



Veterinary Council of New Zealand

Te Kaunihera Rata Kararehe o Aotearoa

ANNUAL REPORT

for the year ended 30 December 2004

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The online register of veterinarians is available on the Council's website.

Legislation, role and functions

The Council is constituted according to section 43 of the Veterinarians Act 1994. The Council's role is to regulate the veterinary profession in the interests of the public and the welfare of animals. It has a number of statutory functions including holding responsibility for the registration of veterinarians in New Zealand, the setting of minimum standards for practice, and the investigation and determination of complaints against veterinarians. The functions are stipulated under section 44 of the Veterinarians Act.

The Council

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 these are lay members. The Council cannot meet without one of the lay members being present. The Academic Programme Director of Veterinary Science of the College of Sciences at Massey University is also a member of the Council.

Dr Ron Gibson
Chief Executive Officer
Animal Health Centre, Morrinsville
Elected member, & Chairperson

Professor Norm Williamson
Professor of Veterinary Medicine
Massey University
Deputy Chairperson

Peg Loague
Lay Ministerial appointee

Gordon McIvor,
Farmer
Lay Ministerial appointee

Julie Wagner
Veterinary Services Manager
Elected member

Jim Edwards
Consultant
Ministerial veterinary appointee

Nigel Coddington
Practice Manager
Elected member (until 31.12.04)

Grahame Joyce
Clinician
Elected member (from 1 January 2005)

The Secretary to the Council and Chief Executive Officer is Julie Haggie. Anthea Black is Executive Officer, Registration and Complaints. Helen Piercy is the Administration and Finance Officer.

The Council appoints Committees to undertake functions on its behalf, to provide it with advice and to make recommendations on policy, procedures and decisions. Committees operating during 2004 were the Registration Committee, Professional Standards Committee, Complaints Assessment Committee (CAC), the Finance and Administration Committee and the Competency Committee. The business of these committees is reported on in the body of this Annual Report.

COUNCIL CHAIRPERSON'S REPORT

The total number of veterinarians practising in New Zealand increased again from the previous practising year, and the Council expects this number to remain high over the next 1-2 years at least. The decrease in the numbers of new registrations in New Zealand (from 188 in 2003 to 139 in 2004) partly reflects the general reduction in migration inflow, but is mainly due to the fact that over 40 of the Massey graduating class completing in 2004 registered in 2005 rather than directly following completion of their course, as had occurred in the previous two years.

It was most pleasing to see the progress of the legislation governing the Council into Parliament, and it seems possible that there will be a new Veterinarians Act in force from 1 January 2006. The change, late in the 2004 year, from an Amendment Bill to a full Act allowed the opportunity for the inclusion of changes not possible through the amendment process, and that required a great deal of input from the Council members, staff and legal counsel, as well as from government officials. The Council thanks officials from the Ministry for Agriculture and Forestry and the Parliamentary Counsel Office for their efforts. The Council appreciated the oversight and guidance provided by the Primary Production Select Committee, particularly its Chairperson David Carter MP, and also thanks to Associate Minister, the Hon. Damien O'Connor MP for introducing the Bill to Parliament.

Key changes in the new legislation will be:

- The definition of a veterinarian is clarified as a person who is registered and holds a current practising certificate. This is the current definition, stated more clearly.
- A new category of 'limited' registration will allow the Council to prescribe scopes of practice under which it can consider individual applications for registration (with conditions or limitations) for those not immediately registerable.
- The Council will be able to require a veterinarian to undergo an assessment of their competency.
- The Council will be able to prescribe the annual requirements for renewal of a practising certificate. This is likely to include completion of the fitness to practise statement.
- The Council will have powers to suspend a person's practising certificate pending medical and competency assessments.
- The Complaints Assessment Committee (CAC) will be able to consider mediation at any time after receiving a complaint.
- The CAC will be able to require records to be provided as part of its investigation.
- The CAC will be able to recommend that the Council impose conditions of practice on a veterinarian – this requires the agreement of the veterinarian and is an alternative to a disciplinary hearing.
- The composition of the judicial committee changes – it will include a barrister and comprise three to five members, one or two of these being Council members.
- The functions of the Council will include the ability to prescribe the minimum standards for registration and continued registration.
- The Council will be able to set its fees although consultation is required and a set of principles is provided in the Act.

The Council has begun planning for the new work that it will have to take on, including the establishment in January of this year of a new Committee – the Competency Review Committee, chaired by Jim Edwards. The role of this Committee is to develop policy and procedures for competency assessments prior to the implementation of the Act, and then to oversee the competency assessment process.

The three elected positions come up for election every three years, and 2004 was election year. Nigel Coddington stepped down from the Council after his three year term and Grahame Joyce was elected unopposed, along with the other two elected members – myself and Julie Wagner.

I wish to express the gratitude of the Council to Nigel Coddington for the three years that he gave as Chairperson of the Complaints Assessment Committee. I know from having held this position myself that chairing the CAC requires a great deal of time, as well as intellectual and emotional energy. The Chair bears the primary responsibility for the Council's investigation of complaints against veterinarians. The role is both challenging and rewarding. The complaints process upholds standards and this is of service to the public and to the profession. Nigel's contribution was excellent.

I also wish to thank Allen Bryce for his first-rate leadership of the Registration Committee. Towards the end of the year Allen and his partner Niki (former Secretary of the Veterinary Council) moved back to Australia where Allen has taken up the position of Senior Principal Research Scientist with the Office of the Chief Veterinary Officer in Canberra.

In May Julie Haggie and I attended the Australasian Veterinary Boards Council (AVBC) meeting in Canberra. Notable decisions and discussion at this meeting included:

- A marked rise in fees for assessment of applications for specialist registration, directly related to the costs of assessing applications.
- An agreement that New Zealand and Australia would hold reciprocal visits to observe their examinations for overseas applicants (the ANVE and NZNVE). Professor Reg Pascoe attended the examination at Massey in November of 2004, and it is planned that Professor Dave West will attend the examination at Queensland University in 2005.
- The establishment of two new vet schools in Australia - James Cook (QLD) and Charles Sturt (NSW), which raised concerns about whether the graduates from these institutions would be registerable. AVBC agreed on a reasonable assurance process by which the two new Australian schools could move towards accreditation.
- Discussion on the process of the European Association for Establishments for Veterinary Education (EAEVE) - the body responsible for assessing veterinary training programmes in Europe. AVBC could not support unqualified acceptance of the EAEVE assessment process. In future, AVBC consideration of the veterinary degrees of European veterinary colleges and universities would be based on the process of considering the self-evaluation report; the EAEVE report; and the report of its own representative on the EAEVE visit (should they be invited).
- AVBC considered the EAEVE report, the self-evaluation report and John Craven's report on the veterinary school at the University of Dublin. AVBC decided that graduates of Dublin University veterinary school from 2004 onwards (i.e. those in their final year in 2004) would be eligible for registration in New Zealand and Australia.

- AVBC agreed with a recommendation from New Zealand that the assessment process for foreign graduates that exists in North America (the ECFVG) be accepted as an examination equivalent to the ANVE/NVE in Australia and New Zealand.
- New Zealand was voted chairperson of AVBC for the 2004-05 year.

In April, along with John Craven (Chairperson of the Veterinary Schools Accreditation Advisory Committee), I attended a meeting in London of international accrediting bodies for veterinary education. This was the second such meeting, the first being held in Chicago in 2002. Other attendees were representatives of the Royal College (RCVS), the American Veterinary Medical Association (AVMA), and the European accreditation body (EAEVE).

The aims of this meeting were to advance the concept of mutual recognition of different accreditation systems and to share information about accreditation processes. There is considerable merit in ensuring that standards of veterinary education are similar in different countries. Veterinarians are mobile professionals and registration bodies need to have credible, sensible ways of assessing veterinary training undertaken in other countries. There are also many students training in other countries and they want to be assured that their qualifications are transferable.

There was agreement between the bodies that there was very little difference between the accreditation systems. However, whilst AVBC, RCVS and EAEVE were willing to explore new options for mutual recognition, such as joint accreditation visits, the balance of the AVMA delegation showed great reluctance to countenance any change to their accreditation processes in continental America or elsewhere. We will continue to work towards international harmonisation of accreditation processes and towards mutual confidence in the respective systems.

At home, it was a difficult year in terms of complaints. As well as an increase in the numbers of complaints, the Complaints Committee noted that the complaints received during the year were complex and in some cases raised serious concerns about competency levels. The Council also had to respond to a lengthy and costly legal dispute with one veterinarian and a further legal challenge from another veterinarian. At time of writing, the former is now settled, with the veterinarian agreeing to return to the point in the judicial process at which he instigated legal action. An outcome of these legal challenges, besides their cost, is that they foster a culture of over-cautious bureaucracy and heavy reliance on legal advice. The benefit is that the Council's decisions and processes can be put under scrutiny by a higher court.

The Council sat on a review of a complaint investigation of a 2003 case where the complainant's pet died unexpectedly whilst under anaesthesia. The Council is satisfied that the CAC investigation had been particularly robust in this case – it had included meeting with parties and obtaining expert advice. However the complainants were dissatisfied with the outcome and the process of the investigation, as well as the Council's review and voiced their concerns in a number of fora.

The review of sections 4.4 - 4.7 of the Code of Professional Conduct that began in 2003 was completed in May 2004 following a long period of consultation. Resulting changes are reported on in the Professional Standards Report. An important aspect of the change is that the Council advises that it may set a higher standard for a consultation than that which is required on the registration of animal remedies.

In response to feedback from the stakeholder seminar held in November 2003 the Council increased its efforts for its role and functions to be recognised and understood by other stakeholders, through the development of a communications strategy, media releases, the provision of information and representation at events. The Council held a very successful function in late May to celebrate its fiftieth meeting as well as the opening of its new offices by the Associate Minister for Agriculture Hon Damien O'Connor.

The Council hosted an animal welfare liaison meeting attended by representatives of NZVA, NAWAC, MAF Biosecurity and MAF Policy to discuss surgical activities currently known and proposed to be undertaken by non-veterinarians in New Zealand. These include desexing of companion animals, tooth removal and laparoscopic AI. The Council sought feedback from the profession and others and this consultation process continued into 2005 with a report to the National Animal Welfare Advisory Committee.

The Council acknowledged with sadness the death of a veterinarian by their own hand in 2004. Veterinarians, like other professionals, suffer from stress and place high expectations on their own performance. The Council contributes to the funding of Vets in Stress as a way of encouraging stressed veterinarians to seek support. During 2004 the Council received a number of declarations from veterinarians about an aspect of their physical or mental health that was affecting their fitness to practise. The Council has developed a process to manage these cases, which is similar to that applied in the human doctor field. The Council acknowledges the professional response of the individual veterinarians who recognised that they had a problem and were able to front up to their situations.

The Secretary of the Council also faced a stressful year following a family tragedy late in 2003. Last year was a very busy one for the office and I acknowledge Julie's professionalism in persevering with her work during this difficult time.

All three of the staff worked very hard during the year. We welcome aboard Helen Piercy who shows poise and commitment in the role of Administration and Finance Officer. Thanks also to Anthea Black who continues her fine work as Executive Officer of Registration and Complaints. The Secretariat office was moved to new premises on the Terrace in February 2004 and this has proven most worthwhile.

I wish to acknowledge those individuals who provided expert advice in relation to clinical issues, professional standards and legal matters for the Council during the year. They assisted in ensuring that the Council and its committees made recommendations and decisions based on sound evidence, precedent and fairness.

Finally I wish to thank the members of the Council and of Committees, including those who have been co-opted onto committees. Their decision-making and representation has been of the highest standard.



Ron Gibson
CHAIRPERSON

COMPLAINTS ASSESSMENT COMMITTEE

Committee Members

Dr Nigel Coddington, Chairperson

Mary Mountier, Lay member

Dr Nick Twyford, Veterinarian

From 1 January 2005, Nick Twyford assumed the chair;

Nigel Coddington resigned and Grahame Joyce joined the Committee.

Where members of the Committee declare a conflict of interest or are unavailable, other members are appointed. In 2004 temporary appointees to the Committee included Dr Tony Charleston, Dr Grahame Joyce and Rob Crozier (layperson).

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 to resolve the disputes between complainant and veterinarian
- advise the Council on matters relating to professional conduct.

2004 was a very busy year for the Committee, not only because of the continuing high number of investigations, but also because of their complexity. All members of the CAC are of the opinion that, in their experience, some of the complaints addressed during 2004 have been the most complicated and potentially serious complaints they have been asked to investigate.

As a result of concerns arising from complaints, six of the CAC investigations extended to interviews between the CAC and various people involved with the complaints. Four of these complaints against three veterinarians led to charges of professional misconduct being made against the veterinarians. One of these was handled by diversion - this is reported on in the Judicial section of this Annual Report. The other two complaints should be heard by the Judicial Committee in the 2005 year. A complaint laid in 2003 should also proceed through diversion in 2005.

In total, the CAC dealt with 70 cases during 2004 – 49 received during the year itself and 21 from the previous calendar year. Of the 70 cases, twelve did not proceed (either did not reach criteria for investigation, or the complainant withdrew the complaint); seven are still under investigation and the remainder have been completed – five of which (including the 2003 complaint) have either gone forward for diversion or to the Council for a judicial hearing.

Resulting from complaints finalised during 2004, two complainants expressed their dissatisfaction with the outcome of the CAC investigation. In one case further explanation of the CAC's decision with a recommendation that the complainant contact their primary veterinarian (not the subject of the complaint) to seek conciliation seems to have settled the complaint. In the other case, following a request by the complainant, the Council reviewed the process of the investigation and upheld the CAC decision.

As reported elsewhere two separate veterinarians in three different complaints made in 2003 and 2004 instigated court action (High Court and District Court) challenging the process of the Committee and the Council.

During 2004 there were several complaints in which a conflict of interest was identified by CAC members and so new committee members were recruited or in one instance a completely new committee established.

The Committee has asked the Council to explore how mediation can be used more successfully as a part of the process of dealing with complaints. The potential benefits of mediation are that they allow complainants a say in the complaint outcomes, they provide veterinarians with the opportunity to resolve complaint issues whilst retaining the complainant as client and they have the potential to absorb/deflect some of the complainant's frustration when a finding of no professional misconduct is made. However, if one of the parties refuses to take part in the process then mediation obviously cannot occur and once an investigation is underway, the attitudes of the parties tends to become more entrenched.

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. I also wish to thank other members of the Complaints Committee during 2004.

Nigel Coddington
CHAIRPERSON
Complaints Assessment Committee

COMPLAINTS SUMMARY 2000-2004

	2004	2003	2002	2001	2000
Number of Complaints	49	47	42	28	35

Complaint Category	2004	2003	2002	2001	2000
Inappropriate Behaviour	16	0	6	1	0
Unsatisfactory Treatment	16	25	24	17	24
Unprofessional Behaviour	14	17	8	6	11
Prescription Animal Remedy Concern	2	2	3	2	0
Fees Charged	1	3	1	2	0
	49	47	42	28	35

Species/Type	2004	2003	2002	2001	2000
Cat	9	16	8	10	13
Dog	17	18	19	12	14
Horse	4	2	2	1	3
Other	1	3	0	0	0
Behaviour	18	8	13	5	5
	49	47	42	28	35

Complaint Outcome	2004	2003	2002	2001	2000
No professional misconduct	22	21	16	16	24
No Prof misconduct, advice given	11	17	11	11	10
Diversion	1	0	2	1	2
Charges laid	4	1	0	0	1
Did not reach criteria/withdrawn	12	14	16	4	5
	50*	53	45	32	42
Mediation attempted	2	0	1	1	0

* **Note:** Variations in the figures under 'complaint outcome' arise because some complaints have been lodged against two or more veterinarians.

Timeframes for completion of investigation	2004	2003	2002	2001	2000
1-3 months	34	29	28	12	4
3-6 months	13	13	12	12	21
6+ months	2	5	2	4	10
	49	47	42	28	35

JUDICIAL COMMITTEE

Judicial Committee members during 2004

Professor Norm Williamson
Mrs Peg Loague (layperson)
Dr Gavin Shepherd
Dr John O'Flaherty
Dr Patrick Kelly

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

During 2004 three veterinarians faced disciplinary charges and in two cases diversion was recommended by the CAC. Two of the veterinarians took legal action against the CAC, delaying the progression of diversion (in one case) and the hearings in another, until 2005.

Diversion undertaken

A veterinarian took responsibility for the care and treatment of a horse belonging to the complainant. The veterinarian was retained to treat apparent colic, presented as the horse being in distress: sweating, rolling, being agitated and generally showing signs of severe discomfort. The veterinarian's conduct when taking responsibility for diagnosing and treating the horse for the presenting symptoms and the subsequent management of this case fell below the standards expected of a veterinarian and breached a number of provisions of the Code of Professional Conduct, particularly in respect of personal conduct.

The veterinarian kicked the horse when it was showing signs of severe discomfort. The veterinarian also swore foully at the horse in the presence of the owner. The veterinarian did not apologise to the complainant in a timely, nor in a sincere manner. The veterinarian did not recognise the seriousness of the situation. A rectal examination was not performed, despite all the signs pointing to a severe colic and the high possibility of an abdominal accident. Safety was an issue, however, a veterinarian more experienced in equine medicine was not immediately called to take over the case. Another veterinarian was eventually called and the horse was immediately euthanased.

The Complaints Assessment Committee considered that the matters outlined above warranted the laying of charges of professional misconduct. However, the Committee also considered that the case was one where diversion was an appropriate way of dealing with the veterinarian's shortcomings and a Judicial Committee of the Council agreed with this recommendation. Diversion is where the veterinarian admits that they have breached the Code and then agrees to a set of terms to remedy those breaches.

In this instance the terms included a sincere apology to the complainant, counselling to moderate behaviour, review of management of equine cases, allowing the CAC to audit records, case management and behaviour within six months and contribution of 50% of the CAC investigation expenses. When the terms of the diversion agreement have been fulfilled, the CAC will recommend that the charges against the veterinarian be withdrawn.

The benefit of diversion, in terms of the public interest, is that it ensures that the veterinarian acknowledges their shortcomings and agrees to a rehabilitative process designed to remedy the shortcomings, rather than being required to do so should they be found guilty following a full disciplinary hearing. Conduct which is of a more serious nature would not be considered for diversion. The benefit of diversion to the veterinarian is that they can remedy their shortcomings without facing judicial charges, with the eventual dropping of charges if they successfully complete the terms of the agreement.

Ron Gibson
CHAIRPERSON
Veterinary Council of New Zealand

PROFESSIONAL STANDARDS COMMITTEE

Committee Members

Dr Ron Gibson, Chairperson

Dr Murray Gibb, Chief Executive Officer, New Zealand Veterinary Association

Gordon McIvor, Lay member

Dr Tony Zohrab, New Zealand Food Safety Authority

Dr Julie Wagner

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 main focus of the Professional Standards Committee during 2004 was consideration of and consultation on the sections of the Code of Professional Conduct that clarify consultation and immediate care. Considerable emendation to sections 4.4-4.7 was implemented in 2004 – these changes were reported on in detail in the 2003 Annual Report

A minor change to 5.9 of the Code was made, following a request from the New Zealand Veterinary Association. This section restricts the advertising and endorsements that veterinarians may undertake. The title was amended to include products and services (from animal products), and a sentence within the clause was amended to reflect that the standard was dealing with commercial advertising “aimed at the general public”. This allows for in-house promotions such as Vetscript but not for general public advertising.

The Committee also monitored the discussion and consultation on surgical activities being undertaken by non-veterinarians.

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 continue to provide sound advice to the Council during this year.

Ron Gibson
CHAIRPERSON
Professional Standards Committee

REGISTRATION COMMITTEE

Committee Members

Dr Allen Bryce (Chairperson until Nov 2004)

Professor Norm Williamson (Chairperson from Nov 2004)

Dr Paul Wiseman

Dr Sandra Forsyth

Professor Dave West

Dr Tony Charleston

Dave West is also the Council's chief examiner on the AVBC Board of Examiners. Tony Charleston is also the VCNZ representative on the Veterinary Schools Accreditation Advisory Committee. Professor Williamson represents the VCNZ on the Advisory Committee for the Registration of Veterinary Specialists to the Australasian Veterinary Boards Council.

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 registration and examination processes of the Council and making policy recommendations, particularly in relation to the drafting of the Veterinarians Bill. It considered a number of submissions in relation to the New Zealand National Veterinary Examination (applicants wishing to have their marks reconsidered, or seeking to have their examinations held at other times).

The Committee 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 Educational Commission for Foreign Veterinary Graduates - ECFVG) and this assessment process was accepted in 2004.

Specialist Registration

Two veterinarians received specialist registration in New Zealand during 2004 –

Dr Darren Fry, in Small Animal Medicine, and Dr Lee Morris in Veterinary Reproduction.

In response to the significant fee increase for the assessment of specialist applications by the relevant Australasian committee, the Committee recommended that this increase be passed on to applicants for specialist registration in New Zealand.

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 has the opportunity to gain registration in New Zealand. Stewardship of this examination continues within the Registration Committee and Professor Dave West of Massey University acts as Chief Examiner. The Registration Committee

thanks Dave West and other staff at Massey University for the invaluable role they take in ensuring that examination standards are maintained and that all candidates are treated fairly.

During 2004 twenty people sat Part I of the Examination (multiple choice question paper) – this is held twice during the year in March and September. Two passed, five received conditional passes and 13 people failed Part I. The second part of the examination – the written and practical clinical examination - is held annually at Massey University. In November 2004 three people sat the final clinical examination. Two passed the examination and one person was allowed to sit supplementary examinations in specific areas (in 2005). Another applicant who sat two supplementary examinations from 2002, failed both.

The fees currently cover the direct costs of running the clinical examination (not including overhead and administrative costs), and some of the administrative costs of running Part I. The Council sought and obtained a modest increase in the clinical fee during 2004. The Council will need to closely monitor the fee levels and may have to reconsider cost recovery in the future.

Number of veterinarians with practising status(July figures)

	1998	1999	2000	2001	2002	2003	2004
Practising	1611	1634	1712	1753	1833	1940	2047
Non-practising	258	273	253	330	370	401	369
Total	1869	1907	1965	2083	2203	2405	2416

New Registrations Jan-Dec 2004 (by college)

Belgrade by NZNVE & ANVE	2	Loja by NZNVE	1	Punjab	1
Bristol	2	London	12	Purdue	1
Cambridge	4	Marathwada by NZNVE	1	Ross by ANVE (TTMRA)	1
Cornell	1	Massey	43	Queensland	6
Davis	1	Melbourne	7	Saskatchewan	2
Edinburgh	9	Minnesota	1	Sydney	2
Glasgow	11	Montreal	2	Utrecht	5
Hannover by NZNVE	2	Murdoch	3	Washington	1
Guelph	2	Pennsylvania	2	Wisconsin	1
Liverpool	6	Pretoria	7		
				Total for 2004	139

New Registrations (Jan-December)

	1998	1999	2000	2001	2002	2003	2004
Massey	58	77	66	50	80	77	43
Other	63	66	116	138	110	111	96
Total	121	143	182	188	190	188	139

Members of the Registration Committee conscientiously contributed to the activities of the Committee throughout the year and further implemented policies and procedures for the Registration of Veterinarians and Veterinary Specialists. In these activities they were ably supported by Anthea Black, Executive Officer, Registration and Complaints who provides a friendly and helping first contact for registering veterinarians and Julie Haggie, Secretary of the VCNZ.

Norm Williamson
CHAIRPERSON
Registration Committee

COMPETENCY REVIEW COMMITTEE

Committee

Dr Jim Edwards (Chairperson)

Mrs Peg Loague (Layperson)

This Committee was established in February 2004. Its role during the year was to develop policy and procedure in advance of the Council acquiring the power to undertake competency assessments of veterinarians under the revised legislation.

Peg Loague and I initially prepared terms of reference for the Committee. We then worked on developing draft policy and procedures for undertaking competency assessments of veterinarians. These were considered by the Council and also sent out to selected practitioners for their comment. It remained in very draft form at the end of the year because the actual wording of the Act was still being developed and refined. Work on this will continue throughout 2005, especially once the requirements of the new Act become more clear.

The Medical Council has set the benchmark in terms of running competency assessments, and we have liaised with their representatives through our CEO, Julie Haggie.

We have also made recommendations to the Council on potential membership of the Committee.

Jim Edwards
CHAIRPERSON
Competency Review Committee

FINANCE AND ADMINISTRATION COMMITTEE

Committee

Gordon McIvor, Chairperson

Dr John O'Flaherty

Dr Ron Gibson

Julie Haggie (CEO)

2004 was another steady financial year. The number of veterinarians maintaining full registration via their annual practising fee was almost 100 higher than in the previous year reflecting the continuing high demand for veterinary services in New Zealand. As expected the number of new registration applications dropped away from those in the previous year.

The significant variables that impact upon the Council's bottom line are numbers of veterinarians practising, legal activity relating to complaints and judicial processes and numbers sitting the New Zealand National Veterinary Examination. Fewer than anticipated numbers sat the examination in 2004. During the year the Council requested and gained a small increase in the fee it could charge for the clinical examination to bring the fee closer to the direct operating cost of the examination. There was also a significant increase in the specialist registration fee directly related to the increase in the Australasian assessment fee. The Council moved offices early in the year and this added to increased operating expenditure. The legal expenses of the Complaints Assessment Committee were considerably increased, reflecting the more serious nature of some of the complaints. However, expenditure overall was lower than in 2003.

In general the income and expenditure of the Council and its Committees varied quite markedly from that budgeted. However the final outcome was very close to that budgeted and the operating surplus of almost \$110,000 was just over \$1,000 less than in 2003.

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

I would like to acknowledge the staff of the Secretariat for their efforts in keeping operating expenses close to budget. Julie Haggie, Anthea Black and Helen Piercy consistently provide a high level of service to the Council.

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
Finance and Administration Committee

Statement of Financial Performance

for the year ended 31 December 2004

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

	2004	2003
INCOME		
Registration Fees	551,709	531,356
Application Fees	33,418	42,076
Letters of Good Standing	1,836	1,580
Examination Fees	19,322	46,178
Interest	44,262	36,119
Judicial	-	-
Complaints Assessment Committee	2,411	1,661
Miscellaneous Income	4,647	6,552
TOTAL INCOME	657,605	665,522
EXPENSES		
Employment Expenses		
Salaries	179,945	160,387
ACC Levies	319	1,058
Carpark	427	1,577
Staff Appointment Costs	5,375	4,875
Sundry Personnel Costs	2,260	754
Payroll Costs	1,173	1,252
	189,499	169,903
Operating Expenses		
Accounting Fees	9,115	12,626
Alarm system	11	336
Audit Fees	3,852	3,711
Bank Fees	554	339
BNZ Merchant Fees	3,492	2,851
Westpac Merchant Fees	3,079	2,627
Cleaning	2,154	1,027
Computer Support	5,619	6,538
Equipment Rental	136	732
Insurance	1,663	1,262
Interest	54	308
Legal Expenses	514	-
Loss on Sale of Property, Plant & Equipment	4,990	-
Maintenance of Equipment	936	460
Memberships	617	856
Miscellaneous Costs	5,682	4,593
Moving costs	2,675	-
Photocopying	1,121	200
Postage	5,186	5,935
Property Rental	32,281	24,487
Publications	2,244	1,741
Stationery	5,454	4,088
Telephone, Tolls & Internet	5,708	7,444

Statement of Financial Performance

for the year ended 31 December 2004

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

	2004	2003
Website	1,875	2,672
Training	1,365	7,202
Utilities	3,129	1,485
Depreciation	8,786	6,863
Computer hardware & software	161	789
	112,453	101,172
Total Operating Expenses	301,952	271,075
NZ Veterinary Exams		
Preliminary Exams	4,880	4,634
Final Oral/Clinical Exams	8,487	45,977
	13,367	50,611
AVBC Inc	47,333	35,486
	47,333	35,486
Council		
Honoraria	26,691	20,526
Travel	9,857	11,303
Accommodation & Meals	5,827	3,189
Telephone & tolls	143	413
Consultancy	4,154	1,767
Administration	680	229
Discretionary spending	1,146	969
Legal Costs	11,607	50,409
	60,105	88,805
Complaints Assessment Committee		
Honoraria	20,658	21,953
Travel	5,501	7,538
Accommodation & Meals	197	684
Telephone & tolls	1,181	1,974
Administration	139	814
Legal Costs	29,813	10,014
Consultancy (Mediation)	840	-
	58,329	42,977
Judicial Proceedings		
Honoraria	1,239	-
Travel	2,482	779
Accommodation & Meals	46	-
Telephone & tolls	276	-
Administration	230	-
Legal Costs	1,100	-
Consultancy	671	-
	6,044	779

Statement of Financial Performance

for the year ended 31 December 2004

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

	2004	2003
Registration Committee		
Honoraria	7,422	2,680
Travel	448	292
Accommodation & Meals	302	252
Telephone & tolls	-	1,209
Administration	94	857
ACRVS fees (Spec Assess)	1,205	675
Administration (Specialists)	113	-
	9,584	5,965
Professional Standards Committee		
Honoraria	1,274	3,891
Travel	-	5,225
Accommodation & Meals	72	363
Telephone & tolls	312	-
Administration	46	95
	1,704	9,574
Strategic Planning		
Honoraria	153	3,593
Travel	286	3,651
Accommodation & Meals	-	1,879
Telephone & tolls	-	331
Administration	3,426	4,080
	3,865	13,534
Communications		
Annual Report	-	2,000
Newsbrief	9,658	7,755
Prelude to Practice	322	-
Press Releases	67	-
	10,047	9,755
Elections		
Stationery	249	-
Printing	161	-
Legal	61	-
Postage	711	-
	1,182	-
Annual Retention Certification		
Postage	1,189	832
Printing Cards	4,729	393
ARC Documentation	4,630	9,902
Payment Processing	1,275	674
ARC Temporary Staff	3,398	1,152
	15,221	12,953

Statement of Financial Performance

for the year ended 31 December 2004

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

	2004	2003
Annual Register		
Annual register – Postage	2,775	2,135
Annual register – Production	14,850	10,541
	17,625	12,676
Secretariat/Stakeholder Liaison		
Miscellaneous	1,255	-
	1,255	-
TOTAL EXPENDITURE	547,613	554,190
NET OPERATING SURPLUS	109,992	111,332

Statement of Movements in Equity

For the year ended 31 December 2004

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

	2004	2003
Net Surplus for the year	109,992	111,332
<hr/> Total Recognised Revenues And Expenses for the Period	<hr/> 109,992	<hr/> 111,332
EQUITY AT THE START OF THE YEAR	503,704	392,372
<hr/> EQUITY AT THE END OF THE YEAR	<hr/> 613,696	<hr/> 503,704

Statement of Financial Position

As at 31 December 2004

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

	NOTE	2004	2003
EQUITY		<hr/> 613,696	<hr/> 503,704
Represented By:			
<u>CURRENT ASSETS</u>			
Bank		60,852	22,737
Receivables & Prepayments		25,523	19,343
Less: Provision for Credit notes	2	(14,500)	(13,500)
Deposits – On call and term	3	684,766	630,229
Interest Receivable		14,687	25,898
GST Receivable		3,722	7,336
		<hr/> 775,051	<hr/> 692,043
<u>Less CURRENT LIABILITIES</u>			
Accounts Payables & Accruals		48,809	86,582
Fees Received in Advance	1	143,686	137,095
PAYE		6,174	5,707
HP Loan – Current Portion	4	-	1,508
		<hr/> 198,669	<hr/> 230,892
WORKING CAPITAL SURPLUS		576,382	461,151
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	5	37,314	42,553
		<hr/> 37,314	<hr/> 42,553
<u>NET ASSETS</u>		<hr/> 613,696	<hr/> 503,704

Notes to the Financial Statements

For the year ended 31 December 2004

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 reporting 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 \$143,686 shown on page 6 represents three months' fee income that will be recognised in the months January to March 2005.

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

Property, Plant & Equipment 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 property, plant & equipment in the financial statements are:

• Office Equipment	9-48%	DV
• Office Furniture & Fittings	11.4-39.6%	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

For the year ended 31 December 2004

2 PROVISION FOR CREDIT NOTES

This represents a provision for 2004 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 2005 Annual Retention Certificate fees.

3 DEPOSITS - ON CALL AND TERM

	2004	2003
Current portion		
ASB Term Deposits (Fixed Term)	480,996	445,392
BNZ Term Deposits (Fixed Term)	178,635	155,983
McQuarrie Investment On Call (Floating)	25,135	28,854
	<u>684,766</u>	<u>630,229</u>
Total Deposits	<u>684,766</u>	<u>630,229</u>

4 HIRE PURCHASE LOAN: Marac Finance Ltd

	2004	2003
Security Minolta Photocopier DI 450		
Advance Amount	-	7,880
Interest Charges	-	1,425
Less: repayments	-	(7,797)
Total Outstanding	<u>-</u>	<u>1,508</u>
Current Portion due	-	1,508
Non-current portion due	-	-

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

Notes to the Financial Statements

For the year ended 31 December 2004

5 PROPERTY, PLANT & EQUIPMENT & DEPRECIATION SCHEDULE

2004

	Original Cost	Additions/ Sales (Net)	2004 Depn	Accum Depn 31/12/04	Book Value 31/12/04
Office Equipment	29,153	5,273	4,369	23,952	10,474
Furniture & Fittings	35,203	3,264	4,396	11,686	26,781
Reference Library	673	-	21	614	59
	65,029	8,537	8,786	36,252	37,314

2003

	Original Cost	Additions/ Sales (Net)	2003 Depn	Accum Depn 31/12/03	Book Value 31/12/03
Office Equipment	31,948	2,868	4,786	24,708	10,109
Furniture & Fittings	37,850	21,439	2,049	26,924	32,365
Reference Library	673	-	28	594	79
	70,471	24,307	6,863	52,226	42,553

6 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2004	2003
Capital expenditure commitments contracted for at balance date are	Nil	Nil

The Council is subject to two potential claims that have the potential to exceed \$5,000 each. As at balance date the exact size and nature of these claims is uncertain. (2003: nil)

7 RELATED PARTIES

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

8 OPERATING LEASE COMMITMENTS

Non-cancellable operating lease rentals are payable as follows:

	2004	2003
Current	31,164	27,748
Non-current	93,492	127,253
	124,656	155,001



Audit Report

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

We have audited the financial statements on pages 19 to 26. 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 2004. This information is stated in accordance with the accounting policies set out on page 24.

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 2004 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 19 to 26.
 - 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 2004 and the results of its operations for the year ended on that date.

Our audit was completed on 3 April 2005 and our unqualified opinion is expressed as at that date.

BDO SPICERS
Chartered Accountants
Wellington