NEW ZEALAND
MEDICAL ASSOCIATION INCORPORATED

ANNUAL REPORT
2008
CHAIRMAN’S REPORT

The 2008/09 year for the NZMA has been one of intense activity and consequent higher profile as the nation approached, and then experienced, a change in political philosophy and leadership. As Chairman, I have been well supported by our Board and our Chief Executive, Cameron McIver and his loyal team at 26 The Terrace. I would also make particular mention of my Deputy Chair, Paul Ockleford, who has ‘deputized’ for me on many occasions when I have either been absent overseas, or the increasing demands of the NZMA have required his presence.

In my second year as your Chair, I have endeavoured to impress on all that a commitment to professionalism, and all that entails, must be a foundation for all members of the medical fraternity. The NZMA has been able to demonstrate that it is the representative body that can deliver to its members (at all levels of the medical spectrum) and to our political and policy development allies at the Beehive and the various ministries that interact with health. There have been multiple areas of activity and issues that we have dealt with in the twelve months under review in this report.

Advocacy
The NZMA’s advocacy programme continued throughout the year. Our policy of keeping in close contact with members of the incumbent Opposition Party bore fruit when the National-led Government was elected and we found we already had close relationships with many in the new Cabinet line-up. The NZMA’s advocacy also covers the Ministry of Health, ACC, MSD, and other officials, as well as those from the non-government sector. In the lead up to the general election, the NZMA again challenged the political parties to answer a series of questions relating to medicine and health. All rose to the challenge, and these were promoted on our website. Early indications show the new Government’s real commitment to new partnerships with the health professionals who understand the needs of their patients. This change in approach can be expected to influence future interactions with all sectors that deal with government policy framework and funding. We are now hopeful of even greater progress in redeveloping a commitment from all within our health system to have less bureaucracy and greater clinical leadership and governance. The foundation of a modern health system that delivers quality outcomes to its population must be one that is clinically led – by professionals who actually work with patients.

Workforce
2008 may be recognized as the year in which workforce issues finally came to the fore, after many years of benign neglect, or being subjected to endless reports. The previous, and then current, Governments started taking a serious interest in the medical (and other health sector) workforce deficiencies, after finally realizing that the country would not be able to cope long term with training too few doctors, losing too many overseas, and struggling to fill the gaps with international graduates. With the scene having been set by the Workforce Taskforce, the RMO and SMO Commissions established during the year have some critical expectations ahead of them. The NZMA was very influential in encouraging the then Minister to focus the first “training board” on the needs of the medical workforce. We did this to ensure some specific actions were delivered rather than any further reports. In pushing for this focus, we have publicly acknowledged that there are equally concerning workforce issues across much of the rest of the health sector. The NZMA has called for the progressive doubling of the medical school intake. We were pleased that early in his tenure Minister Ryall announced that 200 more medical student places will be established. Subsequently, we have been reassured that the appropriate planning is occurring with the Universities and others that can implement this policy.
It is my fervent hope that the MTB, SMO, and RMO Commissions will deliver a transformed environment that will foster a commitment to excellence in training and education in our universities and DHBs. Encouragement and recognition of this should lead to better morale and retention that will in turn assist the service delivery needs of our DHBs.

**MCNZ**

One of the year's highlights came within days of Hon Tony Ryall’s appointment as Minister of Health after the General Election. Mr Ryall promised to reinstate direct elections to the Medical Council – a move which earned him the immediate gratitude of the medical profession which has been advocating for this for many years as part of professional self-regulation. Both as part of the Pan-Professional Medical Forum (PPMF), and in our own right, the NZMA has strongly campaigned for this acknowledgement of our professionalism.

**Auckland Council**

One of the most positive developments of the year has been the Auckland Council, set up to organize events in the Auckland region. A number of well-attended events have been held, culminating with the medical-political debate before the General Election. A panel of NZMA representatives squared off against politicians including Tony Ryall and David Cunliffe as significant health issues were debated at the Auckland medical School.

The Auckland Council has a simple structure that does not require endless meetings and record keeping. It is a functional grouping that is well supported from the national office. Due to the large membership in the Auckland area, this Council has important status, and reports directly to the Board. After the success of hosting several local events for the medical profession, we plan to extend these to other parts of New Zealand.

**International Affairs**

During the year I represented the NZMA at the WMA Conference in Seoul, the annual CMAAO meeting in Manila, the AMA Conference in Hobart, and the BMA Annual Representative Meeting in Edinburgh. I also visited the Kings Fund in London, which carries out research, policy analysis and development activities in UK health development.

New Zealand was fortunate to have three members selected for the prestigious World Medical Association leadership course at the renowned international business university INSEAD in Fontainebleau, south of Paris, in December. Professor Harvey White, and Drs Jonathan Fox and Cindy Towns were among the 32 participants who took part. This is an incredible opportunity that we expect to be able to continue to offer to our members.

**Code of Ethics**

After several years in the making, the revised NZMA Code of Ethics was finalized and approved by the NZMA Council. Late in the year it was sent to all doctors. The revision was an exhaustive process, with input from NZMA members, many other medical organisations, and the public. Sections have been added on prioritising care, industrial relations, and public health and the prevention of disease. We thank all those individuals and organisations who contributed, and particularly thank the Ethics Committee, chaired by Dr John Adams, for its sterling work. It was significant that the MCNZ recognized the importance of this code, and assisted with its eventual distribution.

**General Practice**

The NZMA GP CME Conference has grown hugely in recent years. Along with record numbers of GPs attending (475 – more than one tenth of the GP population), there were 150 practice nurses and more than 800 delegates in total, making it the premier opportunity to demonstrate the NZMA’s strong support for General Practice.
The Primary Health Care Strategy has led to improvements to General Practice and made it cheaper for patients to access a GP, but it is now time for developments in clinical services. If patients get moved out of hospitals into General Practice care, funding needs to follow them. The future delivery of healthcare is increasingly in the non hospital setting.

During the year many questions have been asked about who should represent General Practice. The NZMA’s GP Council provides a political voice for GPs and is an important part of the General Practice Leaders Forum. The GPLF gives us a united voice for General Practice when we need it, but still allows individual voices to have an impact.

**DHB Issues**
One major area of ongoing concern is that of having 21 DHBs in New Zealand, each providing different levels of service and access for patients (for example, access to scans and laboratory tests differs around the country. Some DHBs charge patients of private specialists, others do not). We need a health structure that delivers the same quality and level of care to all New Zealanders. We have been the most vocal in highlighting the limited capacity in New Zealand that makes 21 DHBs with 21 tiers of management, a plethora of systems and computers than cannot talk to each other, as well as 21 chairs and boards for a country with the population of Melbourne unjustified.

We have a system based on over managing, and too focussed on structure as opposed to function. The resources tied up in running the DHBs are enormous, and the whole situation is complicated by the lack of national policy frameworks governing service delivery. We look forward to improvements in this area, signalled by the National Government, but privately acknowledge that there are good reasons to carefully develop a more realistic structure of regional cooperation before reducing the actual number of DHBs.

**NZMA Profile**
I have been pleased to represent the NZMA, and the profession at many conferences and meetings ( eg: medico-legal, clinical governance, smoking cessation, HDC symposia, Privacy Commission). It has also been a privilege to meet with many doctors and medical groups during the year, and particularly valued being able to speak at meetings with non-general practitioner specialists such as the Orthopaedic Association, RANZCO and RACS.

The strong relationship with our student members and the support we provide to the NZMSA has continued over the last year. NZMA has provided management support to NZMSA, assisted their very successful and impressive annual conference, and continued to provide individual support with our well utilized leadership fund.

**Summary**
As we move into another year, I would hope that we all see the NZMA as even more relevant and important to the successful delivery of quality healthcare for our patients, and the professional satisfaction of our members.

It is my intention that the NZMA will deliver the opportunity for doctors from all levels of our profession to again interact (socially and professionally) at a local level. This will lift our morale and understanding of collegiality, and benefit DHB’s service delivery and our patients’ care.

Finally, as I come to the end of a two year term I am pleased to report that the New Zealand Medical Association is in good heart, both financially and politically. It has great contacts and relationships with “people that matter” in the health sector. It has, and is accomplishing a lot – even if much of that goes unnoticed as we head off poor policy and actions that would not benefit either our patients or members.
Thank you.

Peter Foley  
Chair

NZMA Board Members  
Paul Ockelford (Deputy Chairman)  
Sue Hayde  
Sandra Hicks  
Andrew Old  
Mark Peterson  
Robin Smart  
Andrew Tie  
Cameron McIver (Ex Officio)
CHIEF EXECUTIVE OFFICER’S REPORT

As has been mentioned elsewhere in this report, 2008 has been another busy and eventful year for the NZMA. My role as CEO was interrupted by unexpected illness in the middle of the year, but by year’s end I was back to full health and fitness.

In this report I would like to acknowledge the whole-hearted support I received from the Chair and Board, my staff and many members and colleagues during the period of my illness. Thank you all.

Policy and Advocacy
Once again we were heavily involved in both advocacy and the policy development process. As part of this, we made formal submissions, and developed NZMA position statements during the year. These are listed elsewhere in this report. Major policy issues which occupied a lot of our time included workforce, laboratory services, the fees review situation and the lead-up to the election.

Membership
During the year we saw significant improvements in membership levels in a number of membership categories. As in recent years, the board’s membership priorities were in the medical student and Doctors-In-Training categories, with many activities aimed at these groups.

Member Services
We continued to have a high level of use of our member advisory service, and finalised the Primary Healthcare MECA in which we represented a record number of practices.

Communications/Media
2008 saw the continuation and bedding-in of the NZMJ Digest, and our publications, both hard copy and online received increased support from advertisers, which goes some way towards meeting production costs. In the media we again maintained a high profile, with the NZMA being seen as the “first port of call” by many media on health issues.

Finance
As perusal of the accounts will show, the NZMA had a successful year, once again achieving an appropriate operating surplus while to continuing to achieve a high level of activity. We continue to achieve a satisfactory level on non-subscription income, thus reducing the burden on our members. Importantly, we were successful in retaining our charitable status following an application to the Charities Commission.

Support to External Organisations
We continue to provide secretariat support to the Royal Australasian College of Ophthalmologists, and support in a number of areas to the New Zealand Medical Students’ Association.

Staff
The year was a relatively stable one for staff, with the major exception being the departure (accompanying her husband) to Australia of Raewyn Whitehead, our Office Manager and my PA. However, we were able to welcome Alison Robertson into a revised PA role. I would like to recognise the efforts, support and loyalty of all the National Office staff. They do an excellent job for the membership.
NZMA House (26 the Terrace)
NZMA house is a major asset of the NZMA in terms of both value and location. We work hard to protect it as an asset, and during 2008 we undertook planning for a major re-roofing project to be carried out in the first half of 2009.

Cameron McIver
Chief Executive Officer

NZMA Mission Statement

The New Zealand Medical Association provides leadership of the medical profession and promotes:

- professional unity and values
- the health of New Zealanders

Roles of the NZMA

- To advocate on behalf of members and their patients
- To develop and maintain the profession’s Code of Ethics
- To provide support and services to our members
- To publish the New Zealand Medical Journal

NZMA OFFICE BEARERS

Board Chairman: Dr Peter Foley
Immediate Past Chairman: Dr Ross Boswell
President: Dr David Kerr
Deputy Chair: Dr Paul Ockelford
Board Members:
  - Dr Brandon Adams
  - Dr Sue Hayde
  - Dr Sandra Hicks
  - Dr Andrew Old
  - Dr Mark Peterson
  - Dr Robin Smart
  - Dr Andy Tie
  - Mr Cameron McIver (ex officio)

GP Council Chair: Dr Mark Peterson
Specialist Council Chair: Dr Andy Tie
DIT Council Chair: Dr Brandon Adams
Ethics Committee Chair: Dr John Adams
CEO: Mr Cameron McIver
NZMJ Editor: Professor Frank Frizelle
NZMA STAFF

Operations Manager: Anna Phipps
Policy Advisor: Lucille Curtis
Communications Manager: Shani Naylor
PA to CEO: Lianne Beckett/Alison Robertson
Marketing Co-ordinator: Sokmanea Foo
Membership and Database Administrator: Susan Page
Member Services Administrator: Debbie Papera
NZMJ Production Editor: Brennan Edwardes
NZMJ Administration Assistant: Sally Bagley/Wendy Edwardes

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GENERAL PRACTITIONER COUNCIL

The past year has been one of stability for the GP Council in terms of its membership, with elections due in the first half of 2009. The only change has been a change of representative of the Rural General Practice Network where David Wilson has replaced Tim Malloy.

One of the highlights for the year was the NZMA GP CME conference. The conference, held each year in Rotorua, attracts around 400 GPs, along with a good number of Practice Nurses, reflecting that General Practice is something that happens in teams. Because the conference hosts such a large number of GPs it has pulling power in terms of the number of exhibitors, and the willingness of politicians to attend. The conference continues to grow with its tried and true formula of good quality, clinically based CME, along with its excellent social programme and the dinner which is becoming a must. We expect this growth to continue for some time yet. The political session featured an election year debate between Associate Health Minister Hon Steve Chadwick and National’s health spokesperson Hon Tony Ryall.

The General Practice Leaders Forum has continued to evolve. In some sectors there has been a call for a single organisation for GP representation. The NZMA and most other GP groupings do not see this as a possibility given the variation in the make up of memberships of the other bodies. NZMA does, however, support a unified voice for General Practice where the issues span the wider General Practice sphere. As such we remain firmly supportive of the GPLF, seeing this as the appropriate body for
coordinating the views of the constituent organisations. The GPLF has well established links with the Ministry of Health and ACC, and meets regularly with the Director General and CEO of the respective organisations, and increasingly also with the politicians.

One of the successes for General Practice has been formal recognition on the Governance Group of the PHO Performance Programme. While NZMA is in general supportive of some incentives, we need to be assured that the targets are based on good clinical evidence and the outcome data is reliable. The governance group has been charged with ensuring this.

As in previous years there is considerable concern about the way the Fees Review process has been influencing General Practice. The number of practices actually being referred to fees review is now less than before, though the outcome of those taking place remains favourable for General Practice. It seems, however, that the threat of the process is pressuring practices to look at what level of fee increase will be accepted, rather than a proper review of a realistic income once practice expenses are taken into account.

This situation has been exacerbated by the use of FFT (future funding track) in respect of the capitated subsidy. FFT is less than CPI and there are some moves to litigate the PHO/DHB contract as it states that the value of capitation will be maintained. NZMA has taken the position that this is more of a political issue and is more likely to be resolved at a political level rather than through a contractual process. We have an agreed position with IPAC, and have raised the issue with the Minister of Health.

Other issues that the GPC has been considering through the year are:

Insurance companies requesting patient notes – following an approach from the NZMA the Privacy Commissioner has considered the process of insurance companies obtaining patient notes. After a series of meetings with the NZMA and the insurance companies, the Privacy Commissioner has produced a recommendation that insurance companies must have sufficient reason to request copies of notes, and that further consent be requested in these situations.

After-hours – this remains a contentious issue for General Practice, especially in rural areas. While the Government has provided a small amount of extra funding for both rural and urban areas, there is little agreement in the sector as to how this should be best used. While some consultation has taken place in the rural sector there has been little evidence of this by DHBs otherwise.

Maternity – the NZMA continues to call for the integration of primary maternity services to the PHO sector. We believe this will enhance continuity of care by promoting more teamwork amongst maternity professionals. At this stage there seems to be little response from the Ministry or from Government despite having now received the Maternity Action Plan.

While it seems that many of the areas that the GPC is active in do not change much from year to year, the continuing advocacy that is done does have an effect in altering policy. The NZMA continues to be a strong voice in the representation of GPs and General Practice and our views are heard and respected.

Mark Peterson
Chair

GP Council Members
Michael Hogan (Deputy Chair)
Tim Baily Gibson
Peter Chapman-Smith
Branko Sijnja
SPECIALIST COUNCIL

Specialist Representation
Representation of specialists on the Council has benefited from the attendance at meetings of representatives of the RACS, RANZCOG, and the New Zealand Society of Anaesthetists, in addition to the elected and co-opted members. Attendance at Council meetings has generally been good.

Medical Council and Regulation
The recent decision to directly elect members of the Medical Council from the profession is very welcome and timely. Review of the HPCA Act affords an opportunity to address the basis for this. Although regulations are being drafted to achieve this, statute would be preferable as previously in the Medical Practitioners Act. The NZMA is continuing to advocate for this.

Specialist Council members have provided comments and advice on a range of matters including supervision/oversight of other doctors, periodic practice assessment visits, telemedicine, registration of overseas trained specialists, credentialing and professional development.

District Health Board Activities
One of the major clinical issues continues to be pathology services and their provision. The lack of political guidance and policy making continues to challenge the sector. Charging of patients for specialist testing remains a decision for individual DHBs. The elimination of competition in DHB regions is likely to have significant effects in future negotiations over pathology services. Private specialists are particularly concerned at the unfairness of access by “postcode”. Planned re-organisation of the National Cervical Screening programme has been deferred because of the contract dispute in pathology in Auckland. The NZMA is continuing to advocate on this issue, which has the potential to be extremely disruptive for both patients in Auckland and the pathology workforce.

Human Tissue Legislation
The Human Tissue Act and the Health and Disability Commissioner Act still contain provisions which are problematic for medicine, particularly for pathology and for organ and tissue transplantation. By making consent the major purpose and issue in the legislation, some unfortunate messages are given to the public, including the creation of de facto property rights, and rights of other parties to override the expressed wishes of potential organ and tissue donors regarding the use or disposal of their tissue. There is a lack of practical guidance directed at resolving disputes over possession of a body.

I thank the Specialist Council Members for their advice and input during the year.

Andrew Tie
Chair

Specialist Council Members

Kim Broome
DOCTORS-IN-TRAINING COUNCIL

Introduction
The Doctors-In-Training Council (DiTC) is a standing committee of the NZMA and operates under the delegated authority of the Board. The DiTC consists of seven elected members, the President of the New Zealand Medical Students’ Association (NZMSA), and the Chair and CEO of the NZMA (Ex-Officio).

Summary of Business
2008 was a year of significant activity for the DiTC with workforce and training issues at the forefront. Internally, the Council has been expanded to seven elected members and we have moved to a cycle of elections that should better preserve institutional knowledge within the Council.

On the workforce front, 2008 saw the New Zealand Resident Doctors’ Association MECA renegotiated with two strikes held prior to eventual resolution. In the heat of industrial negotiation an RMO Commission was generated to look at the nature of work undertaken by RMOs. While the DiTC is not engaged in industrial negotiations we have contributed to the NZMA submissions to the RMO Commission regarding policy level workforce issues. We have advocated strongly for policies that lead to retention of our RMOs and which support our training programmes and those Senior Medical Officers who train us.

In addition, the Medical Training Board (MTB) released its first reports. These are challenging documents and raise the possibility of marked changes in how we train our future consultants. Remarkably, after more than a dozen health sector reports, the MTB made the bold and laudable statement that we need to train at least 100 more medical students a year – and was responded to immediately by our previous and current Governments. The NZMA has long advocated on the need to increase medical student numbers. We we look forward to the increase and move towards self sufficiency for medical graduates. The DiTC contributed to the NZMA submissions to the MTB and has met with members of the MTB on three occasions.

During the course of the year our Chair, Dr Andrew Old, sat successfully for his fellowship examinations and became ineligible to continue as a member of the DiTC. Deputy Chair Dr Brandon Adams took up the role of acting Chair until the first meeting of our newly elected Council. In addition, Dr Derek Buchanan ended his time on the Council. The NZMA Board approved a change to the DiTC structure, expanding our membership to 7 elected members. On holding elections, four new members were added to the Council and we welcome Drs Gale, Poynter, Withers and Foo. At the first meeting of the new Council Dr Adams was elected Chair and Dr Foo was elected Deputy Chair. We currently have our best geographical spread of representatives from Dunedin to Auckland.

Also of note during the year, long-standing member Dr Cindy Towns was appointed to the RMO Commission, and was later selected by the World Medical Association as one of only 30 participants world-wide to attend the Leadership Course at the prestigious International Business University INSEAD in Fontainebleau, south of Paris.

As part of our ongoing commitment to our medical student members the NZMA Summer Studentship was offered again and was stiffly competed for. In addition, the DiTC continued its support role of promoting the ACE scheme for first year job selection. Unfortunately in 2008 there were a number of problems with the running of ACE and a
small number of allocations were affected. This was a very difficult time for all involved and the DiTC provided advocacy to support the NZMSA and the Trainee Interns affected. We will continue to be involved with ACE information evenings and advocate on behalf of our medical student members.

We continue to enjoy a warm relationship with our Australian colleagues at the Australian Medical Association, in particular the AMA Council of Doctors in Training. There are remarkable similarities in how the New Zealand and Australian governments work to regulate and change medical practice and training and we learn valuable lessons from each visit. Of particular significance was the release of the AMA Junior Doctors’ Health Survey which has implications for New Zealand DiTs.

November 2008 saw the Second Annual NZMA Trainee Forum where NZMA hosted trainee representatives from Medical Colleges. The format of the forum was changed significantly from the previous year with most of the time spent as open forum with invited guests from the Medical Training Board and the RMO Commission. This change in format was well received by attendees.

**Programme for 2009**

In addition to continuing to contribute a doctor in training perspective to policy issues as they arise; the DiTC will consider the implications for New Zealand doctors in training, of the recent AMA Junior Doctors’ Health Survey. We will be reviewing the DiTC section of the NZMA website to improve its utility to RMOs. And we look forward to our third Annual Trainee Forum in September. We will also be looking to our RMO members for nominations to the Council in mid 2009 with three positions up for election.

I would like to thank the NZMA staff for their support of the DiTC and its work. I would also like to single out Dr Andrew Old, outgoing Chair for congratulations on passing his fellowship examinations and thank him for his great contributions to doctors in training and the DiTC in particular.

**Brandon Adams**

*Chair*

**Doctors-in-Training Council**

Dr Brandon Adams, (Chair)
Dr Jonathan Foo
Dr Cindy Towns
Dr Dylan Mordaunt
Dr Maria Poynter
Dr Peter Foley (Ex Officio)
Mr Cameron McIver (Ex Officio)
Another year has passed and another 20 issues of the NZMJ and six issues of the NZMJ Digest have been published. A summary of what we published in the NZMJ is provided in the table below. The Digest has been well received and appears to be financially viable at the present time, while the Journal itself is widely reported and appears to be not only attracting a large number of articles but is also increasingly reported in National Radio and print media.

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As well as these items, the Journal includes Methuselah (abstracts from other journals), 100 Years Ago in the NZMJ, obituaries (36 in 2008), medical images, medicolegal disciplinary notices, book reviews, errata, notices (mostly applications for academic awards/scholarships or notifications of recipients), and even medical history articles. During the year the case reports and medical images were combined into a clinical correspondence section as is typical now for many journals.

The Editorial Board remains as Jennie Connor, Richard Beasley, Roger Mulder, Tim Buckenham, Jim Reid, and myself. The production staff also remains unchanged with Brennan Edwardes (Production Editor), Sally Bagley (part-time Administrative Assistant), and Wendy Edwardes (part-time Administrative Assistant). The main staffing issue at present is that we need to get someone to take over coordinating the obituaries, as the retirement of Roy Holmes from this role has left a vacuum which we don't appear to be able to fill apart from excellent assistance by Bill Brabazon from time to time on Auckland area obituaries. We have advertised for help in other regions.

I represented the Journal at the International Committee of Medical Journal Editors (Vancouver Group) meeting in the US. The Uniform Requirements for Manuscripts Submitted to Biomedical Journals were updated (the update can be found at: http://www.icmje.org). The Vancouver Group is an exclusive group of only 12 journals and it's a very prestigious group for the NZMJ to be part of. This is also an excellent forum to gain information and advice about developments in journals and develop contacts for
advice when needed. In 2009 the meeting is to be held in London and I'll also take the opportunity to visit the Lancet and BMJ while there.

The Journal had a brief period of conflict (this appears to happen annually) with an article that we published. This year the controversy was following an article about who can/should use the title ‘doctor’, and the accompanying editorial upset the Chiropractors Association which subsequently threatened to sue me, the authors, and the NZMA (as owner of the NZMJ). The discussion about these two papers and one the previous year (a viewpoint on Janet Frame which proposed she was autistic) both got turned away from the point the authors were making in their article to “why did we [NZMJ] publish?” I have been told from other editors that that is what usually happens when articles cause controversy and has at times led to major issues in regard to the editors and the journal owners.

The Journal has experienced steady growth with the development of the NZMJ Digest as well as another high number of submissions this year (more than 500). With present resources we are at the limit of what we can deliver and any further expansion would require a reassessment of resources and workload.

The challenges for 2009 relate to increasing the relevance of what we publish to the New Zealand health care system and trying to stimulate debate about aspects of care. We also need to continue to evolve the Journal itself in regard to what we publish (contents) and how we present it to the readers.

Overall the NZMJ and NZMJ Digest appear to be delivering what I think the NZMA wants and provide an excellent outlet for New Zealand-focused research and medical debate.

Frank Frizelle
Editor

NZMA Ethics Committee

The membership of the Ethics Committee has remained consistent during 2008. Dr Tricia Briscoe, Dr Brian Linehan and Professor Grant Gillett have continued a high level of expert input into the Committee’s deliberations.

The major output from the Ethics Committee in 2008 was the completion of the redrafting of the NZMA Code of Ethics, which was presented to the Council in May and published in final form to the medical profession in New Zealand towards the end of the year.

The hard copies of the Code look excellent, and are in evidence in the hands of the profession including students. I would like to take this opportunity to thank the Ethics Committee members for their professional attention to the Code and also to thank the NZMA National Office staff, particularly Lucille Curtis and Shani Naylor, for their indispensable help and assistance.

The Ethics Committee was called on to help construct an NZMA submission to the National Ethics Advisory Committee (NEAC) document on the Ethics of Intervention Studies.

The Ethics Committee’s opinion was that this was a good document. The only concerns passed back in the submission were around the strength of provisions to protect
vulnerable patient groups, particularly children and the intellectually disabled, by making sure that information is supplied in an appropriate form.

There was extensive consideration of further drafts from the World Medical Association of the Declaration of Helsinki. Comment was returned to the WMA on wording in this important document, which is referred to often when the ethics of research are being considered. We reminded NEAC that this revision was underway.

Some discussion was generated from within the NZMA committees about treatment at the end of life, and in particular when and how ‘Not for Resuscitation’ orders were applied. The Committee’s contribution to this discussion lent heavily on concepts of informed consent, highlighting the need for discussion with the patient and family.

In the debate around the application to government for permission to transplant pig cells into humans, the committee reaffirmed its previous stance on xenotransplantation, acknowledging that the issues were around the safety of the general population versus the potential good to individuals.

During the year the committee was also concerned by the Bioethics Council’s statements on pre-implantation gender testing, in its document ‘Who gets Born?’ The Committee expressed a strong view to the Board that there were dangers in the Council’s position in relation to sexual discrimination and pointed out the WMA’s stance on the issue. The Board produced the following position statement that was accepted by the Committee: “The NZMA does not support the use of pre-implantation genetic testing for the purpose for determining sex if there is no medical reason for this.”

We look forward to another interesting year as a Committee.

**Dr John Adams**  
*Chair*

**Ethics Committee members**

Brian Linehan  
Tricia Briscoe  
Grant Gillett  
Dr Ross Boswell (Ex Officio)  
Cameron McLver (Ex Officio)
SUBMISSIONS

Submissions made by National Office during 2008. (Note, the list is not exhaustive as it does not include brief submissions or commentaries).

Auckland DHBs
Proposal to Establish a Regional RMO Employer in Auckland Region

Charities Commission
Application/submission for re-registration as having charitable status

Communio
Policy for Management of Healthcare Incidents

DHBNZ
Services for Termination of Pregnancy

Feedback Requested on the Revisions and Recommendations in the Terminations of Pregnancy Discussion Paper

Health and Disability Commissioner
HDC Naming Policy

Health and Disability Commissioner
Review of the Health and Disability Commissioner Act and Code

Health Select Committee
Public Health Bill

MCNZ
Consultation on Medical Registration and Recertification Requirements for Doctors Working in Non Clinical Practice Registered in a Vocational Scope

Consultation on Telepathology and Teleradiology across International Boundaries

Ministry of Health
Review of Tobacco Displays in New Zealand

Nurse Practitioner Prescribing – technical amendment

Section 88 Proposed Contract Changes

From Care Plus Programme to Care Plus Fund

Review of the Health Practitioners Competence Assurance Act 2003

National Alcohol Action Plan

Director-General of Health Sponsored RMO Workforce Commission

National Party
National Party Health Care Policy

Northern DHB Support Agency
Community Laboratory Services Auckland Region Consultation
National Ethics Advisory Committee
Ethics of Intervention Studies – Discussion Document and Draft Ethical Guidelines

New Zealand Institute of Rural Health
Moving Forward in Rural Health

Pharmac
Consultation: Proposal to Amend Restrictions on Nervous System Pharmaceuticals

Submission on PTAC Guidelines

Pharmacy Council
Statement on Raising Concerns with Providers

SMO Commission
SMO Commission Consult

Lucille Curtis
Policy Advisor

NZMA AFFILIATES 2008

Accident and Medical Practitioners Association
Association of Catholic Doctors
NZ Association of Pathology Practices
Australasian College for Emergency Medicine
Australasian Faculty of Public Health Medicine
Australian and New Zealand Association of Urological Surgeons
Australian and New Zealand College of Anaesthetists
Aviation Medical Society of Australia and New Zealand
Cardiac Society of Australia and New Zealand
Doctors for Sexual Abuse Care
Institute of Australasian Psychiatrists
Medical Acupuncture Society of New Zealand
New Zealand Association of Musculoskeletal Medicine
New Zealand College of Appearance Medicine
New Zealand Dermatological Society
New Zealand Doctors for Life
New Zealand Family Planning Association
New Zealand Orthopaedic Association
New Zealand Pain Society
New Zealand Rheumatology Association
New Zealand Society of Anaesthetists
New Zealand Society of Gastroenterology
New Zealand Society of Otolaryngology/Head and Neck Surgery
New Zealand Venereological Society
Pasifika Medical Association
Royal Australasian College of Physicians
Royal Australasian College of Surgeons
Royal Australian and New Zealand College of Obstetricians and Gynaecologists
Royal Australian and New Zealand College of Psychiatrists
Royal Australian and New Zealand College of Radiologists
Royal Australian and New Zealand College of Ophthalmologists
Royal College of Pathologists of Australasia
Royal New Zealand College of General Practitioners
Rural General Practice Network
Sports Medicine New Zealand
OBITUARIES

We record with regret the deaths of the following members of the NZMA

Dr Noel Richard Godfrey BADHAM
Dr Anne Elizabeth BROWN
Dr Peter Henry CALDWELL
Dr David Simpson COLE
Dr John William CORBOY
Dr Philip Gladstone DOWNEY
Dr Ross Alexander FAIRGRAY
Dr Brian Wilfrid FISHER
Dr Ashton John FITCHETT
Dr Jennifer Margaret FRANCIS
Dr Deryck Joseph Austin GALLAGHER
Dr John Murray HASTINGS
Dr Geoffrey Howard HERD
Dr Herbert John Hall HIDDLESTONE
Dr Harry Maitland KARN
Dr Margaret Sinclair LAMONT
Dr George Ian LOUISSON
Dr Robert Gair MACDONALD
Dr Ernest David Lindsay MARSDEN
Dr Keith Leslie PARK
Dr Ralph George PARK
Dr John Kenneth PATerson
Dr Gordon Augustus Ramsay PERERA
Dr David Duncan POTTINGER
Dr Charles Plummer POWLES
Dr John Anthony REYNOLDS
Dr Keith Richards SIMCOCK
Dr Margaret Stuart SMITH
Dr James Calvert U'Ren TAIT
Dr Peter VAN PRAAGH
Dr Carl Shiley WILLIS

NZMA MEMBER SERVICES AND BENEFITS

Advisory Service
One of the biggest tasks for the NZMA Advisory Service in 2008 was the re-negotiation of the Primary Health Care Multi Employer Collective Agreement (PHC MECA). The NZMA represented 600 employer parties (predominantly GP practices) in these negotiations with the New Zealand Nurses Organisation. The PHC MECA sets pay rates, terms and conditions for practice nurses, other registered nurses working in primary care, midwives, enrolled nurses, medical receptionists and administration staff. The PHC MECA runs from 1 July 2008 and expires 31 August 2010.

As well as the work done on these industrial negotiations, the NZMA Advisory Service continued to assist members seeking advice on a variety of issues. Again, the main focus of these inquiries was employment relationship issues and queries relating to the PHC MECA.

More information on the NZMA Advisory Service and copies of our publications are available in the members only section of the NZMA website.
Financial Benefits
In 2008 NZMA entered into new partnerships with the Noel Leeming Group, Air NZ Koru Club and Petals Florist. We also developed enhanced benefits for members through American Express and the NZMA Wine Club.

The following is a list of current NZMA financial membership benefits:

- **Noel Leeming**
  Exclusive prices for members on everything in store, at Noel Leeming and Bond & Bond stores.

- **Air New Zealand Koru Club**
  Save up to $185 for Koru Club individual membership.

- **Petals Online Flower Ordering**
  Members receive 10% discount on the flower value and 8% discount on the product value for all gift orders through Petals online florist.

- **NZMA Wine Club**
  Discounts on selected quality NZ and imported wines through the NZMA online Wine Club.

- **American Express – Merchant Rate**
  Preferential Merchant Rate of 1.99% to NZMA members who hold personal or business American Express cards.

- **Movieshack Online DVD Rental Service**
  Offers first month free, and 10% off Standard Plan subscription rates through Movieshack.

- **Westpac Banking Package**
  Competitive member rates on merchant credit card processing rates, eftpos terminals and day-to-day banking through Westpac.

- **OfficeMax Stationery Discounts**

- **NRC Debt Collecting Package**
  Offers a competitive rate per debtor and easy online access service with National Revenue Corporation.

- **Wilkinson Legal Expenses Insurance**

- **Tyres**

- **Telecom**

- **ACP Magazines Discount**
  Offers an exclusive discount rate to NZMA members for a selection of consumer and trade magazines. NZMA members can receive up to 40% discount on the normal retail subscription rates.

- **M2 Magazine Discount**
  Offers an exclusive discount rate to NZMA members for the men’s lifestyle magazine M2. NZMA members receive 35% discount on the normal annual subscription.

- **Southern Cross Health Insurance**
  Special premium rates for quality medical insurance with Southern Cross.
• **MSIG Pre-Employment Screening and Theft Investigation**
  Discounted comprehensive pre-employment screening and theft investigation service through Morley Security and Investigation Group (MSIG).

• **American Express - Credit Cards**
  Competitive interest rates and additional benefits offered on the NZMA Gold, Platinum and Business Cards
  
  *this service is available to all doctors, including non-members.

The NZMA is committed to continuous improvement and we regularly develop services and advice packages that will benefit our members and add value to your membership with us.

**Acknowledgement**
The NZMA acknowledges the valued contribution of its Corporate Partners:

*Medical Assurance Society*
*American Express*
*Westpac Banking Corporation*
*Wilkinson Insurance Brokers*
*National Revenue Corporation*

Other organisations whose support also assists us in providing enhanced services to our members:

*ACP Media*
*Air New Zealand Koru Club*
*M2 Magazine*
*Morley Security and Investigation Group*
*Movieshack*
*Noel Leeming Group*
*OfficeMax*
*Petals*
*South Pacific Tyres*
*Southern Cross Healthcare*
*Telecom New Zealand*
*Primo Vino*

**A Message to NZMA Members**

Please share this Annual Report with any colleague who is not yet a member of the NZMA.

**A Message to Non-Members**

The NZMA fosters unity within the profession. Only the NZMA, with membership extending from students to retired doctors, can represent medical practitioners in a pan-professional way.

The NZMA’s ability to influence issues at a political level is strongest when we have a high level of membership.

You owe it to yourself and your profession to belong. By joining the NZMA, you are heard and supported, and you help enhance the collective strength of the profession.

Acknowledge the success and commitment of the NZMA and its focus on members. Contact us now for a membership application form.
AUDIT REPORT

To the members of the New Zealand Medical Association Incorporated

We have audited the attached financial report. The financial report provides information about the past financial performance and financial position of the Association as at 30 September 2008. This information is stated in accordance with the accounting policies as attached.

MANAGEMENT'S RESPONSIBILITIES

Management are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Association as at 30 September 2008, and of the results of operations for the year ended 30 September 2008.

AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by management 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 report. It also includes assessing:

- the significant estimates and judgements made by management in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary 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 report.

Other than in our capacity as auditors, we have no relationship with, or other interests in, the New Zealand Medical Association Incorporated.
UNQUALIFIED OPINION

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

In our opinion:

- proper accounting records have been kept by the New Zealand Medical Association Incorporated as far as appears from our examination of those records; and
- the attached financial report:
  - complies with generally accepted accounting practice in New Zealand;
  - gives a true and fair view of the financial position of New Zealand Medical Association Incorporated as at 30 September 2008, and the results of their operations for the year ended on that date.

Our audit was completed on 13 March 2009 and our unqualified opinion is expressed as at that date.

BDO SPICERS WELLINGTON
Chartered Accountants
WELLINGTON
### NEW ZEALAND MEDICAL ASSOCIATION INCORPORATED
### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2008

#### ASSETS

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash on Hand</td>
<td>260</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td>Cash at Bank</td>
<td>27,438</td>
<td>9,541</td>
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<tr>
<td></td>
<td>GST Receivable</td>
<td>3,513</td>
<td>16,032</td>
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<tr>
<td></td>
<td>Accounts Receivable</td>
<td>51,965</td>
<td>76,383</td>
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<tr>
<td></td>
<td>Prepayments</td>
<td>4,780</td>
<td>16,909</td>
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<tr>
<td></td>
<td>J.O. Wren - Cash Account</td>
<td>205,280</td>
<td>51,405</td>
</tr>
<tr>
<td></td>
<td>ANZ Call Account</td>
<td>-</td>
<td>-43,908</td>
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<tr>
<td></td>
<td>Westpac On Call Account</td>
<td>1,050,703</td>
<td>1,157,091</td>
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<tr>
<td></td>
<td><strong>Total Current Assets</strong></td>
<td>1,345,050</td>
<td>1,623,078</td>
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<tr>
<td></td>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial Shares</td>
<td>1,038,994</td>
<td>737,909</td>
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<tr>
<td></td>
<td>ANZ Bank Fixed Deposit</td>
<td>1,013,181</td>
<td>555,418</td>
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<tr>
<td></td>
<td><strong>Total Investments</strong></td>
<td>2,052,172</td>
<td>1,393,327</td>
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<tr>
<td></td>
<td><strong>Fixed Assets</strong></td>
<td>1,171,819</td>
<td>1,149,055</td>
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<tr>
<td></td>
<td>Less Accumulated Depreciation</td>
<td>562,033</td>
<td>537,404</td>
</tr>
<tr>
<td></td>
<td><strong>Total Fixed Assets</strong></td>
<td>609,786</td>
<td>611,651</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL ASSETS</strong></td>
<td>3,260,916</td>
<td>3,143,657</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>sundry creditors</td>
<td>175,240</td>
<td>92,851</td>
</tr>
<tr>
<td></td>
<td>matins in advance</td>
<td>61,822</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>provision for holiday pay</td>
<td>41,151</td>
<td>37,361</td>
</tr>
<tr>
<td></td>
<td><strong>Total Current Liabilities</strong></td>
<td>278,213</td>
<td>130,212</td>
</tr>
<tr>
<td></td>
<td><strong>Special Funds &amp; Trusts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>J&amp;F Jamieson/GP Society Trust</td>
<td>7,425</td>
<td>7,425</td>
</tr>
<tr>
<td></td>
<td>Reclining Maintenance Fund</td>
<td>20,500</td>
<td>17,000</td>
</tr>
<tr>
<td></td>
<td>Memorial Oration Fund</td>
<td>18,004</td>
<td>15,004</td>
</tr>
<tr>
<td></td>
<td>Guest Speaker Fund</td>
<td>20,000</td>
<td>23,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total Special Funds &amp; Trusts</strong></td>
<td>71,939</td>
<td>63,433</td>
</tr>
<tr>
<td></td>
<td><strong>Accumulated Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity at 30th September 2008</td>
<td>2,450,626</td>
<td>2,374,307</td>
</tr>
<tr>
<td></td>
<td>Building Replacement Fund</td>
<td>578,445</td>
<td>578,384</td>
</tr>
<tr>
<td></td>
<td><strong>Total Liabilities &amp; Funds</strong></td>
<td>3,029,071</td>
<td>2,952,691</td>
</tr>
</tbody>
</table>

Chairman 

Date 13/03/09

The accompanying notes form part of and should be read in conjunction with this Statement of Financial Position.
New Zealand Medical Association Incorporated
Statement of Financial Performance
For The Year Ended 30 September 2008

<table>
<thead>
<tr>
<th>Notes</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,044,989</td>
<td>1,017,401</td>
</tr>
<tr>
<td>Credit Card Commission</td>
<td>81,857</td>
<td>74,103</td>
</tr>
<tr>
<td>Dividends Received</td>
<td>2,243</td>
<td>3,327</td>
</tr>
<tr>
<td>Interest Received</td>
<td>225,284</td>
<td>185,151</td>
</tr>
<tr>
<td>LUMIE's Insurance Commission</td>
<td>3,284</td>
<td>3,512</td>
</tr>
<tr>
<td>RANZCOO</td>
<td>4,313</td>
<td>2,946</td>
</tr>
<tr>
<td>MAS Information / Research</td>
<td>50,400</td>
<td>50,406</td>
</tr>
<tr>
<td>MIFS Administration Fee</td>
<td>-</td>
<td>10,105</td>
</tr>
<tr>
<td>NRCA Negotiation Income</td>
<td>52,692</td>
<td>11,645</td>
</tr>
<tr>
<td>Profit on Portfolio Transactions</td>
<td>7,642</td>
<td>24,017</td>
</tr>
<tr>
<td>Rent Received</td>
<td>36,817</td>
<td>34,544</td>
</tr>
<tr>
<td>Conference Matters</td>
<td>43,900</td>
<td>12,000</td>
</tr>
<tr>
<td>Sunbury Income</td>
<td>11,726</td>
<td>13,505</td>
</tr>
<tr>
<td>Telecom Partnership Income</td>
<td>-</td>
<td>21,000</td>
</tr>
<tr>
<td>National Revenue Income</td>
<td>600</td>
<td>650</td>
</tr>
<tr>
<td>Total Income</td>
<td>1,576,457</td>
<td>1,465,560</td>
</tr>
</tbody>
</table>

| Expenditure | | |
| Administration & Personnel | 862,486 | 723,169 |
| Audit Fee | 6,700 | 6,800 |
| Board & Chairman Support | 54,023 | 67,339 |
| Building Maintenance & Services | 70,836 | 50,063 |
| Computer, Website Expenses | 40,134 | 33,527 |
| Council Support | 22,767 | 14,817 |
| Depreciation | 45,278 | 74,866 |
| Divisional Support | 5,887 | 11,270 |
| Fees paid to Council/Board Members | 188,076 | 149,833 |
| Loss on Disposal of Assets | 2,053 | 855 |
| Membership, Marketing & Communication | 26,082 | 48,153 |
| NZ Medical Journal & NZ Digest(Net) | 67,568 | 70,927 |
| Professional Relations, Advocacy & Policy | 52,453 | 26,031 |
| International Relations | 34,609 | 27,811 |
| Medical Student Support | 4,882 | 3,561 |
| General Practitioner Council | 32,268 | 37,647 |
| MIFCA Negotiation Expenses | 15,381 | 11,451 |
| Specialists Council | 6,830 | 2,897 |
| Doctors in Training | 11,165 | 15,431 |
| Ethics Committee | 3,979 | 1,038 |
| Maternity Services | 359 | 2,031 |
| GPHF Support | 1,516 | 1,767 |
| RANZCOO Expenses | - | 153 |
| Total Expenditure | 1,363,864 | 1,421,184 |

Surplus Income over Expenditure | 182,593 | 44,376 |

The accompanying notes form part of and should be read in conjunction with this Statement of Financial Performance.
NEW ZEALAND MEDICAL ASSOCIATION INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. STATEMENT OF ACCOUNTING POLICIES

Nature of Entity
The New Zealand Medical Association Incorporated (the Association) is a voluntary body directly representing the majority of practising medical practitioners in New Zealand.

The Association is dependent on receiving subscriptions from its members on an annual basis.

Statutory Basis
The financial statements have been prepared in accordance with the Incorporated Societies Act 1908.

Measurement Basis
The financial statements have been prepared under the Historical Cost Method of accounting.

Accounting Policies
i) Debts and membership subscriptions are valued at net realizable value. Dividends received are accounted for on a cash basis.

ii) Investments are shown at market value.

iii) Freehold land has not been depreciated. Motor vehicles are depreciated on a diminishing value at a rate of 20% per annum. All other fixed assets are depreciated on a straight line basis to write off the various assets over their expected useful lives at the following rates:

- Buildings: 100 years
- Building Improvements: 10 years
- Furniture & Fixtures: 5 years
- Computer Equipment: 5 years
- Membership Database: 8 years

iv) The Association is a qualifying entity in terms of the framework for differential reporting by virtue of its size and the fact that it has no public accountability. Differential reporting exemptions have been applied in relation to Financial Reporting Standard 10 “Disclosure of Cash Flow” and Financial Reporting Standard 31 “Disclosures of Information about Financial Instruments”.

v) Membership subscriptions have been accounted for at net realizable value.

vi) The financial statements have been prepared on a GST exclusive basis, with the exception of Accounts Receivable and Accounts Payable.

2. BUILDING REPLACEMENT FUND

Since 1995 members of the Association have been levied for the replacement of Association premises.

The levy was no longer collected from 1st October 2005

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$578,949</td>
<td>$578,949</td>
</tr>
</tbody>
</table>

3. TAXATION

New Zealand Medical Association Inc. has filed an application to retain charitable status under reference number NEW16546 on 19 March 2008. As at 30 September 2008, this application was still being processed by the Charity Commission. The Trustees of New Zealand Medical Association Inc anticipate that tax exempt status as a charitable organization will be confirmed in course.

4. LAND AND BUILDINGS

The latest Government valuation on land and buildings, dated 1 September 2008, $1,875,000
5. INDUSTRIAL ASSETS

The Association have changed their policy for recording the value of shares and bonds and now record all investments at market value.

6. FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold Land</td>
<td>6,579</td>
<td>6,579</td>
</tr>
<tr>
<td>Buildings</td>
<td>56,092</td>
<td>56,092</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>22,645</td>
<td>33,647</td>
</tr>
<tr>
<td>Building Improvements</td>
<td>257,187</td>
<td>250,049</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>155,903</td>
<td>155,903</td>
</tr>
<tr>
<td>Furniture &amp; Fittings</td>
<td>457,740</td>
<td>457,740</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>459,903</td>
<td>459,903</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>343,810</td>
<td>343,810</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>305,244</td>
<td>305,244</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>34,991</td>
<td>34,991</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>12,880</td>
<td>12,880</td>
</tr>
<tr>
<td>Total</td>
<td>1,017,812</td>
<td>1,111,845</td>
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</table>

7. DEPRECIATION

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>561</td>
<td>561</td>
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<tr>
<td>Building Improvements</td>
<td>5,607</td>
<td>5,607</td>
</tr>
<tr>
<td>Furniture &amp; Fittings</td>
<td>14,049</td>
<td>14,049</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>47,351</td>
<td>47,351</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>6,998</td>
<td>6,998</td>
</tr>
<tr>
<td>Total</td>
<td>52,278</td>
<td>57,046</td>
</tr>
</tbody>
</table>

8. NZ MEDICAL JOURNAL & NZ MEDICAL DIGEST

Income    192,583
Less Expenses (250,181)
Net Income/ (Expense) (57,598)

9. OPERATING LEASE COMMITMENTS

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$12,945</td>
</tr>
<tr>
<td>Term</td>
<td>$9,795</td>
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<tr>
<td>Total</td>
<td>$22,740</td>
</tr>
</tbody>
</table>

Above based on $1,078.75 per month (GST exclusive)

10. MPS MANAGEMENT CONTRACT

As of October 31st 2004 New Zealand Medical Association Incorporated issued the management contract of MPS New Zealand on behalf of its UK parent.
NEW ZEALAND MEDICAL ASSOCIATION INC

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated funds at beginning of year</td>
<td>2,371,307</td>
<td>2,270,602</td>
</tr>
<tr>
<td>Surplus income over expenditure for the year</td>
<td>182,563</td>
<td>44,316</td>
</tr>
<tr>
<td>Unrealized Gain/ (Loss) on Investments (103,050)</td>
<td>(103,050)</td>
<td>56,389</td>
</tr>
<tr>
<td>Accumulated funds at Year end</td>
<td>$2,450,802</td>
<td>$2,371,307</td>
</tr>
</tbody>
</table>

NZMA CENTRAL OFFICE

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