007	2006	2005
Number of Complaints	53	57	54	54	45	55
Complaint Category						
Inappropriate Behaviour	0	1	4	5	5	0
Unsatisfactory Treatment	33	42	20	29	28	27
Unprofessional/Unethical Behaviour (incl PARs)	20	13	29	18	13	27
Fees Charged		1	1	2	1	1
	53	57	54	54	48*	55
Species/Type						
Cat	10	16	14	12	9	18
Dog	22	23	17	23	17	17
Horse	6	5	4	3	3	3
Other	2	3	5	2	1	0
Veterinary Medicines	2	1	2	5	3	2
Behaviour	11	9	12	9	9	15
	53	57	54	54	45	55
Complaint Outcome						
No professional misconduct	17	16	20	10	19	25
No professional misconduct, advice given	7	12	7	10	8	12
Diversion (no longer applicable)	0	0	0	0	0	0

Charges laid	1*	0	1*	0	1	2
Did not reach criteria/withdrawn	14	15	15	22	9	18
	39	43	43	42	37	57
Mediation attempted	1*	1*	1	1	2	0
Referral for health assessment	1*	1*	2	3	n/a	n/a
Times to completion of investigation						
1-3 months	23	28	27	37	24	33
4-6 months	11	9	13	5	7	16
7+ months	4	6	14	12	14	6
Plus uncompleted at reporting time	15	14	9	8	8	
	53	57	54	54	45	55
Complaint/investigation originated by						
Client	39	46	32	35	30	37
Another veterinarian	4	8	12	6	5	7
Referral from Council	5	1	3	5	9	n/a
Other	5	2	7	8	n/a	n/a

Note: Variations in figures under complaint category and outcome may arise due to multi-issue complaints, complaints against more than one veterinarian or those carried over from previous years.

Judicial Committee

A Judicial Committee is formed to hear any charges of professional misconduct brought against a veterinarian by a Complaints Assessment Committee.

According to statute, the Judicial Committee must consist of at least 4 members, including an experienced solicitor or barrister of the High Court, a lay person, a member of the Council and a veterinarian with relevant experience in the area of practise that is the subject of the original complaint. It is Council practice to appoint a five-member Committee to preserve the principle of judgement by a majority of peers.

Judicial hearing

In 2010 a judicial hearing was held in August/September.

Committee members for the hearing were:

John Morrison (Barrister and Chair)

John Hellstrom

Penny Mudford

Paul Wiseman

A fifth veterinary member of the Committee withdrew when the veterinarian's lawyer raised concerns about a perceived conflict of interest.

The Judicial Committee dismissed the charges on a technicality. This was that the actions of the CAC in terms of the investigation and laying of charges were made without requisite statutory authority. A summary of the case and the Judicial Committee opinion is available on the VCNZ website at www.vetcouncil.org.nz/

Changes in required Judicial Committee membership

The Council has been seeking to separate out its disciplinary functions in line with best regulatory practice which requires that disciplinary charges are heard by a body separate from the one which sets the standards. The Council has been seeking an amendment to the Act to remove the requirement for one member of the Judicial Committee to be a Council member. As noted earlier in this report, the legislative amendments are not going ahead but the Council will continue to push for the Act to be amended.

Meantime the nominated Council lay member who sits on Judicial Committee withdraws from any Council consideration of CAC matters which relate to individual veterinarians.

Stakeholder relationships

Raising the VCNZ profile

During 2010, we have continued to work to raise the profile of VCNZ among a range of key stakeholders, including the public. The communication plan and current means of communication were reviewed in pursuit of this goal. As a result, promotional information is being revised and updated to increase the veterinary profession's understanding of the work of the Council and the statutory constraints within which it operates with a view to encouraging greater support for its work. The quarterly *Newsbrief* newsletter is also being used to disseminate this information and we have been seeking other opportunities to publicise the Council's role in protecting the public interest by ensuring veterinarians are competent to practise. A draft pamphlet explaining the Council's role and functions to a general audience has been produced and written material explaining the complaints system is also being revised.

Electronic communications

Newsbrief was published electronically for the first time in July. This was done to allow improved currency of information and to bring down the costs of communicating with the profession and other stakeholders. We have also been constantly reviewing the content and format of the website to widen the range of information available and ensure potential issues are speedily communicated to veterinarians as they arise. The website has been an important tool in consulting with veterinarians on the review of the Code of Conduct. Selected and anonymised CAC decisions are also being publicised on the website for educational purposes.

Stakeholder liaison

During the year, the Council or the Registrar held regular meetings with key stakeholders organisations and individuals. These included AVBC, Australian Veterinary Boards, NZVA, MAF Policy and Animal Welfare officials and the Agricultural Compounds and Veterinary Medicines Group of NZFSA.

Trans-Tasman links

An agreement between VCNZ and AVBC was implemented this year to allow New Zealand registration examination candidates to apply to sit the Australian final national veterinary examination in the event of oversubscription of the final NZNVE. The agreement also allows Australian students to apply to sit the New Zealand final examination in similar circumstances.

In the 2010 year, the Council approved accreditation for the veterinary science degree courses at the following Australian universities:

- Murdoch University – accredited for two years
- James Cook University – accredited two years
- University of Queensland – accredited seven years
- Charles Sturt University – accredited six years

Wellington also hosted an AVBC Education Forum in October at which delegates discussed issues surrounding veterinary education in Australasia.

World Veterinary Year 2011

A joint committee with representations from NZVA, Massey University, MAF and VCNZ has met regularly during 2010 to discuss activities to mark World Veterinary Year in 2011. It will be launched with a function at the French Embassy.

Finance

The Finance Committee provides financial advice and support to the Council so that it can maintain high standards of financial management and stewardship and an appropriate balance between effectively discharging its statutory responsibilities and ensuring that fees are affordable for veterinarians. The Committee considers and makes recommendations to Council on the annual business plan and budget, monitors organisational and financial performance, monitors risks and protect the Council's assets. It also oversees all aspects of financial management and reporting, including external audit of the Council's financial accounts.

Finance Committee members in 2010 were:

Jim Edwards (Chair)

Ron Gibson

Penny Mudford

Fees for 2011

At its meeting on 1 December, and following consultation with the profession, the Council agreed to increase the annual practising fee by \$100 from \$320 to \$420 (including GST of 15%), with a \$20 rebate for early payment.

The Council's statutory functions are funded by the practising certificate and registration application fees paid by veterinarians. Council receives no government funding. Fees are set on a cost recovery basis while ensuring that an adequate but not excessive reserve level are maintained to provide a buffer against unbudgeted events such as unforeseen court action or a spike in the number of complaint, competence assessment or disciplinary cases.

The first APC fee increase in ten years occurred last year when the fee was increased from \$275 to \$320. Given the uncertainty of the economic outlook, the Council decided at that time not to increase the fee to the level required to break even, choosing instead to continue to run a deficit budget and draw down on reserves. The Council has reduced its reserves to the level that meets current Government expectations. The reserves are now being maintained at the minimum level required to provide for any contingencies.

Financial Statements

The financial statements for the year ended 31 December 2010 are to be read in conjunction with the accompanying notes.

The Council budgeted for a deficit of \$271,177 in the 2010 year. The end-of-year position was a deficit of \$95,336. The difference was largely due to contingency items in the budget that did not eventuate, such as a judicial review and hearing and competence assessments.

The Council received an unqualified opinion from its auditors, PKF Martin Jarvie on the 2010 financial statements.

Statement of Financial Performance

For the year ended 31 December 2010

This statement should be read in conjunction with the notes to the financial statements

	Note	2010	2009
INCOME			
Practising Fees		665,331	581,623
Application Fees		52,312	38,280
Letters of Good Standing		2,727	2,311
Examination Fees		45,043	51,555
Interest		32,791	41,172
Complaints Assessment Committee		26,087	-
Miscellaneous Income		2,955	356
TOTAL INCOME		827,246	715,287
EXPENSES			
Employment Expenses			
Salaries		323,796	335,371
Kiwisaver Employer Contributions		6,896	4,433
ACC Levies		1,920	1,389
Sundry Personnel Costs		869	996
Consultancy		9,204	-
Payroll Costs		1,724	1,648
		344,409	343,837
Operating Expenses			
Accounting Fees		4,074	5,675
Audit Fees		4,550	5,145
Bank Fees		929	910
Doubtful Debts		26,087	-
Merchant Bank Fees		9,619	7,117
Cleaning		3,097	2,824
Computer Support		10,610	10,312
Depreciation	3	19,128	19,955
Equipment Rental		588	561
Insurance		1,440	1,423
Repairs and Maintenance		661	964
Memberships		817	925
Miscellaneous Costs		3,150	4,546
Photocopying		7,268	3,864
Postage		6,829	7,136
Property Rental		69,624	53,325
Publications		3,667	3,005
Stationery		6,128	7,174
Telephone, Tolls & Internet		4,930	5,596
Website		2,669	4,858
Training		330	124
Loss on Disposal - Fixed Assets		-	874
Utilities		2,507	2,503
		188,502	148,814
Total Operating Expenses		532,911	492,851
NZ Veterinary Exams			
Preliminary		6,304	7,814
Final		27,030	34,426
Review (5 yrtly) NVE/NZNV		3,248	-
		36,582	42,240
AVBC Inc		75,755	76,795
		75,755	76,795

Statement of Financial Performance

For the year ended 31 December 2010

This statement should be read in conjunction with the notes to the financial statements

	Note	2010	2009
Council			
Attendance Reimbursement		24,128	34,514
Travel		7,131	10,471
Accommodation & Meals		3,009	6,158
Telephone & Tolls		146	369
Consultancy		-	9,559
Administration		-	23
Discretionary spending/Veterinarians Act		395	513
Legal Costs		8,905	9,631
Judicial Review		-	27,623
		<u>43,714</u>	<u>98,881</u>
Health Committee			
Attendance Reimbursement		1,956	2,043
Travel		-	5
Telephone & Tolls		80	200
Administration		180	330
Legal Costs		1,144	-
Consultancy		10,654	10,314
		<u>14,014</u>	<u>13,792</u>
Complaints Assessment Committee			
Attendance Reimbursement		54,319	48,378
Travel		5,305	2,441
Accommodation & Meals		684	317
Telephone & Tolls		2,086	2,258
Administration		1,243	22
Legal Costs		48,654	26,699
Training		985	25,402
Consultancy (Mediation)		11,855	600
		<u>125,131</u>	<u>106,117</u>
Judicial Proceedings			
Attendance Reimbursement		6,894	3,368
Travel		1,123	584
Accommodation & Meals		1,416	-
Legal Costs		13,287	15,629
Administration		2,646	3,913
Consultancy		2,322	1,378
Appeal Against Judicial decision		2,728	-
		<u>30,416</u>	<u>23,704</u>
Registration Committee			
Attendance Reimbursement		1,682	2,735
Travel		20	196
Accommodation & Meals		-	327
Telephone & Tolls		120	179
Administration		-	743
ACRVS fees (Spec Assess)		4,067	5,121
Legal		1,224	1,000
		<u>7,113</u>	<u>10,301</u>
Competence Assessment			
Attendance Reimbursement		-	3,770
Travel		-	937
Accommodation & Meals		51	383
Training		252	-
Legal Costs		-	1,200
Telephone & Tolls		-	51
		<u>303</u>	<u>6,341</u>

Statement of Financial Performance

For the year ended 31 December 2010

This statement should be read in conjunction with the notes to the financial statements

	Note	2010	2009
Professional Standards Committee			
Attendance Reimbursement		693	-
COPC Review		13,846	38,850
CPD Review Attendance		3,662	4,868
CPD Review Travel		710	1,366
CPD Review Meals		190	542
CPD Review Documentation/Admin		480	2,010
		<u>19,581</u>	<u>47,636</u>
Communications			
Annual Report		171	1,640
Newsbrief		6,998	14,017
Prelude to Practice		-	511
Press Releases		848	-
Miscellaneous		160	564
		<u>8,177</u>	<u>16,732</u>
Council Planning & Training			
Consultancy		3,000	3,522
		<u>3,000</u>	<u>3,522</u>
Annual Practising Certificate			
APC Documentation/Postage		12,060	11,752
Payment Processing		504	623
APC Temporary Staff		-	5,044
Workforce Survey		6,109	1,565
		<u>18,673</u>	<u>18,984</u>
Liaison			
Secretariat		41	1,795
Council		4,570	18,762
		<u>4,611</u>	<u>20,557</u>
Elections			
Printing/Stationery		844	-
Postage		489	-
Returning Officer		1,268	-
		<u>2,601</u>	<u>-</u>
Total Expenditure		922,582	878,232
NET OPERATING (DEFICIT) / SURPLUS		<u>-\$ 95,336</u>	<u>-\$ 262,935</u>

Statement of Movements in Equity

For the year ended 31 December 2010

This statement should be read in conjunction with the notes to the financial statements

	2010	2009
Net (Deficit) / Surplus for the year	-95,336	-262,935
Total Recognised Revenues and Expenses for the Period	<u>-95,336</u>	<u>-262,935</u>
Equity at the start of the year	541,068	804,003
EQUITY AT THE END OF THE YEAR	<u><u>\$ 445,732</u></u>	<u><u>\$ 541,068</u></u>

Statement of Financial Position

As at 31 December 2010

This statement should be read in conjunction with the notes to the financial statements

	Note	2010 \$	2009 \$
EQUITY		<u><u>\$ 445,732</u></u>	<u><u>\$ 541,068</u></u>
Represented By:			
CURRENT ASSETS			
Bank		138,695	75,040
Receivables & Prepayments		4,593	4,368
Deposits -On Call and Term	2	488,719	644,031
Interest Receivable		6,492	6,193
GST Receivable		8,306	11,990
		<u>646,805</u>	<u>741,622</u>
Less CURRENT LIABILITIES			
Accounts Payable & Accruals		136,345	182,519
Fees Received in Advance		179,620	149,855
		<u>315,965</u>	<u>332,374</u>
WORKING CAPITAL SURPLUS		330,840	409,248
NON CURRENT ASSETS			
Property, Plant & Equipment	3	114,892	131,820
		<u>114,892</u>	<u>131,820</u>
NET ASSETS		<u><u>\$ 445,732</u></u>	<u><u>\$ 541,068</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Veterinary Council of New Zealand is governed by the Veterinarians' Act 2005.

The Council prepares financial statements in accordance with its reporting requirements and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Financial Reporting Standards (FRS). New Zealand equivalents to International Financial Reporting Standards (NZIFRS) have not been adopted.

Disclosure Exemptions Under Differential Reporting

The Council is a qualifying entity within the New Zealand Institute of Chartered Accountants differential reporting framework.

The Council qualifies under the public accountability and size criteria.

The Council has taken advantage of all exemptions available to it.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of income and expenditure on an historical cost basis have been adopted, insofar as they apply to the Council.

Specific Accounting Policies

The following specific accounting policies which materially effect the measurement of the financial performance and financial position have been adopted.

Annual Practising Fees

The Annual Practising Fee is charged for the period from 1 April to 31 March. Because these financial statements are for the period 1 January to 31 December, Annual Practising Fee Income is recognised on an accrual basis. The \$179,620 shown on page 5 represents three months fee income in advance that will be recognised in the months January to March 2011.

Goods and Services Tax

The financial statements have been prepared on a GST exclusive basis, except for accounts receivable and accounts payable.

Valuation of Property, Plant & Equipment

Property, Plant & Equipment have been valued at cost less accumulated depreciation to date.

Depreciation

Rates of depreciation applied to the property, plant & equipment in the financial statements are:

Office Equipment	9.0 - 80.4% DV
Office Furniture & Fittings	7 - 39.6% DV
Reference Library	26% DV

Accounts Receivable

Accounts Receivable are stated at net realisable value after due allowance for uncollectable debts.

Taxation

The Council is exempt from paying income tax under sCW 50(2) of the Income Tax Act, 2007.

Changes In Accounting Policy

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

2. DEPOSITS - ON CALL AND TERM

	2010	2009
	\$	\$
Current portion		
ASB Term Deposits (Fixed Term)	105,765	200,000
BNZ Term Deposits (Fixed Term)	117,266	241,996
Nat Term Deposits (Fixed Term)	265,688	202,035
Total Deposits	<u>488,719</u>	<u>644,031</u>

The Veterinary Council has a credit card facility with the Bank of New Zealand. The credit card limit is \$8,500

3. PROPERTY, PLANT & EQUIPMENT & DEPRECIATION SCHEDULE 2010

	Original Cost	Additions/ Sales (net)	Depn	Accum Depn	Book Value
Office Equipment	39,793	2,200	3,550	35,131	6,862
Furniture & Fittings	159,151	-	15,575	51,131	108,020
Reference Library	673	-	3	663	10
	<u>199,617</u>	<u>2,200</u>	<u>19,128</u>	<u>86,925</u>	<u>114,892</u>

2009

	Original Cost	Additions/ Sales (net)	Depn	Accum Depn	Book Value
Office Equipment	59,357	(19,564)	4,214	31,581	8,212
Furniture & Fittings	145,357	13,794	15,736	35,556	123,595
Reference Library	673	-	5	660	13
	<u>205,387</u>	<u>- 5,770</u>	<u>19,955</u>	<u>67,797</u>	<u>131,820</u>

4. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2010	2009
Capital expenditure commitments contracted for at balance date are:	Nil	Nil

5. RELATED PARTIES

Members of Council who are registered Veterinarians deal with the Council as part of their ordinary course of business as veterinarians.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

6. OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals (inclusive of GST) are payable as follows:

	2010	2009
Current	86,554	84,922
Non-current	<u>498,328</u>	<u>572,562</u>
	<u>584,882</u>	<u>657,484</u>

The Council entered into a lease for new premises in December 2008. The term of this lease is nine years from the commencement date of 22 December 2008.

The Council entered into a lease on a new photocopier in October 2009. The term of the lease is five years from the commencement date of 9 October 2009.

INDEPENDENT AUDITOR'S REPORT

To the Readers of the Veterinary Council of New Zealand's Financial Statements

We have audited the financial statements of the Veterinary Council of New Zealand on pages 25 to 31, which comprise the Statement of Financial Position as at 31 December 2010, and the Statement of Financial Performance and the Statement of Movements in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditor, we have no relationship with, or interests in, the Veterinary Council of New Zealand.

Opinion

In our opinion, the financial statements on pages 25 to 31 present fairly, in all material respects, the financial position of the Veterinary Council of New Zealand as at 31 December 2010, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

PKF Martin Jarvie

1 March 2011
PKF Martin Jarvie

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Accountants &
Business Advisers

Matters relating to the electronic presentation of the audited financial report

This independent auditor's report relates to the financial report of the Veterinary Council of New Zealand for the year ended 31 December included on the Veterinary Council of New Zealand's website. The Council is responsible for the maintenance and integrity of the website. We have not been engaged to report on the integrity of the Veterinary Council of New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial report since it was initially presented on the website.

The independent auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If readers of this report are concerned with the inherent risks arising from the electronic data communication they should refer to the published hard copy of the audited financial report and related independent auditor's report dated 1 March 2011 to confirm the information included in the audited financial report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial reports may differ from legislation in other jurisdictions.

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