2010 ANNUAL REPORT
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The New Zealand Medical Association (NZMA) built on its high profile and influence in 2010 and we continued our advocacy highlighting the deficiencies in our health system, including our over-structured and duplicated DHB structure, insufficient involvement of clinicians in governance and the shortages in our health workforce. It was also a year of positivity however, where we commended the progress made in our health sector. This progress highlighted the effectiveness of our long-term advocacy on key issues and also demonstrated the influence the NZMA can exert when it has a strong and growing membership base.

The year began with a strong sense of expectation as we looked forward to the Government converting words (multiple reports) into action. The formation of the National Health Board was a positive first step in overseeing the functionality of District Health Boards (DHBs) to reduce bureaucracy, duplication and inefficiency, and move closer to national consistency of health delivery. The Government reiterated its commitment to make primary care the cornerstone of our health system, thereby alleviating pressure on hospitals, to attain a more cost-effective and responsive health system for our patients. In 2010 the Expressions of Interest process was well underway with shortlisted business cases outlining how they would deliver health care in community-based settings. A common thread was the integration of health services and stronger primary/secondary relationships. The NZMA was firm in positioning this change as an “integration process” of equal partners, not a devolution from one to the other. The future healthcare landscape will certainly be less hospital centric and will require DHBs to consider new, innovative ways of delivering health services while also contending with strict budgets.

Another newly established government agency was Health Workforce New Zealand (HWNZ), which introduced a range of initiatives to assist in the recruitment and retention of our medical and wider health workforce. Its other objective is to develop a ‘fit for purpose’ workforce that meets the health needs of our population. The NZMA has worked closely with HWNZ and looks forward to continuing this strong, collaborative relationship.

The year was a very productive one with the NZMA having input into policies and legislation, including developing submissions on significant public health issues such as alcohol and tobacco usage. We supported bold proposals to reduce smoking rates and alcohol related harm (banning tobacco retail displays, increasing the price of alcohol), and these will continue to be priorities for our public health advocacy. Policy debate on these issues will be prevalent in 2011, but we are confident progress will be made.

The NZMA maintained its high media profile and was consistently called on to provide comment in the media on a range of health issues, from end of life care to a shared electronic record for health professionals. Your chairman has met multiple requests to speak at so many conferences and events over the last twelve months.

There were many such opportunities for attending and presenting at national and international conferences, but a highlight was being invited to be part of the official New Zealand delegation to the World Health Assembly (WHA) in Geneva. I was impressed with the breadth of issues that the World Health Organisation is involved in, and New Zealand’s contribution. The WHA dealt with a myriad of health topics such as international recruitment of health personnel, access to safe, effective and affordable medical products, prevention and control of non-communicable diseases, and infant and young child nutrition. It highlighted the importance of having input into global health issues, an area that many of our younger members are showing a strong interest in.

The NZMA Board continued to work productively on behalf of the membership and it was a year that heralded some major achievements, such as the NZMA hosting the Role of the Doctor seminar, which I write about in detail further in my report.

The support of our Chief Executive, Cameron McIver and his loyal team at the national office was invaluable. I would also like to acknowledge Deputy Chair, Paul Ockelford, who took on the role of acting Chair when I was fulfilling overseas commitments, or when the increasing demands of the NZMA required his involvement.
Advocacy

The NZMA has had an effective working relationship with the Government. Our opinions and input have been regularly sought. We have supported moves towards greater clinical leadership and governance, reduced bureaucracy and duplication, and addressing medical workforce shortages. The establishment of the National Health Board (NHB) to oversee all DHBs to achieve greater coordination of services was welcomed by the NZMA to help achieve a national framework to govern service delivery. As a long-time and vociferous critic of the huge discrepancies in the quality of health services across different parts of the country, we were supportive of the NHB’s aims to achieve greater uniformity of healthcare delivery. We were however disappointed that we continue to have 20 DHBs, which we have always viewed as excessive in a country of four million, but acknowledge the cross pollination and regional planning that is now occurring. On a another positive note there was progress made in consolidating the number of PHOs which went from 81 to 55, and are expected to reduce even further, and we would expect their nature and function to further evolve.

The NZMA has long argued that DHBs have been far too hospital centric in their approach to the care of their communities, and we are at last seeing greater central direction to correctly shift this focus. The cost of providing public health services is increasing every year, at a rate far greater than our growth in Gross Domestic Product (GDP) and will continue to take an even larger share of our national income unless we change the way health services are provided. Moves towards greater integration of health services are supported by the NZMA, although we continue to seek appropriate funding of primary care and engagement with clinicians.

Workforce

There are too few doctors, across all specialties, and we are losing too many to overseas opportunities while heavily dependent on overseas trained doctors to bridge the shortfall.

In 2010 there was continued focus on initiatives to reduce medical, and wider health workforce, shortages.

The establishment of HWNZ was anticipated to bring much needed progress. This has indeed been the case. HWNZ was established to lead and coordinate the planning and development of our country’s workforce to achieve a high quality, self-sufficient, fit for purpose workforce that meets our health needs. HWNZ has developed initiatives, such as the Advanced Training Scheme (ATS) scholarship, and is developing projects to enhance training experiences for resident medical officers with more structured career guidance, training and personal support. HWNZ is working in collaboration with training providers and professional bodies to achieve its goals and, as mentioned earlier, the NZMA has a good relationship with HWNZ, with representation on a number of its committees and working groups.

New Zealand’s medical workforce has many challenges to overcome – an increasing demand for health services especially in light of our ageing population, the ageing doctor workforce which is not adequately being replenished, doctor dissatisfaction and morale, GP practices closing their books to new patients, doctors leaving New Zealand for overseas opportunities and an over-reliance on locums.

Workforce issues will continue to be at the forefront of the NZMA’s advocacy, as a self-sufficient medical workforce is an absolute prerequisite in delivering a world class health system for our patients.

Euthanasia and end-of-life care

The euthanasia debate tends to be cyclical and in 2010 it was certainly a key health issue that received extensive media coverage. As NZMA Chair I conveyed the NZMA position, which is that participation by doctors in euthanasia (the commission of a deliberate act with the intention to shorten life) is unethical. This position is based on the fundamental ethical principle “first do no harm”, the Code of Ethics and the 2002 resolution of the World Medical Association, of which we are a member. I emphasised that our focus should be on delivering the highest quality palliative care for the terminally ill, to alleviate suffering, preserve dignity and to achieve compassionate end of life care. Expanding education and training in this area is essential. Our position was widely supported by the hospice and palliative care communities.
**ACC**

The NZMA has a strong working relationship with ACC. The NZMA’s priority in respect of ACC is to ensure that its actions do not compromise patient care. We were concerned about the debate over ‘degeneration’ and expressed our concern that patients continue to have access to the care they need. While the NZMA does not have a specific position on the Work Account being opened to competition (announced late in 2010) we believe any changes must not lead to reduction of services available to ACC claimants that require them. Additionally, changes must not place more administrative burdens on medical practices. The controversy over the number of sensitive claims declined, or services reduced, was one that the NZMA also became involved in. We assumed a facilitative role in the debate over access to services related to sensitive claims and were able to bring doctors from Doctors for Sexual Abuse Care (DSAC) and ACC together to seek a solution to the issues.

**Health inequalities**

The NZMA Board established a health inequities subcommittee and began to develop an NZMA position statement to guide our advocacy on health inequities. The NZMA intends to be proactive in supporting policy and the implementation of initiatives that lessen inequalities in our health system and expedite closing gaps in health outcomes. What is clear is that a whole-of-government approach is needed to help bridge health inequalities and the medical profession can play a significant role in influencing progress on this issue. We will be advancing this issue further in July 2011 when we host Sir Michael Marmot in New Zealand.

**Auckland Council**

The Auckland Council had another successful year of hosting events for doctors, which promoted greater collegiality within our medical profession. Events included guest speakers from the medical profession, and were excellent opportunities for sharing experiences and perspectives. They were well attended and received very positive feedback from attendees. The Auckland Council, which receives strong support from our Board and national office, has a simple, efficient structure that does not require endless meetings and record keeping. Due to the large membership in the Auckland area, this Council has important status, and reports directly to the NZMA Board. We are now looking to emulate this success by extending such events for doctors to other regions.

**Role of the Doctor seminar**

The NZMA initiated and hosted the Role of the Doctor Seminar, which brought together 80 leaders from throughout medicine to work together to develop a consensus position statement on the doctor’s role in the 21st century. The NZMA organised this event as we recognised the need to more clearly define what it is that doctors do, and how we bring value to the New Zealand health system. We felt this was particularly important as our health system begins to evolve, patient expectations rise and health demands change. The statement will assist the NZMA, and other organisations, in our advocacy and will provide the universities with a strong foundation in selecting and training future doctors. Significant progress was made on developing a consensus statement at the seminar, and this continued with a small writing group comprising some of the seminar participants. We anticipated that this would be finalised in mid 2011, after consultation with all organisations represented at the seminar. I am especially grateful to fellow board members Dr Andrew Old and Prof Harvey White for their leadership and commitment to this timely process.

The event gave the profession a unique opportunity to consider the place of the doctor within the health sector of the future, and the process we undertook generated professional goodwill and a unified sense of purpose. It was certainly one of the highlights of the year and the consensus statement is expected to influence the way health services are delivered in the years ahead.
General Practice

The NZMA GP CME Conference continued to grow in reputation and size. To accommodate increased demand, in 2010 we held two GP CME conferences: one in Rotorua as we have done for years, and one for the first time in Christchurch. This was so successful that it will now become an annual event, enabling GPs, practice nurses and practice managers in the South Island to be a part of the GP CME in their region. The conference is a key platform for the NZMA, through its General Practitioner Council, to demonstrate its strong support for general practice. It is unfortunate that after the February earthquake in Christchurch, the 2011 South Island event has had to be moved to Dunedin. But, this is not all bad – as many of us will return to the home of our ‘alma mater’.

The Primary Health Care Strategy has led to improvements in general practice and made it more affordable for patients to access a GP. The focus has now turned to strengthening clinical services, particularly in light of government policy to improve integration of primary and secondary services. The future delivery of healthcare is increasingly in a non-hospital setting as primary care looks at different, innovative ways of delivering services. The NZMA has advocated for appropriate funding to meet this goal, as well as engagement of doctors from both sectors.

The NZMA’s GP Council provides a political voice for GPs and is also a key member of the General Practice Leaders Forum (GPLF). The GPLF provides a united voice for general practice but also enables individual voices to have influence. Representing the interests of general practice and of the general practitioner is an ongoing priority for the NZMA.

NZMA profile

I have been pleased to represent the NZMA, and the profession, at many conferences and meetings throughout the year. As both an attendee and speaker at these events, I have particularly valued the opportunity to engage with other medical professionals, organisations, and colleges.

The NZMA has continued to build on its important relationship with our student members. We provide strong support to the NZMSA, such as assisting their very successful annual conference, providing advice on media issues, and offering a leadership fund which students can apply for. We are involved in supporting various marketing activities, especially in terms of organising trainee intern events. In 2010 we continued our focus on RMO members, holding a series of events such as the Trainee Forum, ACE information evenings and post-graduation events. Our RMO membership has shown a steady rise in recent years as RMOs seek a broader professional home to complement their union needs.

Summary

The NZMA is strongly committed to strengthening our profession and delivering an effective health service to our patients, particularly at a time when we face onerous financial constraints.

In the year ahead we will continue to advocate for greater involvement of clinicians in leadership and decision making across the spectrum of DHB activity, from community health to hospitals; the continuation of working towards greater integration of primary and secondary services so that patient access is improved and the pressure on hospitals is alleviated; and implementing more regional collaboration between DHBs to optimise clinical resources. The Association is ideally placed, with its broad base of specialist, general practitioner and doctors-in-training councils to provide input, and facilitation where required, to assist in achieving these goals.

The NZMA represents doctors in all areas of medicine, whatever their specialty or career stage. The NZMA is the organisation which can best link hospital and non-hospital doctors, private and public providers, of all specialties and levels. A united, close knit medical community, benefits the medical profession and our patients.

The NZMA has strong relationships and influence within the health sector. Our opinions and input reflect our broad membership base, and they are sought at all levels of policy development and review. We encourage our members to communicate with us about the issues that concern them and to provide us with insight on what is happening at the coalface.
I would like to express my gratitude to members for their ongoing support and commitment throughout the year which enables the NZMA to advocate more effectively on your behalf.

Peter Foley
Chair

NZMA Board Members
Paul Ockelford (Deputy Chairman)
Harvey White
Kate Baddock
Jonathan Foo
Don Simmers
Sandra Hicks
Andrew Old
Mark Peterson
Maria Poynter
Jonathan Fox
Cameron McIver (Ex Officio)
2010 again saw a great deal of activity at the national level of the NZMA.

**Policy**

As usual we have been involved in the development of a number of significant submissions which are dealt with elsewhere in this report.

**Membership**

It’s pleasing to report yet another good year for membership with increased numbers of members, particularly in the ranks of our doctors-in-training. The NZMA’s activities and profile have led to increased membership across a range of categories.

**Member services**

Services to our members are an important part of our work and we have again developed a number of new services during the 2010 year.

**Finance**

The annual accounts are attached to this report and the NZMA’s financial position remains strong. Prudent management of our resources, including investments, has seen us maintain our position during the difficult economic times which have occurred recently. Subscription rate increases were limited to the Consumer Price Index.

**Staff**

There has only been one significant staff change during the 2010 year with the recruitment of Falyn Edlin as Communications and Marketing Assistant. This appointment has enabled us to extend our activities in both communications and marketing. I would again like to state on record my appreciation of the work of the national office team, including those who work with the New Zealand Medical Journal (NZMJ).

**NZMA Services Limited**

The NZMA has created a wholly owned company, NZMA Services Limited, which has been given the role of publishing the New Zealand Medical Journal and NZMJ Digest.
NZMA Mission Statement

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

- professional unity and values, and
- the health of all 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 Chair: Dr Peter Foley
Immediate Past Chair: Dr Ross Boswell
President: Dr Aine McCoy
Deputy Chair: Dr Paul Ockelford

Board Members: Dr Kate Baddock
Dr Jonathan Foo
Dr Jonathan Fox
Dr Sandra Hicks
Dr Andrew Old
Dr Mark Peterson
Dr Maria Poynter
Dr Don Simmers
Prof Harvey White
Mr Cameron McIver (Ex Officio)

GP Council Chair: Dr Mark Peterson
Specialist Council Chair: Prof Harvey White
DiT Council Chair: Dr Jonathan Foo
Ethics Committee Chair: Dr Tricia Briscoe
Chief Executive Officer: Mr Cameron McIver
NZMJ Editor: Professor Frank Frizelle
NZMA STAFF

Chief Executive Officer: Cameron McIver
PA to CEO: Alison Robertson
Operations Manager: Anna Phipps
Senior Policy Advisor: Lucille Curtis
Communications Manager: Daphne Atkinson
Marketing Co-ordinator: Sokmanea Foo
Communications and Marketing Assistant: Falyn Edlin
Membership and Database Administrator: Susan Holt
Member Services Administrator: Debbie Papera
NZMJ Production Editor: Brennan Edwardes
NZMJ Administration Assistants: Sally Bagley/Wendy Edwardes

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The role of the General Practitioner Council (GPC) is to provide the NZMA Board with advice pertaining to general practice issues. In doing so it endeavours to reflect the feeling of our GP members. I would like to express my thanks to the members of the GPC for their assistance in this role.

Members of the GP Council provide representation for NZMA on a number of external committees and organisations. These include observer status on the councils of the Royal New Zealand College of General Practitioners (RNZCGP) and General Practice New Zealand (GPNZ), previously IPAC, and representation on advisory groups for the Ministry of Social Development, ACC and the Primary Care Information Management Group.

GP Council meetings are held at two-monthly intervals and cover a full agenda. The major issues for the GP Council over the past year have been as follows.

- Progress with the Primary Care Strategy. Over recent times this has been primarily the Expressions of Interest process. These proposals, to promote integration of care between primary and secondary care, seem to be progressing quite variably around the country with no real outcomes visible so far.

- After-hours issues, which continue to be a concern. NZMA has been calling for a nationally consistent policy of provision of general practice care. We remain concerned that ad hoc local arrangements have developed without an overall plan. We continue to advocate for this national plan.

- General practice, which is one of the areas of more severe medical workforce shortages. It has taken the Government a long time to accept that the medical workforce problems are urgent and, to their credit, they have taken some action with this. The NZMA has been represented on a Health Workforce New Zealand working group on general practice training which is looking at possible changes to the training of GP registrars.

- The Ministry of Health, which have a number of work streams covering maternity issues. The NZMA have had a role in some of these programmes and, in another role representing the RNZCGP, I have been involved in most of these. While some progress is likely to occur, the Section 88 funding mechanism remains a barrier to general practice involvement in maternity care.

The NZMA GP CME conference in Rotorua continues to grow each year. Last year we held the inaugural GP CME South Island conference, which was a resounding success and well received by GPs from both the north and south islands. We now plan to make GP CME South an annual event and the dates for the 2011 conference have been set.

Mark Peterson
Chair
**GP Council members**
Michael Hogan (Deputy Chair)
Tim Baily-Gibson
Peter Chapman-Smith
Jan White
Alan Mangan
Murray Tilyard
David Wilson (Rural GP Network Rep)
Bev O’Keefe (GPNZ Rep)
Harry Pert (RNZCGP Rep)
Peter Foley (Ex Officio)
Cameron McIver (Ex Officio)
I would like to begin by thanking the members of the Specialist Council (SPC) for their ongoing support and contribution.

It has been gratifying to see the Specialist Council take on a greater role within the NZMA, especially in light of the membership of the Council being significantly broadened. This has enabled the NZMA to better represent the views of specialists and to provide a strong political voice for specialists.

The Specialist Council was involved in expressing its views on a number of issues in 2010.

It was pleasing to see the Government’s emphasis on clinical leadership and the need for the views of doctors to be considered in decisions about clinical management and service delivery. It is anticipated that more clinical networks will be developed across the regions in future.

I am honoured to have been the Chair in 2010 and look forward to continuing the progress the SPC has made in representing specialists.

Harvey White
Chair

Specialist Council members
Kim Broome
Deborah Greig
Wayne Miles
Anne Sissons
Andrew Tie
Howard Clentworth
Ian Page (RANZCOG Rep)
Nigel Waters (NZSA rep)
Cathy Ferguson (RACS rep)
Mike O’Rourke (RANZCO rep)
Peter Foley (Ex Officio)
Cameron McIver (Ex Officio)
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 comprises of eight 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

The DiTC is focused on making a positive difference for our members in the field of advocacy. In particular, we see our role as providing a doctor-in-training perspective on the rapidly changing face of health policy in New Zealand. After years of numerous health workforce reports and recommendations, we are now faced with a slew of both radical and prosaic changes to the core health sector. Many of these changes will potentially benefit doctors-in-training and medical students, particularly if our training and education are supported.

With the hard work from previous council years, the DiTC has had increasing representation on external agencies such as Health Workforce New Zealand. This provides us with a tangible opportunity to emphasise the role of doctors-in-training, to highlight our potential vulnerability in the health workforce and be relevant to how the health sector is shaped.

A further goal has been a continued drive to bridge the gap between medical school and doctors-in-training. We have increased the number of events for our members and non-members, ranging from an evening discussion on professionalism to debrief evenings for new doctors. These have been extremely well received and provided opportunities to meet our members and to hear their thoughts about the medical political landscape. In an effort to better hear the thoughts of our new doctor cohort, the NZMA board has approved the election of another member to the DiTC – in the role of PGY1 DiTC representative. Following an election, Dr Anna Choi was elected from the graduating trainee intern cohort to represent them in 2010.

The DiTC hosted the fourth annual Trainee Forum in September. This has been a platform for trainees around the country to discuss medical training concerns at a national level. This was well attended and trainees were able to debate a variety of concerns with our two invited speakers, Professor Des Gorman, Chair of Health Workforce New Zealand and Dr John Adams, Chair of the Medical Council.

Elections

I would like to thank Dr Brandon Adams for his two years as Chair of the DiTC. Our mid-year election has also seen new faces. The elections resulted in Dr Anu Shinnamon and Dr James Blackett becoming newly appointed council members. Drs Jonathan Foo and Jesse Gale were re-elected for a further term. Dr Foo was elected as Chair and Dr Emily Gill was elected as Deputy Chair.

I would also like to thank Drs Aaron Withers and Maria Poynter for their committed service to the DiTC and Dr Elizabeth Carr, as immediate past president of NZMSA, for her excellent work with the DiTC.
Goals for 2011

We look forward to another year of change within the health sector. As the role of a doctor-in-training shifts, we realise the importance of keeping our members informed about policies that affect them. Furthermore, effectively representing our members across New Zealand is a crucial role of this council. We will continue to seek dialogue and discussion with our members about their role in the health sector.

Dr Jonathan Foo
Chair

DiTC members
Emily Gill (Deputy Chair)
Brandon Adams
Jesse Gale
Anu Shinnamon
Nick Fancourt
James Blackett
Anna Choi
Ciaran Thrush
Elizabeth Carr (President, NZMSA)
Peter Foley (Ex Officio)
Cameron Mciver (Ex Officio)
The last 12 months have been a busy time in New Zealand with recession, earthquakes, political and climatic events dominating media coverage, however there was still a high level of interest in New Zealand health issues and the articles published in the New Zealand Medical Journal (NZMJ).

The table below outlines what we have published in 2010; in addition, the Journal includes Methuselah (abstracts from other journals), 100 years ago (in the NZMJ), obituaries (33 in 2010), medicolegal disciplinary notices, proceedings (abstracts) from scientific meetings, book reviews, errata, and notices (mostly applications for academic awards/scholarships or notifications of award recipients).

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* Now called clinical correspondence—case reports and medical images combined since May 2008 as clinical correspondence. Reported separately for 2008, however for 2009 medical images are included along with case reports.

The Editorial Board in 2010 remained as myself, Jennie Connor, Richard Beasley, Roger Mulder, Tim Buckenham and Jim Reid. The production staff also remains unchanged with Brennan Edwardes (Production Editor), Sally Bagley (part-time Administrative Assistant; 16 hours), and Wendy Edwardes (part-time Administrative Assistant; 6 hours).

We expect some changes over the next 12 months, reflecting the desire to increase the interest in the Journal at an editorial level. This will involve the setting up of an Editorial Advisor Board, and the replacement of some subeditors following our rotation policy.

In 2010, the International Committee of Medical Journal Editors (ICMJE) met in New Zealand (Queenstown) for the first time in its 30 years. Editors from the main journals met to discuss issues of common interest and work on developing the “uniform requirements of medical publishing”. This year considerable work went into developing a conflict of interest document (see NZMJ editorial attachment). The ICMJE group expanded by two (editors from China and Chile) this year, and a policy of reassessment of journal membership when an editors retires was bought in. There is concern that although a larger group would better represent the medical publishing problems worldwide, the larger the group the more difficult it was thought to get agreement. Many of the editors from Europe had travel plans disrupted because of volcanic activity in Iceland. The 2011 meeting is in Ottawa, Canada.
The NZMJ Digest is well received and continues to attract advertising. The Digest, which is enjoyed by many of the older doctors, appears to be filling a gap that the NZMJ in electronic form does not. At present there are no plans to expand the Digest.

There has been no progress with issues related to NZMJ’s impact factor and Thomsons-Reuters, however I have approached some other editors to see if outside assistance might help us. For those interested there is more information on this at www.nzma.org.nz/journal/123-1323/4363/.

The other issue is that the NZMJ is under a different management system as it is now a limited liability company (NZMA Services Ltd) owned by the NZMA. The changeover has been seamless however it has led to a change in issues of governance.

The year ahead will be interesting for the NZMJ both in the change in editorial organisation and the influence the general election will have on health policy.

Frank Frizelle
Editor

NZMJ Committee members
Don Simmers (Chair)
Frank Frizelle
Brennan Edwardes
Cameron McIver
Daphne Atkinson
The Ethics Committee has been called upon to comment on a number of issues in 2010.

In March I was asked to comment on behalf of the NZMA on the case of a mentally competent woman in Wellington Hospital who was starving herself to death. I discussed a competent patient’s right to choose or decline medical treatment. “If the patient has all their marbles, then they have the right to choose what they wish to do in terms of treatment.”

In May I provided advice for a NZMA member who requested an opinion on the ethics of a contract between a treating doctor and a patient where the doctor holds concerns of opiate drug abuse or misuse, and also advice regarding the ethics of withholding medical care where the patient is making no attempt to reimburse the doctor for his services.

The committee commented in June on the Medical Council of New Zealand’s (MCNZ) revision paper on Non Treating Doctors Performing Medical Assessment of Patients for Third Parties 2010. We highlighted the recommendations specifically relevant to non-treating doctors in the NZMA Code of Ethics, advising that it would be appropriate for the MCNZ statement to refer doctors to these provisions in the Code. The committee was of the opinion that a statement regarding a doctor’s responsibility to ensure that their professional opinion and recommendations were “appropriate” should be changed to “accurately reflect your findings”, as what is appropriate to a third party may not be appropriate to the patient. We also recommended that non-treating doctors should be advised, with patient permission, to send a copy of their report directly to the treating doctor, particularly where their examination finds something significant or serious in the course of their examination. The final revised document published by the MCNZ in December 2010 took note of the NZMA’s recommendations.

The topic of euthanasia was very much in the public eye in July 2010. Dr Foley represented the NZMA’s ethical position with clarity in both print and TV interviews.

In August the committee was asked to comment on the Researched Medicines Industry (RMI) Code of Practice Revision – Consultation Document. The committee did not identify any new concerns and supported the NZMA’s ongoing opposition to direct-to-consumer advertising.

I provided comment to the NZMA Board in September regarding distress caused to a member of the public by an annual medical student review. A careful line must be drawn to ensure that satire (the use of wit as a weapon for constructive social criticism) retains appropriate empathy and does not overstep the mark and become bad taste.

I had the privilege in November to attend the NZMA’s Role of the Doctor seminar. This two day meeting with the leaders of the medical profession in New Zealand, other key NZ health players and prominent overseas speakers was both challenging and stimulating. The final consensus paper will be of great value to the New Zealand medical profession and to the future care of their patients.

I am pleased to take this opportunity to thank my fellow committee members, Dr Grant Gillett, Dr Brian Linehan and Dr Philip Rushmer for their valued input over the past year, and also to thank the NZMA national office staff, particularly Lucille Curtis, for their indispensable help and assistance.

Tricia Briscoe
Chair
**Ethics Committee members**
Dr Brian Linehan
Dr Grant Gillett
Dr Philip Rushmer
Dr Peter Foley (Ex Officio)
Mr Cameron McIver (Ex Officio)
Submissions made by the NZMA national office during 2010 are listed below (note, the list is not exhaustive as it does not include brief submissions or commentaries).

**Australasian Faculty of Occupational and Environmental Medicine**
- Consensus Statement on Health and Wellbeing Benefits of Work

**Counties Manukau District Health Board (CMDHB)**
- Northern Region DHBs/University of Auckland Physician Assistants Trial
- Proposed Physician Assistant Trial – governance documents

**Dunedin School of Medicine**
- Code of Professional Conduct for Medical Students at the University of Otago

**General Practice New Zealand (GPNZ)**
- PMS requirements – discussion document – June 2010

**Health Select Committee**
- Inquiry into How To Improve Completion Rates Of Childhood Immunisation
- New Zealand Public Health and Disability Amendment Bill

**Health Workforce New Zealand (HWNZ)**
- Physician Assistant trial and evaluation
- Career planning for Doctors-in-Training

**Jens Mueller – review team for Auckland laboratories transition**
- Review of learnings from the Auckland laboratory transition

**Law Commission**
- Review of the Privacy Act 1993 – health information
- Controlling and regulating drugs – use of cannabis for medicinal purposes

**Maori Affairs Select Committee**
- Inquiry into the Tobacco Industry in Aotearoa and the consequences of Tobacco Use for Maori

**Medical Council of New Zealand (MCNZ)**
- Vocational recognition for pain medicine
- Revision of the Council’s statement on non-treating doctors performing medical assessments of patients for third parties
- Consultation on strengthening recertification requirements for doctors registered in a general scope
- MCNZ review statement on cosmetic procedures

**Medsafe**
- Uniform recall procedure for medicines and medical devices
Ministry of Health (MOH)
• Draft needs assessment and care plan process for use in pregnancy and Well Child services
• Review of access to high-cost, highly specialised medicines in New Zealand
• How do we determine if statutory regulation is the most appropriate way to regulate health professions?
• Consultation on proposed amendments to regulations under the Medicines Act 1981
• Proposal to expand PHARMAC’s role to include hospital medicines and a limited range of medical devices
• Development of a Natural Health Products Bill
• Proposal to ban tobacco retail displays in New Zealand
• Legislative barriers to workforce innovation
• Guidance paper for New Zealand emergency departments regarding the interface with Primary Health Care
• Nurse prescribing in diabetes services

MOH – National Health IT Board
• NZREX placement programme for international medical graduates residing in New Zealand
• High level requirements for transfer of care from secondary to primary health practitioners
• National health IT plan

Otago District Health Board
• Bridging the gap

Pharmac
• Pharmaceutical subsidy eligibility and delivery review
• Consultation on special foods

Pharmacy Council
• Proposed pharmacist prescriber scope of practice

Sensitive Claims Review Tribunal
• Review of clinical pathway for clients with a mental injury caused by sexual abuse or sexual assault

Welfare Working Group
• Long term benefit dependency – the issues
NZMA AFFILIATES 2010

Accident and Medical Practitioners Association
Association of Catholic Doctors
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 Association of Pathology Practices
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 Daphne Phyllis ADAMS
Dr John Barry ANDERSON
Dr Douglas Trevor BEETHAM
Dr James Ainslie BEGG
Dr William Henley BIRD
Dr Melvin Athol BRIESEMAN
Dr John Peter BROAD
Dr Charles Ostens CRAWFORD
Sir Randal Forbes ELLIOTT
Dr Tamsin Margaret Roma HAYTER
Dr George Condor HITCHCOCK
Dr John Joseph HORAN
Dr Graham Collingwood LIGGINS
Dr James Warwick Fraser MACKY
Dr Laurence Allan MALCOLM
Dr Sidney Scott MCCANN
Dr Jean Winsome MCLEAN
Dr Wilfrid Christie MILLS
Dr Malcolm Ross MOWAT
Dr Desmond Denis O’SULLIVAN
Dr Douglas Cholmondeley PATERSON
Dr David Yeoman SHARPLES
Dr Michael Graham SMEDLEY
Dr Lindsay Rutherford STEWART
Dr Peter John VAN DYK
Dr Henry Jeffray WESTON
NZMA MEMBER SERVICES AND BENEFITS

Advisory service

In 2010 the NZMA successfully renegotiated the Primary Health Care Multi Employer Collective Agreement (PHC MECA), which sets pay rates, and terms and conditions of employment for practice nurses, other registered nurses working in primary care, midwives, enrolled nurses, medical receptionists and administration staff. The NZMA represented 578 general practices in these negotiations with the New Zealand Nurses Organisation.

There were no major employment legislation changes in 2010, although in 2011 we will see further changes to the Holidays Act and Employment Relations Act.

Doctors’ health has been a focus for the NZMA Advisory Service in 2010, with the introduction of two new resources: Health Support for Doctors and a resource on bullying and harassment.

The NZMA continues to offer comprehensive advice on a variety of issues, ranging from staff employment to running your practice. 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

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

- Air New Zealand Koru Club
  Pay corporate rates for Koru Club individual membership.

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

- 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.

- Beaurepairs tyres
  $20-$40 off all tyres at Beaurepaires, Frank Allen Tyres and Goodyear stores.

- Cherrytree – the Club for Smart Shoppers
  Reduced membership fee, reduced renewal fee and an account credit when joining Cherrytree.

- HotelClub.com
  Save up to 12% discount on the already discounted prices of accommodation listed on the HotelClub website.

- MSIG Pre-employment screening
  Discounted, comprehensive pre-employment screening and theft investigation service through Morley Security and Investigation Group (MSIG).

- M2 Magazine discount
  Offers an exclusive discount rate to NZMA members for the men’s lifestyle magazine M2.
• Nexus data security
  Receive 10% discount off the normal subscription rates for secure online backup of your medical practice.

• Noel Leeming
  Exclusive prices for members on everything in store, at Noel Lemming and Bond & Bond store.

• NRC debt collecting package
  Offers a competitive rate per debtor and easy online access service with National Revenue Corporation.

• NZMA GPCME Conference
  Members receive $100 discount on full registration to New Zealand’s biggest annual GP Conference.

• NZMA Wine Club
  Discounts on selected quality NZ and imported wines through the NZMA online wine club.

• OfficeMax stationery discounts
  Discounts on everyday stationery and business consumables through OfficeMax.

• Petals online florist
  Members receive 10% discount on the flower value and 8% discount on the product value for all gift orders through Petals online florist.

• Telecom
  Telecommunication packages at special member rates through Total Network.

• Westpac banking package
  Competitive member rates on merchant credit card processing rates, eftpos terminals and day-to-day banking through Westpac.

• Wilkinson legal expenses insurance
  15% discount off premiums for legal expenses insurance through Wilkinson Insurance Brokers (policy underwritten by Lumley’s).

• 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 Association acknowledges the valued contribution of its corporate partners:

American Express
Conference Matters
Medical Assurance Society
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
Cherrystone
HotelClub
M2 Magazine
Morley Security and Investigation Group
Nexus Data Security
Noel Leeming Group
OfficeMax
Petals
South Pacific Tyres
Total Network Group
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. For a membership application form contact the national office on 04 472 4741 or visit our website: www.nzma.org.nz/membership/join.html.
AUDITORS INTERIM REPORT
TO THE MEMBERS OF
NEW ZEALAND MEDICAL ASSOCIATION INC

We are the appointed auditors of the New Zealand Medical Association Inc and have carried out an audit in respect of the unaudited financial statements on pages 1 to 7. The unaudited financial statements provide information about the past financial performance of New Zealand Medical Association Inc and its financial position as at 30 September 2010.

We conducted our audit in accordance with New Zealand Auditing Standards. 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 obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. We also evaluated the overall adequacy of the presentation of information in the financial statements.

We have completed our audit and obtained all explanations that we require for all matters except for investments held with one service provider where we have been unable to obtain assurance over the internal controls of this entity as required under New Zealand Auditing Standards as of the date of this letter.

Our inability to complete our audit work in this matter is due to delays outside of the control of New Zealand Medical Association Inc or its Management and Board.

In this respect only, we have delayed the issue of our audit report. Once this matter is finalised and the information we require is available, we expect to be in a position to issue an unqualified audit report in respect of the financial statements of the New Zealand Medical Association Inc as set out on pages 1 to 7.

Our audit report, when issued, will include the following statements:

“Board Responsibilities

The Board is responsible for the preparation of the financial statements which give a true and fair view of the financial position of the New Zealand Medical Association Inc as at 30 September 2010 and of the results of its operations and cash flows for the period ended on that date.

Auditor’s Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board 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 judgements made by the Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to New Zealand Medical Association Inc’s circumstances, consistently applied and adequately disclosed.

Other than in our capacity as auditors we have no other relationship with, or interests in, New Zealand Medical Association Inc.”

BDO Wellington
Wellington
### Statement of Financial Performance

**FOR THE YEAR ENDING 30 SEPTEMBER 2010**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,064,208</td>
<td>1,035,412</td>
</tr>
<tr>
<td>Credit Card Commission</td>
<td>64,335</td>
<td>76,742</td>
</tr>
<tr>
<td>J B Were Investment/Interest</td>
<td>53,365</td>
<td>60,569</td>
</tr>
<tr>
<td>ANZ Investment/Interest</td>
<td>79,572</td>
<td>77,488</td>
</tr>
<tr>
<td>Interest Received</td>
<td>38,563</td>
<td>50,533</td>
</tr>
<tr>
<td>Lumley's Insurance Commission</td>
<td>3,831</td>
<td>3,115</td>
</tr>
<tr>
<td>RANZCO</td>
<td>5,430</td>
<td>2,997</td>
</tr>
<tr>
<td>MAS Information / Research</td>
<td>54,600</td>
<td>46,200</td>
</tr>
<tr>
<td>MECA Negotiation Income</td>
<td>55,000</td>
<td>67,366</td>
</tr>
<tr>
<td>Rent Received</td>
<td>37,307</td>
<td>37,307</td>
</tr>
<tr>
<td>Conference Matters</td>
<td>72,740</td>
<td>56,800</td>
</tr>
<tr>
<td>Sundry Income</td>
<td>22,451</td>
<td>56,124</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,551,403</td>
<td>1,570,453</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration &amp; Personnel</td>
<td>752,368</td>
<td>684,349</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>14,540</td>
<td>13,385</td>
</tr>
<tr>
<td>Board &amp; Chairman Support</td>
<td>70,540</td>
<td>66,767</td>
</tr>
<tr>
<td>Building Maintenance &amp; Services</td>
<td>93,615</td>
<td>210,652</td>
</tr>
<tr>
<td>Computer, Website Expenses</td>
<td>46,115</td>
<td>53,496</td>
</tr>
<tr>
<td>Council Support</td>
<td>14,703</td>
<td>10,154</td>
</tr>
<tr>
<td>Depreciation</td>
<td>37,405</td>
<td>45,532</td>
</tr>
<tr>
<td>Divisional Support</td>
<td>18,810</td>
<td>11,859</td>
</tr>
<tr>
<td>Fees paid to Council/Board Members</td>
<td>185,809</td>
<td>177,153</td>
</tr>
<tr>
<td>Loss/(Gain) on Disposal of Assets</td>
<td>2,859</td>
<td>(1,123)</td>
</tr>
<tr>
<td>Membership, Marketing &amp; Communication</td>
<td>58,803</td>
<td>49,801</td>
</tr>
<tr>
<td>NZ Medical Journal &amp; NZ Digest(net)</td>
<td>83,870</td>
<td>71,702</td>
</tr>
<tr>
<td>Professional Relations, Advocacy &amp; Policy</td>
<td>55,333</td>
<td>24,068</td>
</tr>
<tr>
<td>International Relations</td>
<td>50,584</td>
<td>56,060</td>
</tr>
<tr>
<td>Medical Student Support</td>
<td>6,788</td>
<td>5,153</td>
</tr>
<tr>
<td>General Practitioner Council</td>
<td>23,252</td>
<td>35,343</td>
</tr>
<tr>
<td>MECA Negotiation Expenses</td>
<td>10,207</td>
<td>136</td>
</tr>
<tr>
<td>Specialists Council</td>
<td>10,166</td>
<td>5,323</td>
</tr>
<tr>
<td>Doctors in Training</td>
<td>16,416</td>
<td>20,228</td>
</tr>
<tr>
<td>Ethics Committee</td>
<td>1,588</td>
<td>0</td>
</tr>
<tr>
<td>Maternity Services</td>
<td>0</td>
<td>165</td>
</tr>
<tr>
<td>GPLF Support</td>
<td>9,366</td>
<td>11,520</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>1,563,237</td>
<td>1,551,725</td>
</tr>
</tbody>
</table>

**Surplus/(deficit) for the year**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(11,834)</td>
<td>18,729</td>
</tr>
</tbody>
</table>

The accompanying notes form part of and should be read in conjunction with the Financial Statements.
NEW ZEALAND MEDICAL ASSOCIATION INC

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDING 30 SEPTEMBER 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulated Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Accumulated Funds</td>
<td>2,469,549</td>
<td>2,450,820</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>(11,834)</td>
<td>18,729</td>
</tr>
<tr>
<td><strong>Closing Accumulated Funds</strong></td>
<td>2,457,715</td>
<td>2,469,549</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reserves and Trusts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Reserves and Trusts</td>
<td>647,299</td>
<td>547,828</td>
</tr>
<tr>
<td>Transfer to Building Maintenance Fund</td>
<td>8,500</td>
<td>8,500</td>
</tr>
<tr>
<td>Unrealised Gain/(Loss) on Investments</td>
<td>12,067</td>
<td>90,971</td>
</tr>
<tr>
<td><strong>Closing Reserves and Trusts</strong></td>
<td>667,866</td>
<td>647,299</td>
</tr>
</tbody>
</table>

|                      |        |        |
| **Total Equity**     | 3,125,581 | 3,116,848 |

The accompanying notes form part of and should be read in conjunction with the Financial Statements.
NEW ZEALAND MEDICAL ASSOCIATION

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDING 30 SEPTEMBER 2010

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>13</td>
<td>717,495</td>
<td>869,978</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>123,700</td>
<td>44,415</td>
</tr>
<tr>
<td>Prepayments</td>
<td></td>
<td>47,596</td>
<td>20,872</td>
</tr>
<tr>
<td>Investments</td>
<td>14</td>
<td>2,282,896</td>
<td>2,152,144</td>
</tr>
<tr>
<td>GST Receivable</td>
<td></td>
<td>0</td>
<td>6,620</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>3,171,686</td>
<td>3,094,029</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment at Cost</td>
<td>7</td>
<td>1,049,609</td>
<td>1,154,641</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>8</td>
<td>847,462</td>
<td>961,556</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>202,147</td>
<td>193,085</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>3,373,833</td>
<td>3,287,114</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td></td>
</tr>
<tr>
<td>Monies in Advance</td>
<td></td>
</tr>
<tr>
<td>Provision for Holiday Pay</td>
<td></td>
</tr>
<tr>
<td>GST Payable</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUITY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated Funds</td>
<td></td>
</tr>
<tr>
<td><strong>Reserves and Trusts</strong></td>
<td></td>
</tr>
<tr>
<td>JPS Jamieson/GP Society Trust</td>
<td></td>
</tr>
<tr>
<td>Building Maintenance Fund</td>
<td></td>
</tr>
<tr>
<td>Memorial Oration Fund</td>
<td></td>
</tr>
<tr>
<td>Guest Speaker Fund</td>
<td></td>
</tr>
<tr>
<td>Building Replacement Fund</td>
<td>2</td>
</tr>
<tr>
<td>Investment Revaluation Reserve</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Total Reserves and Trusts</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>15</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td></td>
</tr>
</tbody>
</table>

Chief Executive
Date 20-03-2011

Chairman
Date 20-03-2011

The accompanying notes form part of and should be read in conjunction with the Financial Statements.
NEW ZEALAND MEDICAL ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

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

Accounting Policies
i) Debtors and membership subscriptions are valued at net realisable 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 Renovations 10 years
- Furniture & Fittings 4/5 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 10 “Statement of Cash Flows” and Financial Reporting Standard 31 “Disclosure of Information about Financial Instruments”.

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

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

vii) There have been no changes made to accounting policies. All policies have been applied on bases consistent with those used in previous years.

2. BUILDING REPLACEMENT FUND

From 1985 until 1 October 2005 members of the Association were levied for the replacement of Association premises. No levy has since been charged.

3. TAXATION

The New Zealand Medical Association Inc. is a charitable organisation and is exempt from Income Tax.

4. LAND AND BUILDINGS

The latest Government valuation on land and buildings, dated 1 September 2009, $1,775,000

5. CAPITAL COMMITMENTS

There are no capital commitments as at 30 September 2010 (2009: Nil)
NEW ZEALAND MEDICAL ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

6. CONTINGENT LIABILITIES

There are no Contingent liabilities as at 30 September 2010 (2009: Nil)

7. FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<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>24,127</td>
<td>23,566</td>
</tr>
<tr>
<td></td>
<td>31,956</td>
<td>32,526</td>
</tr>
<tr>
<td>Building Renovations</td>
<td>252,706</td>
<td>252,706</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>189,241</td>
<td>178,075</td>
</tr>
<tr>
<td></td>
<td>63,465</td>
<td>74,631</td>
</tr>
<tr>
<td>Furniture &amp; Fittings, Office Equipment</td>
<td>471,500</td>
<td>464,171</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>452,323</td>
<td>446,499</td>
</tr>
<tr>
<td></td>
<td>19,176</td>
<td>17,672</td>
</tr>
<tr>
<td>Computer Equipment &amp; Website</td>
<td>225,851</td>
<td>338,215</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>167,020</td>
<td>306,041</td>
</tr>
<tr>
<td></td>
<td>58,831</td>
<td>32,173</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>36,880</td>
<td>36,880</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>14,752</td>
<td>7,376</td>
</tr>
<tr>
<td></td>
<td>22,128</td>
<td>29,504</td>
</tr>
<tr>
<td>TOTAL</td>
<td>202,141</td>
<td>193,085</td>
</tr>
</tbody>
</table>

8. DEPRECIATION

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>561</td>
<td>561</td>
</tr>
<tr>
<td>Building Renovations</td>
<td>11,164</td>
<td>11,164</td>
</tr>
<tr>
<td>Furniture &amp; Fittings, Office Equipment</td>
<td>5,824</td>
<td>10,110</td>
</tr>
<tr>
<td>Computer Equipment &amp; Website</td>
<td>12,480</td>
<td>16,323</td>
</tr>
<tr>
<td>Motor Vehicle</td>
<td>7,376</td>
<td>7,376</td>
</tr>
<tr>
<td>TOTAL</td>
<td>37,405</td>
<td>45,534</td>
</tr>
</tbody>
</table>

9. NZ MEDICAL JOURNAL & NZ MEDICAL DIGEST

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>200,236</td>
<td>211,563</td>
</tr>
<tr>
<td>Less Expenses</td>
<td>284,106</td>
<td>283,265</td>
</tr>
<tr>
<td>Net Income/(Loss)</td>
<td>(83,870)</td>
<td>(71,702)</td>
</tr>
</tbody>
</table>

10. OPERATING LEASE COMMITMENTS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>10,024</td>
<td>10,024</td>
</tr>
<tr>
<td>Term</td>
<td>21,718</td>
<td>31,742</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31,742</td>
<td>41,766</td>
</tr>
</tbody>
</table>

Above amount is based on the monthly payment of $835.33 (GST exclusive) made to Ricoh New Zealand Limited.
## 11. MEMBERSHIP, MARKETING & COMMUNICATION

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>14,511</td>
<td>17,915</td>
</tr>
<tr>
<td>Less Expenses</td>
<td>73,314</td>
<td>67,718</td>
</tr>
<tr>
<td>Net Income/(Loss)</td>
<td>(58,803)</td>
<td>(49,801)</td>
</tr>
</tbody>
</table>

## 12. NZMA SERVICES LIMITED

On 3 May 2010 the Association established a company ‘NZMA Services Limited’. The Association retained 100% of the shares in this company at balance date. The Association has entered into a Service Level Agreement with NZMA Services Limited for the purposes of operating the Medical Journal. The Association has agreed to provide a Grant of approximately $130,000 per annum for the provision of these services.

NZMA Services commenced operations on 1 October 2010 and as such has not been consolidated into these accounts. It is intended that for the 2010/11 financial year the financial statements of NZMA Services Limited will be consolidated into the Associations and the Association will report Parent and Group accounts.

As at 30 September 2010 the Association had advanced $25,000 to NZMA Services Limited as a prepayment of the 2010/2011 Grant. This amount has been recognised as a prepayment in the accounts of the Association for the 2009/10 financial year.

## 13. BANK

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Westpac Current Account</td>
<td>50,888</td>
<td>91,377</td>
</tr>
<tr>
<td>Westpac On Call Account</td>
<td>646,333</td>
<td>758,378</td>
</tr>
<tr>
<td>Westpac Management Account</td>
<td>20,073</td>
<td>20,023</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>717,495</td>
<td>869,978</td>
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</tbody>
</table>

## 14. INVESTMENTS

<table>
<thead>
<tr>
<th>Investment portfolio</th>
<th>JB Were</th>
<th>ANZ</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Zealand Equity</td>
<td>176,735</td>
<td>223,810</td>
<td>400,546</td>
</tr>
<tr>
<td>Australian Equity</td>
<td>144,717</td>
<td>77,517</td>
<td>222,541</td>
</tr>
<tr>
<td>Bonds</td>
<td>590,570</td>
<td>795,971</td>
<td>1,386,541</td>
</tr>
<tr>
<td>Cash</td>
<td>165,195</td>
<td>108,381</td>
<td>273,576</td>
</tr>
<tr>
<td></td>
<td>1,077,217</td>
<td>1,205,679</td>
<td>2,282,896</td>
</tr>
</tbody>
</table>

### Income derived off Investments

<table>
<thead>
<tr>
<th></th>
<th>JB Were</th>
<th>ANZ</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>9,376</td>
<td>61,897</td>
<td>71,273</td>
</tr>
<tr>
<td>Interest</td>
<td>43,998</td>
<td>17,675</td>
<td>61,673</td>
</tr>
<tr>
<td></td>
<td>53,364</td>
<td>79,572</td>
<td>132,935</td>
</tr>
</tbody>
</table>
# NEW ZEALAND MEDICAL ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

## 15. EQUITY AND RESERVES

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulated Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Accumulated Funds</td>
<td>2,469,549</td>
<td>2,450,820</td>
</tr>
<tr>
<td>Surplus income over expenditure for the year</td>
<td>(11,834)</td>
<td>18,729</td>
</tr>
<tr>
<td><strong>Closing Accumulated Funds</strong></td>
<td>2,457,715</td>
<td>2,469,549</td>
</tr>
<tr>
<td><strong>Reserves and Trusts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JPS Jamieson/GP Society Trust</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance</td>
<td>7,425</td>
<td>7,425</td>
</tr>
<tr>
<td>Movement for the year</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>7,425</td>
<td>7,425</td>
</tr>
<tr>
<td><strong>Building Maintenance Fund</strong></td>
<td>34,000</td>
<td>25,500</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>8,500</td>
<td>8,500</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>42,500</td>
<td>34,000</td>
</tr>
<tr>
<td><strong>Memorial Oration Fund</strong></td>
<td>16,004</td>
<td>16,004</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>16,004</td>
<td>16,004</td>
</tr>
<tr>
<td><strong>Guest Speaker Fund</strong></td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td><strong>Building Replacement Fund</strong></td>
<td>578,949</td>
<td>578,949</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>578,949</td>
<td>578,949</td>
</tr>
<tr>
<td><strong>Investment Revaluation Reserve</strong></td>
<td>(12,079)</td>
<td>(103,050)</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>12,067</td>
<td>90,971</td>
</tr>
<tr>
<td>Closing Balance</td>
<td>(12)</td>
<td>(12,079)</td>
</tr>
<tr>
<td><strong>Total Reserves and Trusts</strong></td>
<td>667,866</td>
<td>647,299</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>3,125,581</td>
<td>3,116,848</td>
</tr>
</tbody>
</table>