



V E T E R I N A R Y C O U N C I L
O F N E W Z E A L A N D

Te Kaunihera Rata Kararehe o Aotearoa

ANNUAL REPORT 2003

for the year ended

31 DECEMBER 2003

COUNCIL MEMBERSHIP

The Council is constituted according to section 45 of the Veterinarians Act 1994. There are seven Councillors, three of whom are elected by registered veterinarians. Three members of the Council are appointed by the Minister of Agriculture, two of whom are lay members. The Council cannot meet without one of the lay members being present. In accordance with s.45(d) of the Act, the Programme Director of Veterinary Science of the College of Sciences at Massey University sits on the Council.

Chairperson	Dr Ron Gibson , CEO, Animal Health Centre, Morrinsville. Elected member
Deputy Chairperson	Professor Norm Williamson , Professor of Veterinary Medicine, Massey University Deputy Chairperson from February 2003
Members	Peg Loague Lay Ministerial appointee
	Gordon McIvor , Farmer Lay Ministerial appointee
	Julie Wagner , Veterinary Services Manager Elected member
	Nigel Coddington , Clinician Elected member
	Jim Edwards , Consultant Ministerial veterinary appointee from February 2003.
Secretary and CEO	Julie Haggie (Niki Francis , Interim Secretary/CEO from November 2002 until March 2003)

COUNCIL CHAIRPERSON'S REPORT

2003 was another busy year for the Council. Continued growth in the domestic economy and a particularly strong rural dairy sector kept the demand for veterinary services high. The Council processed 188 new applications for registration, close to the numbers for the previous two years. New Zealand migration inflow, which has been high over the last two years, now appears to have peaked, and this is reflected in the easing of numbers of applications in the last third of 2003 – this decline is expected to continue through 2004. Nevertheless, the demand for veterinary services should remain high, fuelled by modest productivity growth (predicted by NZIER, Treasury) in the agricultural sector over the next several years and the likelihood that increased household wealth will result in a growth in private consumption, including expenditure on services such as pet food and pet care.

The Council's minimum standards for entry into the profession remain unchanged. These essentially require a person to have completed a five-year primary veterinary degree and provide evidence of a satisfactory level of English language competency. Many overseas-qualified veterinarians must also pass the Council's New Zealand National Veterinary Examination. The Council fields many enquiries from those qualified overseas seeking registration in New Zealand, and some are disappointed that their degree or post-graduate qualifications do not make them eligible for automatic registration. However the Council's decisions on registration have a sound base of principle, resulting in the fair application of the policy to all those seeking registration.

It seems unlikely that the Veterinarians Amendment Bill will become law in 2004 as it is still in the process of being drafted. We hope that it may get into the House during 2004 and be law some time in 2005. Key changes are diversion, independent competency assessment, self-regulation of fees and standard setting and more flexibility in terms of categories of registration.

The Council's committees were very busy during 2003. The Professional Standards Committee continued to advise the Council about its definitions of veterinary consultation and immediate care. This required considerable liaison with relevant stakeholders such as the New Zealand Veterinary Association and the New Zealand Food Safety Authority as well as consultation across the veterinary profession. The aim of the proposed changes was to separate dispensing and administration from prescribing and to further clarify a veterinarian's responsibilities with regards to consultation and immediate care.

The Complaints Assessment Committee was also busy, considering 47 complaints during the year (compared to 42 for 2002), although a significant number of these were not issues that the Council had jurisdiction to investigate, or were judged frivolous. Of the complaints received in 2003, one has resulted in the Complaints Assessment Committee recommending to the VCNZ Judicial Committee that the veterinarian be charged with professional misconduct, with diversion being recommended (reported in the Judicial report). Charges were not laid in relation to any other investigation, but in several cases the CAC offered advice to the veterinarian about how he or she could make improvements in some area of his/her practice. The Council also heard an appeal against a Complaints Assessment Committee decision by a complainant: the Council upheld the Complaints Assessment Committee decision.

The Registration Committee worked steadily throughout the year, monitoring a record number of new registration applications, as well as overseeing a record number of examination candidates for the New Zealand National Veterinary Examination. The Committee also considered a number of appeals and a number of policy recommendations. It considered the benefits and challenges of the Council being able to have more flexibility in terms of types of registration such as limited registration. It promoted, via the Council to the Australasian veterinary boards, the acceptance of the assessment process for foreign veterinary graduates (the ECFVG), run by the American Veterinary Medical Association – this was accepted in 2004.

In November the Council held a meeting of key stakeholders in Wellington to give some feedback on its current effectiveness, and whether there are areas for improvement, as well as general discussion on policy principles relating to the administration of veterinary professional registration. Attendees included Council and Committee members, as well as representatives from The New Zealand Veterinary Association and VetLearn, Massey University, the Ministry of Consumer Affairs, Federated Farmers, the Ministry of Agriculture and Forestry, the New Zealand Food Safety Authority and industry representatives. Feedback from those attending generally confirmed that Council is on the right track, although it was encouraged to take a higher profile, with the public and with relevant politicians. The Council has used the feedback from the meeting to re-write its strategic plan.

The Council is fortunate to be assisted by very competent and committed staff. Niki Francis continued through to April 2003 in the role of CEO/Secretary while Julie Haggie was on maternity leave. Karen McClelland replaced Sara Robson as Administration Officer in May 2003. The staff began the work of seeking new office space late in 2003 (the office relocated in February 2004). The other notable in-house achievement during 2003 was the establishment of an online register. This is proving to be a useful resource for the public and for organisations seeking to know about a veterinarian's registration status.

I would like to thank the staff of the Secretariat for their fine work. I also wish to thank the Council members for their valuable contribution, as Council members, and also as members of various sub-Committees.

Ron Gibson
CHAIRPERSON

COMPLAINTS ASSESSMENT COMMITTEE

COMMITTEE:

Dr Nigel Coddington, Chairperson

Mary Mountier, Lay member

Dr Nick Twyford, Veterinarian

The role of the Complaints Assessment Committee is to:

- investigate complaints against veterinarians and determine whether there is enough evidence to support a charge of professional misconduct against a veterinarian following a complaint being laid;
- where appropriate, attempt mediation or conciliation as a way of resolving the disputes between complainant and veterinarian;
- advise the Council on matters relating to professional conduct.

Of the 47 complaints received during the 2003 year, 37 were from clients against veterinarians; 6 were from vets against vets; two were referred on from the Secretary following information received, and two others were general complaints not specifically relating to veterinary practice that were referred to other bodies for investigation.

Thirteen of the 47 complaints received either did not reach the criteria for investigation or were considered frivolous, and one was withdrawn by the complainant. Of the remaining complaints, the committee had completed its investigation into 26 at the end of 2003, and in all but one case had found that there was insufficient evidence, or no evidence, to support a charge of professional misconduct being laid. In five of those completed cases advice was given to the veterinarian to improve some aspect of his/her clinical management, or to improve his/her communications with clients. In one case mediation was attempted. At the end of 2003 five cases were still being investigated.

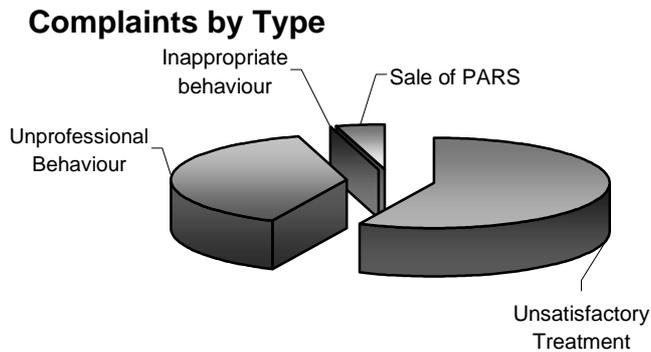
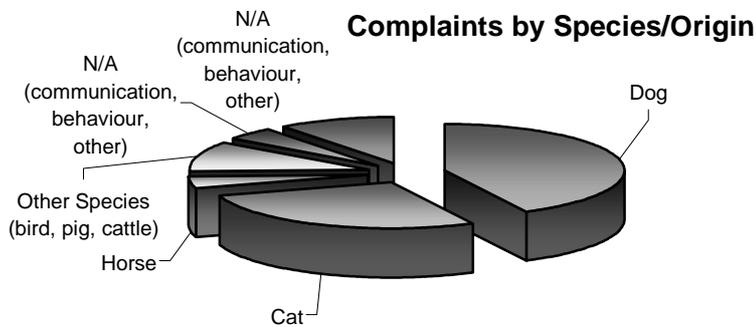
One complaint case was referred to the Judicial Committee for diversion, it is reported on in the Judicial Committee report.

Two complainants expressed their dissatisfaction with the outcome of the CAC dissatisfaction and one of these appealed to the Council during the 2003 year (the other was heard in 2004). The result of the 2003 appeal was that the Council upheld the CAC decision.

The Committee members have commented that complainants appear to have increasingly higher expectations of investigation outcomes and also of some settlement being achieved for them. This places a high workload on the committee and on the Secretariat. The CAC has a role to play in settling complaints and does offer mediation where that is appropriate, but complainants and/or veterinarians are not always willing to take part in the mediation process.

I would like to express my appreciation and thanks to Anthea Black, Mary Mountier and Nick Twyford for the excellent skills they bring to the CAC, and the very good working relationships that exist between us all that enables the CAC to function as it does. Each person brings a different perspective and knowledge to each case, and often quite lively debate occurs before consensus is reached

Nigel Coddington
CHAIRPERSON



JUDICIAL COMMITTEE

The Judicial Committee is the arm of the Council responsible for hearing complaints referred to it by the CAC and determining whether a veterinarian has been guilty of professional misconduct. It is constituted under the Act (section 29(1)(b)).

Diversion completed

In October 2003 the charges of professional misconduct were withdrawn following a 12-month audit of a veterinarian's practice arising from a complaint received in 2002. This case was reported on in the 2002 annual report

Standard of Care - diversion

In June 2003 the Judicial Committee considered a CAC recommendation for diversion relating to a complaint against a veterinarian that was received in November 2002. The veterinarian had taken responsibility for a dog in order to clean its teeth. The CAC found that veterinarian's conduct when taking responsibility for anaesthetising and treating the dog fell below the standards expected of a veterinarian and breached a number of provisions of the Code of Professional Conduct for Veterinarians, namely 3.1, 3.2, 4.1, 4.4, 6.1, 6.2 and 7.4. Specifically:

- The veterinarian failed to obtain the owner's consent to undertake the dental procedure using intra-muscular xylazine as the drug regime to sedate the dog. Informed consent was critical in this case because of the well known and well referenced risks of hypotension and cardiac arrhythmia associated with xylazine and because of the dog's age (16 years) which increased the chances of adverse risks occurring if it was sedated with xylazine.
- The veterinarian failed to advise the owner of the significant risks to the dog or the potential complications (including kidney failure) of the procedure that was going to be undertaken. The owner was not advised of the easily available and much safer alternative anaesthetic drug regimes that could have been used.
- The veterinarian did not evaluate the dog clinically to the standard required in order to be able to safely decide whether the use of xylazine was appropriate and safe in the circumstances.
- The veterinarian failed to take appropriate steps to protect the dog from the hypotensive effects of xylazine by not placing it on intravenous fluids.
- The veterinarian returned the dog to the owner too soon after the aborted anaesthetic procedure and failed to have regard to the dog's condition and whether the dog might need further intensive and supportive care by a veterinarian.
- The veterinarian then failed to provide adequate assessment and follow up treatment of the dog and failed to appreciate the seriousness of the dog's deteriorated condition and the importance of the delay in receiving appropriate treatment.
- The veterinarian acted unethically by returning the dog to the owner following the partially completed dental procedure and the veterinarian misled the owner by allowing the belief that the dental procedure had been completed fully and successfully.

- The veterinarian was unethical in misleading the owner by not disclosing that the dog had suffered an adverse reaction during the anaesthetic and allowed the owner to believe that the procedures performed had been safe and uneventful.
- The veterinarian breached professional obligations by offering the owner the opportunity of managing the dog's seizures by way of the owner injecting the dog intra-muscularly with the drug Pamlin during a seizure.

This case was considered by the Judicial Committee in June 2003. In light of the particulars of this case the Committee agreed with the Complaints Assessment Committee that diversion would be an appropriate option. Diversion requires the veterinarian to admit the allegations and agree to remedial and other conditions, and these being met, the charges can be withdrawn. In this case, the veterinarian accepted the allegations of professional misconduct, agreed to request removal of their name from the Register of Veterinarians, agreed to reimburse the owner for fees paid in relation to the treatment, agreed to pay half the costs of the investigation, and agreed that the Council could publish the details of the case without identifying the veterinarian or the locality. The conditions of the diversion agreement have now been met and the charges have been withdrawn.

Ron Gibson
CHAIRPERSON

PROFESSIONAL STANDARDS COMMITTEE

COMMITTEE:

Dr Ron Gibson (Chairperson)
Dr Murray Gibb, (CEO, NZVA)
Gordon McIvor, Lay member
Tony Zohrab (MAF Nominee)
Julie Wagner, Member

The role of the Professional Standards Committee is:

1. To establish a system by which the Committee stays abreast with concerns about matters of standards of professional conduct.
2. To advise the Council on matters of policy, changes in legislation or codes of practice, or other matters relating to professional standards.
3. From time to time to recommend any amendments to the Code of Professional Conduct.
4. To annually carry out a review of the Code of Professional Conduct.

The Professional Standards Committee (PSC) had a busy year, with its main focus being consideration of and consultation on the sections of the Code of Professional Conduct that clarify consultation and immediate care. These sections (4.4-4.7) needed revision for several reasons, not the least that the expiry of the transitional provisions from the old Animal Remedies Act means that responsibility for defining consultation now rests with the Veterinary Council. Also the Agricultural Compounds and Veterinary Medicines (ACVM) legislation now applies individual conditions of registration to prescription animal remedies rather than relying on three broad categories to classify them.

The third matter that drove consideration of the consultation section was a shift in how the ACVM Group of the New Zealand Food Safety Authority perceived the distribution chain of agricultural compounds and veterinary medicines. ACVM advised that there was a risk of it being seen to collude with restrictive trade practice if they continued to support the status quo (i.e. dispensing of prescription animal remedies generally being undertaken by veterinarians). They also considered that the risks that their Act manages (to trade in primary produce, animal welfare and agricultural security and to breaches of domestic food residue standards) could be managed in an environment where any licensed trader could dispense prescription animal remedies. ACVM have subsequently established a process for the registration of traders in PAR products.

The New Zealand Veterinary Association and individual veterinarians voiced concern that the introduction of unqualified traders into the supply chain may significantly increase the responsibilities of the prescribing veterinarian, and could increase the risks inherent in the management of the animal remedies.

The Veterinary Council's functions do not include representing the interests of veterinarians, nor generally lobbying Government, although the Council may offer advice to the Government on issues relating to veterinary science. The Council is charged with protecting the public interest by regulating the veterinary profession and by promoting and encouraging high professional standards. Within these parameters the Council has maintained regular liaison with ACVM, NZVA and other interested parties. The Council wanted to ensure that its power to set minimum standards for the veterinary profession was not compromised by developments in or application of other legislation such as the ACVM Act.

Two full rounds of consultation on Sections 4.4-4.7 of the Code were undertaken with the profession and stakeholders during 2003. The Professional Standards Committee used the feedback to further refine these sections, and the changes will be implemented in 2004. The main changes are:

- advice that all PARS will have individual conditions of registration;
- advice that the Council may set standards for veterinary use that are higher than that noted in the conditions of registration,
- advice that there are exceptions in relation to PAR II where an adequate level of control may be attained through other specific forms of control such as approved Codes of Practice;
- removal of redundant references;
- separation of requirements for consultation into two sections – 'must include' and 'may include' (i.e. what 'must occur' for a consultation to take place, and what other things 'may also occur');
- clarification that the discretionary use, of PARs, human registered medicines or compounds should be for 'treatment or welfare needs' of animals.
- some revision where it was not clear that the activity of prescribing was a separate activity to those of dispensing and administering.

Issues relating to whether an adequate consultation has taken place will be referred to the Council in terms of possible breaches of the Code of Professional Conduct, and may also then be considered by the ACVM group in terms of breaches of the ACVM Act. A draft memorandum of understanding between ACVM and VCNZ has been prepared and is being further developed to determine how complaints are managed between the two bodies. As has happened in the past, individual complaints will test the Council's definition and the authority of the Code of Conduct.

I wish to thank the members of the Professional Standards Committee who continued to provide judicious advice to the Council during this year.

Ron Gibson
CHAIRPERSON

REGISTRATION COMMITTEE

COMMITTEE:

Allen Bryce (Chairperson)

Norm Williamson

Dave West

(Dave is also the Council's chief examiner and VCNZ representative on the AVBC Board of Examiners)

Paul Wiseman

Sandra Forsyth

Tony Charleston

(Tony is also the VCNZ representative on the Veterinary Schools Accreditation Advisory Committee)

The guiding principles of the Registration Committee are:

1. To ensure that statutory and legal requirements regarding registration are met;
2. To ensure that registration processes are fair, just, equitable, transparent and timely;
3. To ensure that Secretariat staff involved in the registration process maintain confidentiality where appropriate, and are courteous at all times;
4. To ensure that registration policy is clearly defined in order to facilitate any appeal or investigative process that may be required.

The Registration Committee worked steadily throughout the year, overseeing the processing of a high number of new registration applications, as well as a record number of examination candidates for the New Zealand National Veterinary Examination.

The Committee also considered a number of appeals in relation to the Examination process and a number of policy recommendations. In response to an appeal on a registration decision it considered whether the Council currently had the power to apply limited registration. It advised the Council that it considered that the Council did not have that power. Following on from that decision, and in response to some initial drafting of the Veterinarians Amendment Bill, the Committee considered the policy implications and the benefits and challenges of the Council being able to have more flexibility in terms of types of registration such as limited registration. The Committee recommended that the Council should seek limited registration to be included in the Veterinarians Act, but acknowledged that this may well result in an increase in consideration of appeals from veterinarians wanting to work in New Zealand under that category.

The Committee also promoted, via the Council to the Australasian Veterinary Boards Council, acceptance of the assessment process for foreign veterinary graduates run by the American Veterinary Medical Association (the ECFVG) – this assessment process was accepted in 2004.

The Committee noted with sadness the death of two prominent veterinarians during 2003 – Professor Bill Manktelow and Barry McPherson. The Committee also noted that Dr Annette Leighton, who was the first female veterinarian to be registered in New Zealand (in 1945), retired from the profession during 2003.

Specialist Registration

One veterinarian, David Hanlon, received specialist registration in New Zealand during 2003, in the area of Large animal reproduction.

Registration numbers (July figures)

	1998	1999	2000	2001	2002	2003
Practising	1611	1634	1712	1753	1833	1940
Non-practising	258	273	253	330	370	401
Total	1869	1907	1965	2083	2203	2405

New Registrations 2003 (by college)

Baghdad by NZNVE	1	Guelph	2	Pretoria	10
Bristol	5	Kerala by NZNVE	1	Queensland	8
Brno by NZNVE	1	La Plata by NZNVE	1	Saskatchewan	2
Cambridge	6	Leipzig by NZNVE	1	Skopje by NZNVE	1
California	2	Liverpool	10	Sydney	9
Colorado	2	London	6	Texas	1
Davis	1	Massey	77	Udaipur by NZNVE	1
Edinburgh	12	Melbourne	9	Utrecht	3
Florida	3	Michigan	1	Zimbabwe by MRCVS	1
Georgia	1	Murdoch	4		
Glasgow	5	Hannover by NZNVE	1		
				Total for 2003	188

New Registrations (Jan-December)

	1998	1999	2000	2001	2002	2003
Massey	58	77	66	50	80	77
Other	63	66	116	138	110	111
Total	121	143	182	188	190	188

New Zealand National Veterinary Examination (NZNVE)

The NZNVE is the means by which a veterinarian who is trained overseas but whose degree is not immediately registerable, is able to obtain registration in New Zealand.

Stewardship of this examination continues within the Registration Committee, and Associate Professor Dave West of Massey University acts as Chief Examiner. Once again the Registration Committee thanks Dave West and other staff at Massey University for the invaluable role they take in ensuring that examination standards are met and that all candidates are treated fairly.

During 2003 18 people sat Part I of the Examination (multiple choice question paper) – this first part of the examination is held twice during the year, in March and September. Seven passed, seven received conditional passes and four people failed Part I. The second part of the examination – the written and practical clinical examination - is held once a year at Massey University. In November 2003 13 people sat the final clinical examination. Seven passed fully, one has been allowed to sit supplementary examinations in specific areas (in 2004). One further person did not attend a supplementary examination and has been permitted, following submission, one further attempt at these supplementary examinations in 2004. Six people failed the examination.

Allen Bryce
CHAIRPERSON

FINANCE AND ADMINISTRATION COMMITTEE

COMMITTEE:

Gordon McIvor, Chairperson
Dr John O'Flaherty
Dr Ron Gibson
Julie Haggie (CEO)

2003 was a steady financial year. The number of veterinarians maintaining full registration via their annual practising fee was 107 more than the previous year, reflecting the continuing high demand for veterinary services in New Zealand. The number of new registration applications remained at the same high level as in 2002 (188), the Committee anticipates that this figure will decrease in 2004 along with the general reduction in migration inflow.

Anticipating the number of veterinarians who will retain full registration in any one year is not an easy exercise. The Council had expected the number to level out in 2003, but it continued to increase. This was the main cause of an increase in overall income over the previous year. Income was significantly higher than budgeted in all areas. Other sources of additional income included that gathered from examination candidates as more people sat the New Zealand National Veterinary Examination compared to the previous year, and that gained from interest due to larger cash reserves.

Employment expenses were \$6,000 below budget but around the same amount above expenditure in the previous year largely relating to the costs associated with a new staff appointment. Operating expenses ran slightly above budget, also mainly as a result of the staff change, requiring training and additional accounting support. Miscellaneous costs also ran above budget, as costs relating to the move to new premises began to affect the accounts.

Expenditure on the National Veterinary Examinations was significantly more than budgeted and more than in the previous year as record numbers sat this examination and the direct costs of running the examination rose above the fees charged. The Council has begun the process of seeking an increase to the fees it may charge for this examination to partly meet the deficit in this area of its accounts.

Apart from the Judicial Committee budget, Council and Committee expenditure ran close to budget during 2003 reflecting the high workload being undertaken by the Committees as well as more accurate budgeting for those committees. The Registration Committee ran under budget, partly as a result of it holding some of its meetings by teleconference.

An unbudgeted amount of \$13,534.48 was spent on Strategic planning, as the Council made the decision, in August 2003, to hold a stakeholders meeting in November.

The Finance and Administration Committee are satisfied that overall budgeting more closely reflects the expenditure. It is always difficult to budget accurately with regards the expenditure required to run the complaints investigation and disciplinary processes.

The online register was a significant achievement of the Veterinary Council during 2003. It now allows free public access to the names and some details of registered veterinarians in New Zealand. It is proving a useful public resource.

A very important in house activity that occurred during 2003 was that the Secretariat began the process of looking for new premises, and found an excellent new home towards the end of the year. The Council had previously been sharing its space with the Dental Council of New Zealand. While this was a mutually beneficial arrangement for some years, the Dental Council staff numbers had increased to the point where there was just not enough space for the two organisations. The shared lease was up for review in 2004, and VCNZ decided to use the opportunity to find its own home. In February 2004 the Secretariat moved into new offices several buildings up the Terrace.

I would like to acknowledge the staff of the Secretariat for their efforts in keeping operating expenses close to budget and in providing a high level of service to the Veterinary Council. I would like to thank Niki Francis for stepping in as CEO while Julie Haggie was on maternity leave, and also to thank Sara Robson who left the Council in March 2003 after several years as Administration Officer.

Finally I wish to thank the members of the Finance and Administration Committee for their continued attention to the sound fiscal and administrative management of the Veterinary Council of New Zealand.

Gordon McIvor
CHAIRPERSON

Statement of Financial Performance

for the year ended 31 December 2003

This Statement should be read in conjunction with the notes to the Financial Statements

	2003	2002
INCOME		
Registration Fees	531,356	504,761
Application Fees	42,076	47,520
Letters of Good Standing	1,580	1,570
Examination Fees	46,178	36,045
Interest	36,119	27,173
Judicial	-	1,560
Complaints Assessment Committee	1,661	943
Miscellaneous Income	6,552	7,037
TOTAL INCOME	665,522	626,609
EXPENSES		
Employment Expenses		
Salaries	160,387	159,171
ACC Levies	1,058	804
Carpark	1,577	1,000
Workplace Insurance	-	87
Staff Appointment Costs	4,875	-
Sundry Personnel Costs	754	250
Payroll Costs	1,252	1,103
	169,903	162,415
Operating Expenses		
Accounting Fees	12,626	6,430
Alarm system	336	321
Audit Fees	3,711	3,522
Bank Fees	339	394
BNZ Merchant Fees	2,851	3,321
Westpac Merchant Fees	2,627	2,584
Cleaning	1,027	1,641
Computer Support	6,538	5,281
Consultancy Costs	-	1,320
Doubtful Debts	-	(20,576)
Equipment Rental	732	1,030
Insurance	1,262	929
Maintenance of Equipment	460	886
Memberships	856	712
Miscellaneous Costs	4,593	4,256
Photocopying	200	612
Postage	5,935	4,487
Property Rental	24,487	21,483
Publications	1,741	1,925
Stationery	4,088	6,264
Telephone, Tolls & Internet	7,444	5,813
Website	2,672	2,604
Training	7,202	2,219
Utilities	1,485	1,440
Depreciation	6,863	9,785
Computer hardware & software	789	-
Hire Purchase Interest Costs	308	625
	101,172	69,308
Total Operating Expenses	271,075	231,723

Statement of Financial Performance

for the year ended 31 December 2003

This Statement should be read in conjunction with the notes to the Financial Statements

	2003	2002
NZ Veterinary Exams		
Preliminary Exams	4,634	5,546
Final	45,977	38,067
	50,611	43,613
AVBC Inc	35,486	42,174
	35,486	42,174
Council		
Honoraria	20,526	19,512
Travel	11,303	9,812
Accommodation & Meals	3,189	7,248
Telephone & Tolls	413	1,234
Consultancy	1,767	570
Administration	229	5,607
Discretionary spending	369	-
Legal Costs	50,409	4,737
	38,805	48,720
Specialist Registration		
ACRVS Fees	.	368
Administration	.	41
	.	409
Complaints Assessment Committee		
Honoraria	21,953	16,403
Travel	7,538	6,032
Accommodation & Meals	384	342
Telephone & Tolls	1,974	2,966
Administration	314	-
Legal Costs	10,014	1,166
	42,977	26,909
Judicial Proceedings		
Honoraria	.	645
Travel	779	24
Accommodation & Meals	.	339
Legal Costs	.	460
	779	1,468
Registration Committee		
Honoraria	2,680	3,879
Travel	292	383
Accommodation & Meals	252	312
Telephone & Tolls	1,209	177
Administration	357	134
ACRVS fees	375	-
	5,965	4,885

Statement of Financial Performance

for the year ended 31 December 2003

This Statement should be read in conjunction with the notes to the Financial Statements

	2003	2002
Professional Standards Committee		
Honoraria	3,891	1,562
Travel	5,225	3,070
Accommodation & Meals	363	240
Telephone & Tolls	-	96
Administration	95	63
	9,574	5,031
Strategic Planning		
Honoraria	3,593	-
Travel	3,651	-
Accommodation & Meals	1,879	-
Administration	331	-
Consultancy	4,080	-
	13,534	-
Communications		
Annual Report	2,000	1,431
Newsbrief	7,755	9,029
Prelude to Practice	-	356
	9,755	10,816
Annual Retention Certificate		
Postage	832	1,765
Printing cards	393	5,827
ARC Documentation	9,902	3,826
Payment Processing	674	864
ARC Temporary Staff	1,152	1,861
	12,953	14,143
Annual Register		
Annual Register: Postage	2,135	2,549
Annual Register: Production	10,541	9,323
	12,676	11,872
NZVA Conference Attendance	-	826
	-	826
TOTAL EXPENDITURE	554,190	442,589
SURPLUS / (DEFICIT)	111,332	184,020

Statement of Movements in Equity

For the year ended 31 December 2003

This Statement should be read in conjunction with the notes to the Financial Statements

	2003	2002
(Surplus / (Deficit))	111,332	184,020
<i>Total Recognised Revenues and Expenses for the Period</i>	111,332	184,020
EQUITY AT THE START OF THE YEAR	392,372	208,352
EQUITY AT THE END OF THE YEAR	503,704	392,372

Statement of Financial Position

As at 31 December 2003

This Statement should be read in conjunction with the notes to the Financial Statements

	Note	2003	2002
EQUITY		503,704	392,372
Represented By:			
CURRENT ASSETS			
Bank		22,737	4,283
Receivables & Prepayments		19,343	30,547
Less: Provision for Credit notes	2	(13,500)	(15,000)
Deposits – On Call and Term	3	630,229	399,967
Interest Receivable		25,898	11,597
GST Receivable		7,336	2,681
		692,043	434,075
Less CURRENT LIABILITIES			
Accounts Payable & Accruals		86,582	79,631
Fees Received in Advance	1	137,095	135,854
Withholding Tax Clearing Account		5,707	5,360
HP Loan: Current Portion	4	1,508	2,796
		230,892	223,641
WORKING CAPITAL SURPLUS		461,151	210,434
Plus NON CURRENT ASSETS			
Deposits on Call and Term	3	-	158,092
Fixed Assets	5	42,553	25,109
		42,553	183,201
Less TERM LIABILITIES			
HP Loan: Marac Finance	4	-	1,263
NET ASSETS		503,704	392,372

Notes to the Financial Statements

NOTE 1

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Veterinary Council of New Zealand is governed by the Veterinarians' Act 1994.

The Council prepares financial statements in accordance with its reporting requirements and the financial standards of the Institute of Chartered Accountants of New Zealand.

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 affect the measurement of the financial performance and financial position have been adopted.

Annual Retention Fees

The Annual Retention 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 Retention Fee income is recognised on an accrual basis.

The \$137,095 shown on page 19 represents three months' fee income that will be recognised in the months January to March 2004.

Goods and Services Tax

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

Valuation of Assets

Fixed Assets have been valued at cost less accumulated depreciation to date.

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

Depreciation

Rates of depreciation applied to the fixed assets in the financial statements are:

• Office Equipment	9-48%	DV
• Office Furniture & Fittings	11.4-50%	DV
• Reference Library	26%	DV

Taxation

The Council is exempt from paying income tax under sCB 4(1)(f) of the Income Tax Act.

Disclosure Exemptions Under Differential Reporting

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

The Council qualifies under the public accountability and size criteria.

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

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

NOTE 2

PROVISION FOR CREDIT NOTES

This represents a provision for 2003 Annual Retention Certificate fees billed to Veterinarians who are no longer practising in New Zealand. As a consequence the amounts billed are not legally due and are expected to be credited prior to the billing of the 2004 Annual Retention Certificate fees.

NOTE 3

DEPOSITS - ON CALL AND TERM

	2003	2002
ASB Term Deposits (Fixed Term)	445,392	374,599
BNZ Term Deposits (Fixed Term)	155,983	-
McQuarrie Investment On Call (Floating)	28,854	25,368
	630,229	399,967
Term Portion		
ASB Term Deposits (Fixed Term)	-	158,092
Total Deposits	630,229	558,059

NOTE 4

HIRE PURCHASE LOAN: Marac Finance Limited

	2003	2002
Security Minolta Photocopier DI 450		
Advance Amount	7,880	7,880
Interest Charges	1,425	1,117
Less: repayments	(7,797)	(4,938)
Total Outstanding	1,508	4,059
Current Portion due	1,508	2,796
Non-current Portion	-	1,263

The hire purchase loan interest rate is 11.5% p.a.

The hire purchase loan was repaid in full in January 2004 upon sale of the Council's share of the asset.

NOTE 5

FIXED ASSETS & DEPRECIATION SCHEDULE

2003	Original Cost	Additions/ Sales (Net)	2003 Depn	Accum Depn 31/12/03	Book Value 31/12/03
Office Equipment	31,948	2,868	4,784	24,708	10,108
Furniture & Fittings	37,850	21,439	2,049	26,924	32,365
Reference Library	673	-	28	594	79
	70,471	24,307	6,859	52,226	42,552

Notes to the Financial Statements

2002

	Original Cost	Additions/ Sales (Net)	2002 Depn	Accum Depn 31/12/02	Book Value 31/12/02
Office Equipment	28,888	3,060	7,305	19,925	12,023
Furniture & Fittings	37,850	-	2,442	24,871	12,979
Reference Library	673	-	38	566	107
	67,411	3,060	9,785	45,362	25,109

NOTE 6

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2003	2002
Capital expenditure commitments contracted for at balance date are	NIL	NIL

In its financial statements for 2002 the Council noted a contingent liability of \$332,968, relating to a claim from a veterinarian. This matter was resolved in the current reporting period.

NOTE 7

RELATED PARTIES

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

NOTE 8

OPERATING LEASE COMMITMENTS

	2003	2002
Current	27,748	47,567
Non-current	-	27,748

On 1 January 2004 the Council entered into a lease for new premises. The term of this lease is five years. The lease commitment in 2004 (current) is \$28,567, and future years (non current) is \$127,253. The lease on the old premises was assumed by the Dental Council in January 2004.

NOTE 9

SUBSEQUENT EVENTS

A notice of discontinuance was filed in January 2004 in relation to the claim detailed in Note 6 above. (2002: nil).



Audit Report

To the Readers of the financial report of the Veterinary Council of New Zealand.

We have audited the financial report on pages 15 to 22. The financial statements provide information about the past financial performance of the Veterinary Council of New Zealand and its financial position as at 31 December 2003. This information is stated in accordance with the accounting policies set out on page 20.

The Council's Responsibilities

The Council is responsible for the preparation of financial statements which fairly reflect the financial position of the Veterinary Council of New Zealand as at 31 December 2003 and of the results of its operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Council and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgement made by the Council in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Veterinary Council of New Zealand's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Unqualified Audit Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by the Veterinary Council of New Zealand as far as appears from our examination on those records; and
- the financial statements on pages 15 to 22:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the financial position of the Veterinary Council of New Zealand as at 31 December 2003 and the results of its operations for the year ended on that date.

Our audit was completed on 1 May 2004 and our unqualified opinion is expressed as at that date.

BDO SPICERS

Chartered Accountants
Wellington