

ANNUAL REPORT

FOR THE YEAR ENDED 31ST
DECEMBER 2006



VETERINARY COUNCIL
OF NEW ZEALAND

Te Kaunihera Rata Kararehe o Aotearoa

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Legislation, role and functions

The Council is constituted according to section 73 of the Veterinarians Act 2005.

The purpose of this Act is to protect the public interest by aiming to ensure that veterinarians are competent to practise. The Council has a number of statutory functions:

- ♦ advising the Minister on any matter relating to veterinarians and the practice of veterinary science
- ♦ advising the governing body of any New Zealand university on the education of veterinarians
- ♦ promoting and encouraging high standards of professional education and conduct
- ♦ considering reciprocal arrangements with registration bodies in other countries
- ♦ registering persons, issuing practising certificates, making determinations on recognised institutions and programmes of study
- ♦ maintaining the register
- ♦ receiving, investigating and hearing complaints
- ♦ investigating offences and bringing prosecutions
- ♦ prescribing minimum standards for practising as a veterinarian
- ♦ prescribing fees

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 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.

Dr Ron Gibson, Elected member & Chairperson
CEO, Animal Health Centre

Prof Norm Williamson, Deputy Chairperson
Programme Director, Veterinary Science, Massey University

Peg Loague, Layperson, Ministerial Appointee (until 31 December 2006)
Past President, RNZSPCA

Grahame Joyce, Elected veterinarian
Self employed

Gordon McIvor (until 3 September 2006)
Ministerial appointee, Layperson
Dairy Farmer

Julie Wagner, Elected veterinarian
General Manager, PacificVet

Jim Edwards, Ministerial veterinary appointee
Consultant

Penny Mudford (from 3 September 2006)
Ministerial appointee, Layperson
Rural Arbitrator

(From 1 January 2007 **Barbara Benson** will replace Peg Loague as Ministerial lay-appointee to the Council.)

Julie Haggie is the Registrar and Chief Executive Officer. 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 during 2006 operated in the areas of Registration, Health, Professional Standards, Competence Review (CRC), Complaints Assessment (CAC), Judicial and Finance and Administration. The business of these committees is reported on in the body of this Annual Report.

Council Chairperson's Report

The Veterinarians Act passed just before Christmas Day in 2005. The new Act required changes to Council structure and powers and these occurred throughout 2006. The Competence Review Committee was reformed and a Health Committee established. The Complaints Assessment Committee had more options to respond to the issues arising out of a complaint following its investigation. The Council consulted on and gazetted four scopes of practice under limited registration. All of this activity is reported on under the committee reports.

The additional committees and additional work for committees caused increased Committee and Council expenditure, as can be seen in the financial statements. However, the Council did not consider it necessary to increase fees, excepting an increase to the New Zealand National Examination fee as a result of an additional station being added to the examination.

As can be expected with all new legislation, the Council has found some aspects still require adjustment and in 2007 it will seek a number of minor changes via a Statutes Amendment Bill.

Changes to Council and Committees

2006 saw a changing of the guard as both Ministerial-appointed lay members on the Council left after having served two three-year terms apiece. Gordon McIvor's term of appointment came to an end in September. He had replaced Alastair Polson on the Council in 1999 and, like Alastair, he had been recommended by Federated Farmers. Gordon is a very successful dairy farmer in Otorohanga. During his time on the Council Gordon sat on several Judicial Committees. He was lay member of the Professional Standards committee and for the last three years has been Chairperson of the Finance and Administration Committee. Gordon's sound judgement and common sense and his very direct understanding of the realities of agricultural practice have assisted the Council to make good and fair decisions.

Peg Loague's second and final term ended on 31 December. Peg had been appointed to the Council because of her track-record of achievements reflecting her commitment to Animal Welfare over many years, notably in the SPCA (30 years on the National Council, 15 years as President), but also on many committees concerned with animal welfare including as the National Animal Ethics Advisory Committee and the National Animal Welfare Advisory Committee. Whilst on the Council Peg sat on the Judicial Committee and the Competence Review Committee. We have always valued Peg's ability to see both the wood and the trees. She is pragmatic, has good judgement and is very sensitive to individuals. She understands the realities of ordinary people's lives. Peg, like other Council members displays characteristics that take years to hone – fairness, transparency, confidentiality and integrity.

Replacing Peg and Gordon are Penny Mudford and Barbara Benson. Penny is a rural arbitrator and company director. From 2000-2007 Penny was CEO of the Arbitrators and Mediators Institute of NZ. She has a rural background, having been a dairy farmer in Manawatu for 20 years, and having sat on various agricultural industry committees. She has served as President of Manawatu-Rangitikei Federated Farmers for two years and Trustee and Director of Eastern and Central Community Trust.

In 2007 the Council will welcome Barbara Benson. Barbara is currently Associate Dean (Teaching) and Director of Teacher Education at the University of Otago, College of Education. She has a background in Science teaching and teacher education, and has relevant professional representation on committees of the Royal Society of NZ as well as having been a member of the National Animal Ethics Advisory Committee.

There have also been changes to committee membership which I would like to acknowledge in this report. Tony Charleston resigned from the Registration Committee after many years of service. Tony was a member of the Council from 1997-1999, and since that time served on the Registration Committee as well as being the Council's representative on the Australasian Committee that assesses veterinary schools in this jurisdiction (VSAAC). Tony's counsel, charity, humour and level-headedness benefited the work of the Council many times.

After eight years of service Professor Dave West stepped down from his position as Chief Examiner for the New Zealand National Veterinary Examination (NZNVE). Dave and Professor Manktelow had set up the written and clinical examinations in 1996. The introduction of the clinical test immediately improved the quality of assessment of overseas graduates who, prior to this point had only to pass a multiple choice examination in order to gain registration. Dave has worked hard to ensure that the NZNVE is a valid and fair test. Dave also liaised closely with the Australian Chief Examiner (Dr Reg Pascoe) to ensure that the examinations in Australia and New Zealand are equivalent. The Council offers Dave our sincere thanks.

David Collins QC who was legal assessor to the Complaints Assessment Committee (CAC) for 20 years, left following his appointment as Solicitor-General. His contribution is acknowledged in more depth by the Chairperson of the CAC but I also extend my appreciation for the great service he provided. Gaeline Phipps will move from her role as Council legal assessor to take on the CAC legal assessor role, and Jenny Gibson has been appointed to replace Gaeline Phipps.

Whilst this Annual Report refers to 2006, it is also timely to mention that Julie Haggie, the Council's Registrar and CEO, will be leaving the Council in July 2007, taking maternity leave. Julie has worked for over six years as Chief Executive Officer and Registrar. This will be a huge loss for the Council. Julie has been held in very high regard by members of Council and Committees for her thoroughness, her advice and efficient

management of the Council office. She has maintained good relationships with other stakeholders and should be particularly proud of her contributions to the 2005 Act; liaising with the drafting office and ensuring that Council members were aware of the changes as they were occurring. I join with Council members in expressing our gratitude and wishing her well in her new role. The Council has appointed Janet Eden, formerly Registrar of the Dental Council to replace Julie.

Australasian Liaison and Global Accreditation

Julie Haggie and I attended the Australasian Veterinary Boards Council meeting in Tasmania in May of 2006. Notable and relevant decisions were that it was proposed that New Zealand have a permanent place on the Executive. As this required a constitutional change it was discussed at Board level and implemented in 2007.

National Registration has been absorbing the time of the Australian regulation bodies over the last few years. A working Group reported to the Executive Committee in August and the Executive endorsed one of the proposed models for national registration of veterinarians in Australia. This is an evolving process, which has only minor impact on VCNZ, although it will eventually make it easier for veterinarians to gain registration across Australia.

The arm of the AVBC that assesses veterinary schools (VSAAC) undertook two assessments during 2006. One team visited the new veterinary school at Charles Sturt University in March (the first cohort will graduate in 2010). It noted that the development of the veterinary degree at CSU is proceeding in a manner and at a rate that should meet accreditation standards by 2010. AVBC subsequently agreed that the school be granted short term accreditation. The review team also visited The University of Melbourne in September 2006 and that report was positive.

There was little movement on global accreditation during the year, however a meeting was planned for May 2007, to which the South African Veterinary Council, the Royal College of Veterinary Surgeons, the American Veterinary Medical Association and the European Association of Establishments for Veterinary Education have been invited.

The 2006 year has been one of consolidation and development and a good deal of effort has been put into ensuring that the new Act is working well. I wish to thank the Council staff, Council members, committee members and chairpersons, each of whom makes a valuable contribution to the ongoing work of the Council.



Ron Gibson
CHAIRPERSON

Registrar's Report

In the first several months of 2006 Council staff were busy ensuring that the regulatory requirements under the new Act were implemented (gazetting of forms and fees etc) and that communications, policy, documentation and stationery were amended. We also worked with MAF on the new Elections Regulations, to ensure they were well in place before the next election year (2007).

The number of practising veterinarians rose again in 2006, although numbers of new registrants decreased slightly. It is too early to say whether this heralds any future levelling off of practising numbers. Demand still seems high, particularly in mixed and production animal sectors.

As the holder of the Register of Veterinarians, the Council is in a good position to gather and provide demographic information on the veterinary profession. In 2006 the Council gathered information on the retirement intentions of veterinarians. This gave a very broad picture of when veterinarians are expecting to reduce their hours of work, either for childbearing or in the sense of a general reduction towards retirement as they age. Among current veterinarians in New Zealand 30% have indicated they will substantially reduce their work hours or retire in next 10 years. Of those 420 (68%) are men and 198 (32%) are women.

On the operational side of the Council's business, we updated the complaint management database in 2006 to allow us to access statistical information and add quick reference to the Council's files. A new website also came on line after a long period of development.

I am taking maternity leave in 2007, and my working future is a little uncertain at this point. I have enjoyed my job immensely and am constantly impressed by the professionalism and energy that veterinarians bring to their work. I am proud to have served the Council and its Committees, whose members set high standards of integrity and honesty. I know that the culture of the Council is built on values of respect, common sense and consistency.

I have been fortunate to work in a positive collegial atmosphere with the other two employees of the Council and I acknowledge the fine work of Anthea Black and Helen Piercy and wish them well. Thanks to all of those who have provided services to the Council, from legal services to accounting, to graphic design to cleaning.



Julie Haggie
REGISTRAR

Complaints Assessment Committee

Committee:

Dr Nick Twyford, Chairperson

Mary Mountier, Lay member

Dr Grahame Joyce, Veterinarian

When members of the main committee declare a conflict of interest or are unavailable, other members are appointed, or new committees are appointed. During 2006 other committee members were: Seton Butler, Rob Crozier (layperson), Tim Brown (layperson), Patrick Poletti and Gavin Shepherd.

The role of the Complaints Assessment Committee is to:

- investigate complaints against veterinarians and determine whether it should take any further action under s43 including whether it should lay charges of professional misconduct against a veterinarian
 - where appropriate, attempt mediation or conciliation to resolve the disputes between complainant and veterinarian
 - advise the Council on matters relating to professional conduct.
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Legal Assessor: David Collins

David Collins was legal assessor for the CAC for 20 years until his appointment in August 2006 as Solicitor-General. The Committee and the Council have been very fortunate to have been assisted by David, particularly over the last several years as his time was under demand on many significant committees. David's main active function for the Committee has been at the sharp end of the disciplinary process where teeth are required. In a role which only deals with angry people, controversy and no-win situations some people might become a little hardened or immune to the dramas, but David has always shown us his ability to understand and emphasise with the complainant and the veterinarian in a way which has underlined his humanity. Whether he is preparing for a disciplinary tribunal for the Council, acting for the CAC in the District or High Court, or in an informal chat, David has always been a skilful professional, a stabilising influence and a ready source of expert advice. In those cases in which the CAC has needed David's advice he has always shown enormous respect.

Gaeline Phipps has been appointed as the Committee's new legal assessor. Gaeline has been legal assessor to the Council since 2000, and is an experienced barrister/solicitor in the area of professional regulation.

Complaints during 2006

During the 2006 year the Council received 45 complaints about or concerns relating to veterinarians, nine of these were referred from the Council under section 39 of the Act. As at the first of 2007 37 of these complaints were closed. Four of them did not reach the threshold to investigate, three were withdrawn by the complainant. Two complaints went to mediation and both have been satisfactorily resolved. Following one 2006 complaint investigation the veterinarian has been charged with professional misconduct. In another complaint, following investigation the CAC referred the matter through to the Competence Review Committee. Three of the 2006 complaints led to the CAC to make a referral to the Health Committee (two of those complaints involved one veterinarian and those complaints are on hold pending the outcome of the referral).

In 2006, 29 of the 45 (65%) 2006 complaints related to companion animals. Eight included issues that did not directly involve animal treatment. Three complaints were about the treatment of horses. Seven were initiated by one veterinarian against another.

In four of the 37 complaints that are closed the CAC has received written negative feedback from the complainant who was unhappy about the outcome or decision of the investigation.

I wish to thank all Complaints Assessment Committees members who provided their time and commitment during 2006. Providing this service to the profession requires one to pay careful attention to all of the facts and information and to also understand the wider context of the complaint. It requires an understanding of current standards of reasonable and competent practice, and a good appreciation of interpersonal dynamics.

Nick Twyford
CHAIRPERSON
Complaints Assessment Committee

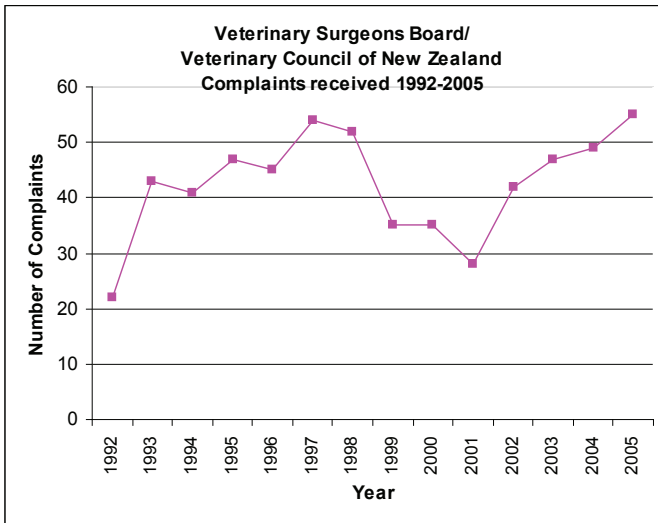
Complaints summary 2002-2006

Number of Complaints	2006	2005	2004	2003	2002
	45	55	49	47	42
Complaint Category	2006	2005	2004	2003	2002
Inappropriate Behaviour	5	0	16	0	6
Unsatisfactory Treatment	28	27	16	25	24
Unprofessional/Unethical Behaviour (incl PARs)	13	27	16	19	11
Fees Charged	1	1	1	3	1
	48*	55	49	47	42
Species/Type	2006	2005	2004	2003	2002
Cat	9	18	9	16	8
Dog	17	17	17	18	19
Horse	3	3	4	2	2
Other	1	0	1	3	0
Prescription Animal Remedy Issue	3	2	2	2	3
Behaviour	9	15	16	6	10
	45	55	49	47	42
Complaint Outcome	2006	2005	2004	2003	2002
No professional misconduct	19	25	22	21	16
No Prof misconduct, advice given	8	12	11	17	11
Diversion	0	0	1	0	2
Charges laid	1	2	4	1	0
Did not reach criteria/withdrawn	9	18	12	14	16
	37	57*	50*	53*	45*
Uncompleted at reporting time	8	-	-	-	-
Mediation attempted	2	0	2	0	1
Timeframes for completion of investigation	2006	2005	2004	2003	2002
1-3 months	24	33	34	29	28
3-6 months	7	16	13	13	12
6+ months	14	6	2	5	2
	45	55	49	47	42
Complaint/invest originated by	2006	2005	2004	2003	2002
Client	30	37	30	34	33
Another veterinarian	5	7	11	6	4
Section 39 referral from Council (stat recorded in this way from 2006)	9	-	-	-	-
Gender of Veterinarian being complained of	2006	2005	2004	2003	2002
Female	20	23*	13	17	10
Male	40	39*	37	36	35

* Note: Variations in the figures under 'complaint category', 'complaint outcome' and 'gender' arise because some complaints have more than one issue, or have been lodged against two or more veterinarians.

Profiling veterinarians who are the subject of complaints

There is a chance that a veterinarian will be involved in a formal complaint to the Veterinary Council at some stage of their career.¹ Many veterinarians will not receive any complaints, and some will be receive more than the average. From 2003-2006 for example, two veterinarians accounted for 10% of the complaints made to the Council. Last year we reviewed complaints received for the 13 years from 1992-2005.



During that time 380 veterinarians faced complaints, 125 of them more than once

Complaints per vet	Number of vets receiving to complaints
1	255
2	68
3	33
4	12
5	4
6	3
7	1
8	2
10	1
15	1

A fifth of all complaints relate to 24 veterinarians during the period, with each having received four or more complaints. Three of those have faced disciplinary action during that time.

¹ Fairly recent data from the medical profession suggested that one in every 17 doctors could expect to receive a complaint each year and the rate of complaints against doctors has risen dramatically in the last 20 years. (Cunningham, NZMJ, Vol 117, No 1198). There is not the evidence in the veterinary profession of such a significant rise in complaints.

Massey University veterinarians are more likely to be complained about than overseas veterinarians compared to the numbers in the profession. This is most likely because Massey University trained veterinarians are likely to work in New Zealand longer than those trained overseas. We compared the training of those complained of during this time against the average from three available demographic snapshots of the profession from 1987, 1998 and 2006. All other overseas groups track pretty much according to the numbers that are or have been practising in New Zealand. All of those veterinarians who have received five or more complaints during that time either gained their training at Massey or are likely to be New Zealanders who trained in Australia prior to the veterinary school being established at Massey.

Depending upon your definition of 'old', the perception that it is older veterinarians who are more likely to be the subject of complaints is not borne out in the statistics for this period. The age (at the time of receipt of complaint) was compared to the average age of veterinarians currently practising and those practising in 1999 (1999 being the only available snapshot that we have for age). There have been general shifts in the demographic but one could generalize to say that veterinarians have been slightly more likely to receive a complaint when they are aged between 40 and 49. That age group attracted 38% of complaints during 1992-2005 when, averaged across 1999 and 2006 they comprised 29% of the profession.

Finally we looked at gender. Again, averaging snapshots of the profession for three decades within the context of the steadily increasing numbers of female veterinarians, the statistics do indicate that men are more likely to be the subject of complaints than women. More men have been in practice for longer than the recent influx of female practitioners so it is to be expected that they would be more likely to attract complaints over that time.

	Female	%	Male	%	
All complaints 1992-2005	135	23%	460	77%	595
Number practising 1987*	324	20%	1277	80%	1601
Number practising 1998	516	32%	1096	68%	1612
Number practising 2005	850	41%	1207	59%	2057
Average 1987,1998,2005		31%		69%	

* The figures given for 1987 are a close estimate because different categories of registration applied at that time.

There is no data kept on demographic characteristics of complainants. We know that pet owners are more likely to complain. Almost 70% of the complaints to VCNZ in the last 14 years are by pet owners (horses are included as pets, without horses the figure is around 62%). Farmers and those living rurally seem less motivated to complain to the Veterinary Council. We do not have the data on the geographic origin of complaints during the 14 year period, but we know that during 2003-05 55% of complaints originated from the Auckland or Wellington urban areas. Only 25% of clinical practitioners are working in those areas and only 40% of the population live in those areas.

Judicial Committee

Judicial Committee members during 2006 were:

Dr Ron Gibson	Mrs Peg Loague
John Morrison (Barrister)	Penny Mudford
Dr Julie Wagner	John Hellstrom
Dr Peter Jerram	

The Judicial Committees operating during 2006 were constituted under section 83 of the Veterinarians Act 2005. The Judicial Committee is the arm of the Council responsible for hearing complaints referred to it by the Complaints Assessment Committee, determining whether a veterinarian has been guilty of professional misconduct and deciding on penalty. During 2006 one hearing was held.

Quality of diagnosis and treatment, and dishonesty

At the first hearing under the new Veterinarians Act 2005 a veterinarian was suspended pending medical reports and the development of a three year programme of supervision, following findings of professional misconduct by the Judicial Committee. The veterinarian was also required to pay fines and contribute to costs. The veterinarian pleaded guilty to the charges. The veterinarian's name and identifying details were suppressed.

Charges of professional misconduct were laid against the veterinarian by the Complaints Assessment Committee (CAC) following its investigation of two complaints. These complaints were made by clients following treatment of their animals in October 2003 (a dog) and January 2004 (a horse) respectively. In the first situation, an unnecessary operation followed an incorrect diagnosis. The operation resulted in significant complications with persistent joint infection that was not recognised and inadequately treated over the three weeks. The veterinarian failed to request diagnostic tests, having advised the client that this had been done. The necessity of bandage removal from the dog's leg was not appreciated. The Complaints Assessment Committee was misled to believe that the veterinarian had instituted a change in practice since the complaint so that orthopaedic cases were referred more regularly and there was regular contact with neighbouring clinics. This was not in fact as was described.

In a second situation, the veterinarian treated a horse which presented with chronic diarrhoea. Again, test results either failed to arrive at the testing laboratory, or arrived too late to be reliably tested, but this information was not passed on to the owner. The client was led to believe that a renal problem was the cause of the horse's illness, despite an interpretable test not indicating this. The CAC was again led to believe that peer review had been instituted, and support mechanisms started with a registered specialist veterinarian and with a senior experienced retired equine practitioner. However these claims were not corroborated by those individuals.

In the case concerning the dog the Judicial Committee came to the view that the diagnosis and management of this case was probably professional misconduct by itself, and was certainly professional misconduct when coupled with the dishonest answers to the Complaints Assessment Committee both in the initial written response and subsequent interview.

In the case of the horse the veterinarian was dishonest with the owner from the first blood test. This was exacerbated by the subsequent responses to the CAC. In coming to a decision on penalty the Judicial Committee took into account the submissions of the veterinarian's counsel, medical practitioner and an emailed letter from the veterinarian. For the veterinarian considerable emphasis was put on a medical condition, suffered for some time (pre-dating the events giving rise to the charges) and how it might have affected judgement and (particularly) the responses to the CAC.

It was also submitted that for the veterinarian, notwithstanding admissions including the summaries of facts agreed to, the actions were "accepted practice" or "reasonable" and that the veterinarian had not so much been "dishonest" as "naïve and optimistic". The Judicial Committee was quite unable to accept such submissions.

Those submissions suggested that the medical condition that the veterinarian suffered from was a continuing impediment to an ability to understand the substance of the complaints laid and required responsibilities as a member of the veterinary profession, and may be an impediment to an ability to practise safely.

Mindful of the purpose of the Veterinarians Act 2005 ("to protect the public interest by aiming to ensure that veterinarians are competent to practise": section 3) the Judicial Committee considered that the penalty should have two parts.

The first was to assure the veterinarian's fitness to practise, and that there be some overview of competency and clinical management decisions. The second part was a penalty to indicate that dishonesty in dealing with clients and the professional regulatory body is unacceptable.

The penalties imposed on the veterinarian were that registration was suspended from the date of the written decision. A report from a medical practitioner acceptable to the Veterinary Council as to fitness to practise, and a report from his medical advisor as to an ongoing regime of appropriate medical treatment and an undertaking to comply with that regime was required of the veterinarian. Also a programme of supervision for clinical practice that was acceptable to the Veterinary Council was required.

On fulfilment of the requirements above, the veterinarian's registration was reinstated on condition that the Council received reports from both the medical advisor and supervisor quarterly, or at greater intervals acceptable to the Council. Such reports were to address in particular any concerns about fitness to practise. This condition was placed on registration for a period of three years.

The veterinarian was fined a total of \$5,000 in respect of the complaints and had to pay 50% of the costs and expenses associated with the hearing, to a maximum level of \$6,000.

The Judicial Committee has made an order prohibiting publication of medical evidence and of the veterinarian's name or details.

"In making these orders the Judicial Committee has endeavoured to balance public and private interests, and at the same time encourage the veterinarian's rehabilitation as a member of the chosen profession." said Dr Gibson, Chairperson of the Judicial Committee.

Diversion following poor treatment

Charges were laid against a veterinarian but the Complaints Assessment Committee gave the veterinarian the opportunity to remedy the situation and, having done so, have the charges removed. In this case the veterinarian had taken responsibility for performing a caesarian section on a dog. Six puppies were removed before completing the caesarian. The dog was returned to its owner where it gave birth to four more pups.

The veterinarian acknowledged that the poor standard of care amounted to a breach of the Code of Professional Conduct. A sincere apology was provided to the owner, with payment of \$600.00 as well as a waiver of veterinary fees. The veterinarian spent two days seeing practice in a clinic with a registered specialist in surgery. A log of all surgical cases for two years is required, with review by the CAC of this log every six months. The Council's right to publish details of the case without identifying parties was acknowledged, and a contribution of 50% towards the cost of the CAC investigation was agreed to. The complainant was given general information about the outcome.

Ron Gibson
CHAIRPERSON
Veterinary Council

Professional Standards Committee

Committee:

Dr Julie Wagner, Chairperson

Dr Ron Gibson, Veterinary Council member

Dr Murray Gibb, New Zealand Veterinary Association

Gordon McIvor, Lay member (until 3 September 2006)

Dr Tony Zohrab, New Zealand Food Safety Authority

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.

Implementation of New Act

The Veterinarians Act 2005 gave the Council the power to prescribe the minimum standards for practising as a veterinarian, including standards relating to fitness to practise and to the maintenance, examination or improvement of the overall competence of a veterinarian to practise. During 2006 the Council undertook a consultation exercise with the profession, proposing minimum standards in both of the areas mentioned above. Discussion will progress in 2007. In the area of continuing professional development the Council has subsequently agreed on compulsory reporting of continuing professional development, rather than compulsory professional development itself. There is already a high (80%) compliance with the voluntary CPD recording and there is a reasonably high level of participation in CPD in the profession. The Council will however now require compulsory fitness to practise statements when veterinarians register or renew their practising certificates. There will also be consideration of a person's competency when a veterinarian has been out of practice (or area of practice) for more than five years.

Changes to the Code of Professional Conduct

During 2006 the following changes were made to the Code of Conduct.

- Early in the year the Code was updated in terms of references to the Veterinarians Act (minor changes such as date of Act, Secretary to Registrar)
- A minor change was made to 6.8 of the Code of Conduct, changing one word in the first paragraph from 'therapy' to 'medicine'. This followed discussions at the Professional Standards Committee with a representative of the Holistic

Veterinary Branch of the NZVA. The Committee, while satisfied with the intent and wording of section 6.8, agreed that, as the 'Discretionary Use Code' focuses only on medicines and not therapies, the use of the term 'therapy' in the context of 6.8 was incorrect, and it should be amended to the word 'medicine'. The Council agreed that this minor change did not require a specific round of consultation with the profession. The Committee noted that the inclusion within the Code of Conduct in 2005 of an additional paragraph in section 6.1 clarifying the requirements for consent mirrored the same requirements that are clarified in paragraph 2 of 6.8. In other words no matter which treatment option is recommended, the client should be able to make an informed decision.

- Two further minor changes to the Code were proposed and consulted on during 2006 and decisions were made in 2007. These were:
 - .. Deletion of the first paragraph of 7.2 of the Code so that it no longer states that the referral veterinarian should examine the patient in the presence of the original veterinarian.
 - .. Amendment of the last paragraph of section 5.9 by deleting the last sentence of paragraph 3 which currently states that the NZVA is the body most proper to comment on beneficial products. In reality this occurs infrequently.

Comment and Consultation

The Professional Standards Committee commented on one code developed under the ACVM Act, this was the AgriQuality Limited Code of Practice for the Use of Leptospirosis Vaccine.

The Committee also sought legal advice on use of terms such as 'dermatologist' by persons who did not have specialist veterinary registration. On the basis of the legal advice, the Committee advised the Council that where categories of specialist registration (such as dermatology, pathology) had been gazetted by the Council, members of the public could be led to believe that the person held specialist registration.

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

Julie Wagner
CHAIRPERSON
Professional Standards Committee

Registration Committee

Committee:

Professor Norm Williamson (Chairperson)	Dr Paul Wiseman
Dr Sandra Forsyth	Professor Dave West
Dr Tony Charleston (until February 2006)	Dr Christopher Mawson
Dr Katja Geschke (from April 2006)	

In 2006 Dave West was the Council's chief examiner for the New Zealand National Veterinary Examination (NZNVE) and representative on the Australasian Veterinary Boards Council (AVBC) Board of Examiners. Norm Williamson represented the VCNZ on the Veterinary Schools Accreditation Advisory Committee, and also 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 VCNZ 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.
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Limited Registration

The Council consulted on and gazetted four scopes of practice under limited registration (s13 of its Act). These were the Biosecurity Scope, Academic scope, Laboratory and Diagnostic Scope, and Scope for Particular Skills for a restricted period. These scopes allow people who would not normally be eligible for registration and whose skill set, qualifications and experience cannot be found in New Zealand, to be registered as veterinarians to practise (under conditions) in the specific (scoped) areas. The Council received three applications late in December 2006 and these are being considered in the 2007 year.

Specialist Registration

A veterinary specialist is a registered veterinarian with an exceptionally high level of skill that is well above that of a practitioner in the same discipline. A specialist must have undergone extensive advanced supervised training, culminating in the passing of a rigorous set of examinations. The speciality must be a branch of veterinary practice having sufficient depth and breadth to allow one to practise solely in that field.

A system for specialist registration has been established by the registering authorities in Australia and New Zealand under the provisions of their respective legislation, to ensure

that the public has access to advanced veterinary expertise. Under legislation in Australia and New Zealand, only registered specialists may claim specialist status.

Seven veterinarians received specialist registration during 2006:

Specialist	Category
Christopher O'Sullivan	Equine Surgery
Frederik Pauwels	Equine Surgery
Michael Coleman	Small Animal Medicine
Andrew Worth	Small Animal Surgery
Barbara Kirby	Small Animal Surgery
Mark Owen	Veterinary Radiology
Helen Milner	Small Animal Surgery

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 in New Zealand has the opportunity to gain registration. The Registration Committee has stewardship of this examination and Professor Dave West of Massey University was Chief Examiner. The Council 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. In particular Professor West is acknowledged in his last year as examiner. His superb organisation and commitment resulted in the smooth running of the examination. The Committee is fortunate that Sandra Forsyth will take on the Chief Examiner role.

During 2006 seven candidates attempted the Preliminary multiple choice examination held in March and September. Four candidates gained a pass, one gained a conditional pass and two failed. At the final examination held at Massey University in November all five applicants passed the examination, and one candidate passed the examination early in 2006.

The fee for the examination rose slightly in 2006 due to the addition of a further station in Clinical skills and knowledge – companion animal surgery, radiology and radiation safety. The Council is considering a more substantial rise in the examination fees in future, since its subsidisation of the direct cost of holding the examination has increased every year even when excluding overhead and administrative costs.

In August 2006 the Council defended in the District Court its decision to decline registration for an applicant, who had twice sat and failed the New Zealand National Veterinary Examination. The applicant's appeal was dismissed. Judge Thomas stated that the facts indicated "a lengthy and fair process where the appellant eventually failed to achieve the required standard despite [the applicant's] best endeavours." Whilst the Committee sympathises with the applicant, who has a strong desire to be a veterinarian in New Zealand, the Council must be consistent in the way it sets and applies standards of veterinary practice.

Registration Statistics

Number of veterinarians with practising status (June figures)

	2000	2001	2002	2003	2004	2005	2006
Practising	1712	1753	1833	1940	2047	2122	2171
Non-practising	253	330	370	401	369	347	320
Total	1965	2083	2203	2405	2416	2469	2491

New Registrations Jan-Dec 2006 (by country)

United Kingdom	51	Romania (& NZNVE)	2
New Zealand (Massey)*	36	Uganda (& ANVE)	2
Australia	18	Mexico (& NZNVE)	2
The Netherlands	11	Phillippines	2
Canada	10	Hungary (& NZNVE)	1
United States of America	10	India (& ECFVG)	1
Ireland (1 NZNVE)	2	South Africa	1

NZNVE: The New Zealand National Veterinary Examination

ECFVG: Educational Commission for Foreign Veterinary Graduates (USA examination/assessment process for foreign graduates)

ANVE: Australian National Veterinary Examination

New Registrations (Jan-December)

	2000	2001	2002	2003	2004	2005	2006
Massey	66	50	80	77	43	70	36
Other	116	138	110	111	96	123	112
Total	182	188	190	188	139	193	148

* Massey numbers were lower in 2006 because the wording of the new Act does not allow the Council to provide full registration to Massey students until they have graduated (in the following year). This will also affect the statistics for future years.

I thank all members of the Registration Committee for their contribution to the activities of the Committee throughout the year. Anthea Black, Executive Officer, Registration and Complaints provides a friendly and helping first contact for registering veterinarians and Julie Haggie, Registrar of the VCNZ who provides policy advice and administrative support to the Committee, are sincerely thanked.

Norm Williamson
CHAIRPERSON
Registration Committee

Competence Review Committee

Committee:

Dr Jim Edwards (Chairperson)
Patrick Poletti, veterinarian
Ian St George, lay advisor

Mrs Peg Loague (Layperson)
Greg Bartlett, veterinarian

The role of the Competence Review Committee is:

1. To oversee the competence assessment process
 2. To oversee the development of policy and procedure in the area of competence assessment.
 3. To advise the Council on matters of competency
 4. To make recommendations to the Council following competence assessments.
-

This Committee was established in February 2004. In the early part of 2006 the Competence Review Committee (CRC) formalised their policy and procedure, following the passing of the Veterinarians Act in late 2005. From July to October the Committee dealt with one referral from the Complaints Assessment Committee (CAC). This had been made following a complaint investigation by the CAC. The CAC recommended that areas for assessment should be anaesthetic protocols for at risk patients, renal failure and competence in anterior cruciate ligament surgical repair in cats.

In line with its new policy and procedure the CRC undertook an initial assessment of whether a competence assessment was required, so that it could recommend to the Council whether to require an assessment or not (only the Council has power under the Act to require such assessments). The CRC took into account submissions of the veterinarian and their counsel and came to the view that the concerns raised did not reach the threshold for a referral for a competence assessment. The Council agreed and a competency assessment did not take place.

In late August the Council ran a competence assessment seminar for members of the Competence Review Committee, the Complaints Assessment Committee and the Council and staff. Presentations were given by Dexter Bamberg (Professional Advisor for Dental Council of NZ), Gaeline Phipps (Council's legal assessor), Vicki Culling, Layperson for Medical Council and Dental Council assessments, and Ian St George, Medical Advisor with the Medical Council. The presenters offered their perspectives on competence assessment and the development and use of assessment tools. The attendees also discussed policy and procedures. It was a very useful seminar.

The Competence Review Committee also recognised that the policy and procedure for competence assessments needed amendment and the Council concurred. In future if the CAC recommends a competence assessment the Council will then require this to occur without an initial assessment process by the CRC.

Jim Edwards

CHAIRPERSON

Competence Review Committee

Health Committee

Committee:

Julie Wagner (Chairperson)
 Ron Gibson, Council Chairperson
 Tom Flewett, Psychiatrist

The role of the Health Committee is:

1. To manage the Council's relationship with veterinarians who have a health problem that may or does affect their fitness to practise.
 2. To make recommendations to the Council regarding health and fitness to practise of veterinarians, including recommendations on the Council invoking its powers under the Act.
 3. To oversee the development of health policy and procedure.
 4. To advise the Council on matters of the health of veterinarians
-

Dr. Tom Flewett, FRANZCP, FACHAM CADS. was appointed to the committee during the year. Dr Flewett is a Wellington based psychiatrist with experience in dealing with alcohol and drug addiction. His understanding of the complexities of inter-related illnesses and afflictions has been of immense benefit to the Committee.

The Committee was established in early 2006. The committee initially reviewed the way the Council had deal with a very difficult case that came to its attention early in 2004 and which was managed through 2004 and 2005. The purpose of the review was to improve knowledge within the Council about the signs and effects of drug and alcohol addiction.

During 2006 the Committee had oversight of one significant health case, after the Council was advised by a health professional that a veterinarian had self-administered Fentanyl (an opioid analgesic). The veterinarian's practising certificate was suspended and a medical assessment was sought. The veterinarian regained their practising certificate after agreeing to comply with a monitoring agreement and practice protocol that, among other things restricted the use and access to drugs in the clinic, required an ongoing treatment programme and drug testing, and which placed controls on alcohol intake. A local retired veterinarian acted as a mentor for the veterinarian who was in a sole practice. At the end of the year of this report the monitoring programme was continuing and a second medical assessment was to take place.

Overseeing serious health cases is very difficult and particularly so in the veterinary scene, where veterinarians with drug, alcohol and mental health problems can become professionally and socially isolated from their peers. In these situations they are less likely to have access to employer, collegial or professional support. They are also more vulnerable because their problems contribute to a reduction in their financial and other resources.

Julie Wagner
 CHAIRPERSON
 Health Committee

Finance and Administration Committee

Committee:

Jim Edwards, Chairperson

Dr John O'Flaherty

Dr Ron Gibson

As expected Council revenue was lower in 2006 than in previous years. The number of practising veterinarians was again greater than in the previous year (2304 at 31 December 2006 compared to 2242 at the same time in 2005). This was offset by the fact that more veterinarians took the opportunity to pay a reduced practising fee by early payment and there was a slight reduction in the number of overseas trained veterinarians registering. Fewer people than in previous years sat the New Zealand National Veterinary Examination. On the advice of the auditors, the Council made an adjustment in its revenue so that it did not include in the financial accounts an item of income (arising from a successful court case) which had not been retrieved during that year. Increased revenue areas were judicial payments and interest.

Expenses were higher than in the previous year, which was again anticipated and budgeted for. Areas of higher expenses were salaries, operating (largely related to the new Act, e.g. stationery and communications) and new Committee expenditure. Two new Committees (Health and Competence Review) had to be provided for. In addition, the Complaints Assessment Committee had greater expenditure, largely in the areas of travel and legal advice. Overall, the final profit was very close to that budgeted (within \$3,000).

For the 2007 year the Finance Committee has budgeted for a deficit of just under \$13,000, to reflect the increased activity of the Council, the anticipated flattening off of numbers practising and registering, and ongoing legal and judicial costs. The Council's reserves are sufficient in the interim and the Council is guided by a principle in its Act that places a limit on the reserves that the Council can carry.

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

Jim Edwards

CHAIRPERSON

Finance and Administration Committee

Statement of Financial Performance

for the year ended 31 December 2006

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

	2006	2005
INCOME		
Practising Fees	568,245	573,445
Application Fees	41,769	45,016
Letters of Good Standing	1,800	1,928
Examination Fees	19,555	28,711
Interest	68,520	59,626
Judicial	12,230	5,563
Complaints Assessment Committee	-13,480	15,338
Miscellaneous Income	3,624	3,793
TOTAL INCOME	702,263	733,420
EXPENSES		
Employment Expenses		
Salaries	210,862	182,453
ACC Levies	919	855
Carpark	-	-
Staff Appointment Costs	-	-
Sundry Personnel Costs	(46)	1,200
Payroll Costs	1,082	1,112
	212,817	185,620
Operating Expenses		
Accounting Fees	4,883	5,630
Audit Fees	4,220	4,063
Bank Fees	841	851
BNZ Merchant Fees	3,739	2,888
Westpac Merchant Fees	2,429	3,081
Cleaning	2,271	1,725
Computer Support	3,021	4,974
Depreciation	15,660	9,962
Equipment Rental	408	408
Insurance	1,366	1,312
Interest	-	158
Loss on Sale of Property, Plant & Equipment	-	715
Maintenance of Equipment	1,149	257
Memberships	838	1,210
Miscellaneous Costs	7,006	5,447
Photocopying	700	1,230
Postage	8,034	6,597
Property Rental	33,206	31,505
Publications	4,179	3,096

Statement of Financial Performance

for the year ended 31 December 2006

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

	2006	2005
Stationery	9,055	3,724
Telephone, Tolls & Internet	6,248	6,754
Website	2,523	1,852
Training	1,845	2,500
Utilities	3,350	2,992
	116,971	102,931
Total Operating Expenses	329,788	288,551
NZ Veterinary Exams		
Preliminary Exams	5,594	4,385
Final Oral/Clinical Exams	25,416	26,820
	31,010	31,205
AVBC Inc	49,688	45,105
	49,688	45,105
Council		
Honoraria	26,959	28,355
Travel	12,766	12,837
Accommodation & Meals	9,488	4,765
Telephone & tolls	322	707
Consultancy	-	699
Administration	27	-
Discretionary spending	3,833	1,000
Legal Costs	21,638	30,623
	75,033	78,986
Health Committee		
Honoraria	2,248	-
Travel	1,592	-
Accommodation & Meals	-	-
Telephone & tolls	98	-
Consultancy	300	-
Administration	111	-
	4,349	-
Complaints Assessment Committee		
Honoraria	39,404	26,756
Travel	11,364	4,725
Accommodation & Meals	1,026	388
Telephone & tolls	3,625	3,525
Administration	253	(111)
Legal Costs	17,569	9,411
Consultancy (Mediation)	3,975	3,992
	77,216	48,686

Statement of Financial Performance

for the year ended 31 December 2006

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

	2006	2005
Judicial Proceedings		
Honoraria	1,757	3,142
Travel	1,544	4,286
Accommodation & Meals	-	73
Telephone & tolls	1,225	14,032
Administration	119	302
Legal Costs	3,029	2,316
Consultancy	-	2,428
	7,674	26,579
Registration Committee		
Honoraria	3,753	3,861
Travel	427	808
Accommodation & Meals	286	808
Telephone & tolls	-	460
Administration	160	70
ACRVS fees (Spec Assess)	8,649	4,429
Administration (Specialists)	48	182
	13,323	10,618
Competence Review Committee		
Honoraria	2,139	-
Travel	213	-
Accommodation & Meals	71	-
Telephone & tolls	459	-
	2,882	-
Professional Standards Committee		
Honoraria	1,267	5,090
Travel	422	2,562
Accommodation & Meals	36	142
Telephone & tolls	609	434
	2,334	8,228
Communications		
Annual Report	2,000	2,000
Newsbrief	17,689	14,348
Prelude to Practice	676	1,208
Press Releases	-	1,238
Miscellaneous	11,290	3,112
	31,655	21,906
Annual Practising Certificate (APC)		
Postage	2,251	3,731
Printing Cards	3,993	7,070
APC Documentation	4,430	3,170
Payment Processing	-	599
APC Temporary Staff	2,792	1,648
	13,466	16,218

Statement of Financial Performance

for the year ended 31 December 2006

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

	2006	2005
Annual Register		
Annual register – Postage	3,718	3,606
Annual register – Production	15,950	15,050
	<hr/> 19,668	<hr/> 18,656
Secretariat/Stakeholder Liaison		
Miscellaneous	3,826	1,689
	<hr/> 3,826	<hr/> 1,689
TOTAL EXPENDITURE	<hr/> 661,911	<hr/> 596,427
NET OPERATING SURPLUS	<hr/> 40,352	<hr/> 136,993

Statement of Movements in Equity

For the year ended 31 December 2006

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

	2006	2005
Net Surplus for the year	40,352	136,993
	<hr/>	<hr/>
Total Recognised Revenues And Expenses for the Period	40,352	136,993
EQUITY AT THE START OF THE YEAR	750,689	613,696
	<hr/>	<hr/>
EQUITY AT THE END OF THE YEAR	<hr/> 791,041	<hr/> 750,689

Statement of Financial Position

As at 31 December 2006

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

	NOTE	2006	2005
EQUITY		791,041	750,689
Represented By:			
<u>CURRENT ASSETS</u>			
Bank		93,069	46,586
Receivables & Prepayments		37,434	48,063
Less: Provision for Credit notes	2	(13,000)	(14,500)
Deposits – On call and term	3	846,777	856,021
Interest Receivable		13,403	16,657
GST Receivable		3,737	4,687
		981,420	957,514
<u>Less CURRENT LIABILITIES</u>			
Accounts Payable & Accruals		89,754	99,099
Fees Received in Advance	1	144,845	147,521
PAYE		4,541	5,107
		239,140	251,727
WORKING CAPITAL SURPLUS		742,280	705,787
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	5	48,761	44,902
		48,761	44,902
<u>NET ASSETS</u>		791,041	750,689

Notes to the Financial Statements

For the year ended 31 December 2006

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 the financial reporting standards of the New Zealand Institute of Chartered Accountants.

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 Practising Fee

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 \$144,845 shown on page 28 represents three months fee income in advance that will be recognised in the months January to March 2007.

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 and Equipment

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 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.

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.

2 PROVISION FOR CREDIT NOTES

This represents a provision for 2006 Annual Practising 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 2007 Annual Practising Certificate fees.

3 DEPOSITS - ON CALL AND TERM

	2006	2005
Current portion		
ASB Term Deposits (Fixed Term)	614,657	638,491
BNZ Term Deposits (Fixed Term)	203,877	190,939
McQuarrie Investment On Call (Floating)	28,243	26,591
Total Deposits	846,777	856,021

4 PROPERTY, PLANT & EQUIPMENT & DEPRECIATION SCHEDULE

2006

	Original Cost	Additions/ Sales (Net)	Deprn	Accum Deprn	Book Value
Office Equipment	48,661	10,649	11,052	37,780	21,530
Furniture & Fittings	38,467	8,870	4,597	20,138	27,199
Reference Library	673	-	11	641	32
	87,801	19,519	15,660	58,559	48,761

2005

	Original Cost	Additions/ Sales (Net)	Deprn	Accum Deprn	Book Value
Office Equipment	34,426	14,235	6,093	26,729	21,932
Furniture & Fittings	38,467	-	3,855	15,541	22,926
Reference Library	673	-	14	629	44
	73,566	14,235	9,962	42,899	44,902

5 CONTINGENT ASSET

At balance date the Council was awarded court costs and fees from Judicial hearings totally \$16,366 which have not been incorporated within these financial statements. At balance date these funds had not been received.

6 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2006	2005
Capital expenditure commitments contracted for at balance date are	Nil	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:

	2006	2005
Current	34,605	31,164
Non-current	37,488	62,328
	<u>72,093</u>	<u>93,492</u>

The Council entered into a lease for new premises in January 2004. The term of this lease is five years from the commencement date. The lease commitment in 2006 (current) is \$34,605 and future years (non current) is \$37,488.



Audit Report

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

We have audited the financial statements on pages 24 to 31. 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 2006. This information is stated in accordance with the accounting policies set out on page 29.

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 2006 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 New Zealand Institute of Chartered Accountants. 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 24 to 31.
 - 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 2006 and the results of its operations for the year ended on that date.

Our audit was completed on 7 March 2007 and our unqualified opinion is expressed as at that date.

BDO SPICERS

Chartered Accountants

Wellington

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