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## 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
Chair’s report

The NZMA continued to build on its high profile and influence in 2012, as the large number of submissions [p18] on issues of importance to the profession and to our patients testifies.

One of the strengths of the Association is its reach and the robust networks it has developed. We work hard at maintaining and developing relationships with other sector organisations, such as the Council of Medical Colleges, the Association of Salaried Medical Specialists, the General Practice Leaders Forum and the various specialist societies and Colleges. These relationships enable our voice and the views of our members to be heard. The NZMA’s pan-professional role brings a unique perspective to these discussions and enhances the collective efforts of the profession.

Advocacy
The NZMA has an effective working relationship with the Government, and our opinions and knowledge are regularly sought.

Medical workforce issues continued to loom large—and we anticipate that this will remain the case for the NZMA. Maintaining a strong, self-sufficient medical profession is essential to delivering quality health services to all New Zealanders.

The recession and growing demand for health services has had considerable influence on governments in New Zealand and overseas, looking at how to achieve best value in health expenditure. Task substitution, role delegation and the creation of new health care roles are all part of the drive for an enhanced role in patient care by allied health professionals. While these roles may be part of the solution, a comprehensive medical workforce strategy is still needed to improve the recruitment and retention of our doctors. We have continued to make that point to Health Workforce New Zealand.

We’re not talking about patch protection here—the NZMA supports nurses and allied health staff working in expanded collegial roles. It is, however, essential that medical practitioners are at the heart of the medical care team, with ultimate responsibility for the care of the patient. They play an essential role in formulating diagnoses, overseeing the management of patients and providing timely interventions necessary to maintain the health of the patient. In the NZMA’s consensus statement on the Role of the Doctor (2011), these skills and attributes are clearly articulated.

Medical practitioners thoroughly appreciate the complexity of medical decision-making and are trained to consider the whole person in developing management plans. Separating out aspects of a medical practitioner’s role and giving these responsibilities to other allied health professionals without considering how these tasks fit into the decision-making process as a whole is not the answer.

The NZMA believes new workforce roles should not be established without fully exploring the best use of existing roles. When resources are limited, it makes sense to invest in enhancing our existing health workforce – in areas of education, training and employment opportunities.

Health equity
A focus on the health and wellbeing of children formed the thrust of much of the NZMA’s work in health equity in 2012. This work also referenced the Role of the Doctor consensus statement, which was endorsed or supported by the medical colleges, on the role that doctors can play in improving health outcomes.
Doctors also appreciate the needs of their patients in the context of the wider health needs of the population. Where the capacity to treat is growing but resources are finite, doctors, as critical decision makers with responsibility for allocation of significant health resources, have a duty to use those resources wisely, and to engage in constructive debate about such use… When appropriate, doctors use their influence to advocate for increased resources to improve health outcomes for their patients and populations.

First came the Green Paper Inquiry into Vulnerable Children (Feb 2012), then the Māori Affairs Select Committee’s Inquiry into the Determinants of Wellbeing for Māori Children (March 2012), followed by the Health Select Committee’s Inquiry into Preventing Child Abuse and Improving Children’s Health Outcomes (May 2012).

Doctors have a unique and trusted relationship with their patients and can give an impartial insight into the issues affecting the health of children. The NZMA made submissions on all these issues, and appeared before both Select Committees to support these submissions. These highlighted our strong belief that the approach for improving the social determinants of health for children needs to be multi-sectorial, whānau-centred and, for Māori children, needs to be developed by Māori, for Māori.

We emphasised the importance of primary care in addressing the many issues affecting the health and wellbeing of children. This includes ease of access, long-term relationships with appropriately trained health professionals, as well as comprehensive, coordinated care.

The NZMA also supported the Primary Health Advisory Committee’s (PHAC) call for:

- the need for all significant government policies to be assessed for their potential impact on children
- an increase in investment in public health initiatives that target the determinants of child health
- a seamless transition from maternity services to health care services for infants and young children.

Public health

The NZMA continued to have significant input into policies and legislation, including submissions on major public health issues such as alcohol and tobacco. We supported proposals to reduce smoking rates (introducing plain tobacco packaging) and drug-related harm (supporting the Psychoactive Substances Bill), and these continue to be priorities for our public health advocacy.

Natural health products were also in the spotlight, with the NZMA appearing before the Health Select Committee to speak to our submission on the Natural Health Products Bill.

We stressed the importance of the Authority having the capability and capacity to act. The decision to operate this separately from Medsafe and the desire to limit costs to the industry suggested that the Authority was likely to be poorly resourced with limited scope to actively monitor and regulate complementary medicines. We also called for: premarket evaluation of higher risk products; improving requirements for and examination of evidence to support claims; give the Authority greater powers such as being able to suspend products where evidence is insufficient; and ensuring no complementary medicine could fall outside the regulations.
Through all this, the NZMA has sought to place more emphasis on promoting the importance of evidence-based medicine, and educating the media and the public on what evidence-based medicine is and why it is important.

Membership events
The NZMA GP CME conferences (Rotorua and Dunedin) have maintained their growth in reputation and size, with clinical content and opportunities for networking and socialising with colleagues proving popular with doctors, nurses and practice managers.

The NZMA’s GP Council continues to provide a political voice for GPs and is also a key member of the General Practice Leaders Forum (GPLF). The GPLF has increased its influence and provides a united voice for General Practice while enabling individual voices to have influence.

The NZMA’s Auckland and Wellington Councils, and Otago and Hawke’s Bay divisions held several events that helped promote greater collegiality within our medical profession. Debate on issues such as health integration and the challenges of private practice, along with thought-provoking guest speakers and the opportunity to socialise with colleagues, proved a winning combination. Attendance at these events continues to increase and the positive feedback reinforces the importance of these NZMA regional events. I encourage all NZMA members to attend events in their regions and to bring along other doctors, who may not be members, to come along and find out more about what the NZMA does for the medical profession.

Leadership
The NZMA remains strongly committed to strengthening our profession and delivering a quality health service to our patients. The health sector continues to grapple with how best to deliver an integrated, cost-effective and responsive health service. As doctors, we must be at the forefront, working as leaders in developing stronger systems and new models of care.

Through effective leadership and promoting professional unity and values, the NZMA enhances the reputation of the profession and strengthens its presence in the sector. We also value two-way communications with our members, and have been heartened over the past year by the feedback on issues important to the profession.

The decision to develop and rebuild on the site of our building on The Terrace in Wellington is a mark of our confidence in the future of the organisation. Our work is important; we do have an impact and our voice is – and will continue to be – heard.

I am grateful for the support of our Chief Executive, Lesley Clarke, and my colleagues on the NZMA Board. I would also like to thank the hard-working staff in the national office for their work. To our members, thank you for the ongoing support and commitment that empowers the NZMA to advocate strongly for the profession and for the health of all New Zealanders. The strength of this organisation – and our ability to influence the decisions and policies that affect patient care – lies in the commitment and passion of our members.

Paul Ockelford
Chair
As noted in my report last year, building a strong and engaged membership is fundamental to the ongoing role of the association, and membership retention and growth is a key priority for National Office and the Board.

Membership growth and participation is driven to a significant degree by the effectiveness of the Association in representing the profession and how visible and relevant we are in sector. Our advocacy work and communications strategies are therefore critical activities for the NZMA team.

Advocacy
The NZMA lodged 37 formal submissions during 2012 in response to proposals and discussion documents from a wide range of government department and statutory bodies. Our representations also included Select Committee hearings on the Natural Health Products Bill and the Medicines Amendment Bill.

In addition to representations in response to policy and legislative developments the NZMA has also proactively advocated on a number of key issues of importance to the profession. These include:

- professionalism and clinical leadership
- health equity, public health issues and health literacy
- workforce innovation and planning
- sector engagement issues including policy development trends
- doctors’ health and wellbeing
- clinical research and health funding.

Our advocacy work also involves a high level of stakeholder engagement, both internally with our membership and externally with government agencies and other health sector organisations and professional groupings. Much of my time and that of the senior NZMA team is therefore directed to developing and maintaining these linkages through direct relationship building and the use of various communication channels. This helps ensure that the NZMA is ‘plugged in’ to sector issues and improves the recognition of the NZMA’s role as the professional body for New Zealand doctors.

Membership
We continue to enjoy modest membership growth with overall membership numbers increasing by 4.5% over the year.

The NZMA Board and National Office are continually looking at ways to improve membership recruitment and retention. While initiatives such as group membership and other special membership deals have merit, membership development will primarily be progressed through:

- strategies to improve awareness of the NZMA, what we do and stand for, and how we differ from other organisations
- strategies to improve engagement with the membership and encourage participation
- demonstrating leadership and raising our profile in the sector through proactive evidence-based advocacy on matters of importance, and engagement
- ensuring that all stages of membership life cycle are well considered and well executed, ie: awareness > recruitment > induction > ongoing engagement > renewal > reinstatement.

Resource management and organisational performance

The end-of-year financial result is reasonably close to budget and we have achieved a significant improvement on the previous year’s deficit. This result, despite unbudgeted accommodation costs with the move to Greenock House in February 2012 and losses on disposed assets, has been achieved through careful financial management through the year.

The decision to rebuild NZMA House was made at the end on 2011 and this has been a significant focus for me, the NZMA Board and Operations Manager Anna Phipps. The building, built by the NZMA in 1938, was found to be well below the threshold for earthquake strength requirements, which had implications for staff safety and insurance cover. The situation also however presented an opportunity to reconfigure /rebuild to produce higher quality and more efficient workspace and increase the rental return on the building.

Work on the building has been slow to start due to the complexities of the project and geotechnical challenges, and completion is now likely to be mid to late 2014. I would like to record my particular thanks to Dr Don Simmers for his time and contribution as Chair of the Building Oversight Committee.

The move to Greenock House in February 2012 went smoothly and we are comfortably, if somewhat cosily, accommodated in our temporary offices until NZMA House is ready for reoccupation.

NZMJ administration was revamped during 2012 with the implementation of a web-based manuscript management system. Work on a full publications review is also underway to improve the print format of the Digest and Medspeak, and the format and functionality of the online Journal. This will hopefully improve the attractiveness of our publications for subscribers, authors and advertisers alike.

Staff changes featured towards the end of 2012 and we welcomed the following new members to the team:
- Sanji Gunasekara – Manager Stakeholder Relations
- Sharon Cuzens – Communications Manager.

Due to the efforts of the entire team, National Office performance was not compromised during this period of change and we are already benefiting from the new skill sets and ideas that our new recruits bring to the team. In addition to congratulating and thanking NZMA staff for a successful year I would also like to acknowledge with gratitude the ongoing support and contribution of the NZMA Board and its advisory Councils.

Lesley Clarke
Chief Executive Officer
NZMA office bearers 2012

Board Chair: Dr Paul Ockelford
Immediate Past Chair: Dr Peter Foley
President: Dr Tony Baird
Deputy Chair: Dr Mark Peterson
Board members: Dr Kate Baddock, Dr James Blackett, Dr Stephen Child, Dr Wayne Miles, Dr Don Simmers, Professor Harvey White

GP Council Chair: Dr Kate Baddock
Specialist Council Chair: Professor Harvey White
DiT Council Chair: Dr James Blackett
NZMJ Editor: Professor Frank Frizelle

NZMA Staff 2012

Chief Executive Officer: Ms Lesley Clarke
Operations Manager: Anna Phipps
Manager Stakeholder Relations: Dr Sanji Gunasekara
Senior Policy Advisor: Lucille Curtis
Communications Manager: Daphne Atkinson / Sharon Cuzens
EA to CEO: Robyn Fell
Marketing Co-ordinator: Sokmanea Foo
Membership and database administrator: Susan Holt
MZNJ Production Editor: Brennan Edwardes
NZMJ administration assistants: Sally Bagley / Wendy Edwardes

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Website: www.nzma.org.nz
Having settled into the role a little more during my second year, I have been gratified to find that the General Practitioner Council presents a unique opportunity to provide feedback on some very significant submissions that affect Primary Health Care. In particular I am referring to the Dietician’s submission on prescribing rights, and the Nursing Council’s submission on community nurses’ prescribing rights. Having a core of experienced and knowledgeable individuals on the council means the NZMA, in formulating its submissions, can call on these opinions to inform its thinking.

I am extremely grateful to the members of the GP Council for their combined wisdom on these contentious issues. The year itself has seen some changes with respect to the composition of the Council. Following a change to the bylaws there will no longer be automatic representation on the GP Council from the RNZCGP or GPNZ. These representatives were initially there to ensure that the various organisations at least were aware of what the others were doing.

The creation of the General Practice Leaders Forum presented the opportunity for GP leaders to meet on a regular basis at their own forum. This forum has matured significantly in the past two to three years, to the extent that now there is a degree of trust and collegiality that was previously lacking. That trust and shared understanding of the issues facing Primary Health Care has meant that there has really been little need for the representatives to continue to be present at multiple meetings where the same issues were being discussed as GPLF has now taken over this function. However the GP Council has retained the right to invite representatives to their meetings when the need arises.

Other changes to the composition have included the resignation of Professor Murray Tilyard, due to competing priorities, and the co-option of Barney Montgomery and Stephen Graham during the year.

As Chair of the GP Council I have been frequently asked for an opinion on matters pertaining to General Practice where a reporter has been interested in a doctor perspective. The NZMA is the only organisation that represents doctors, and only doctors, and the GP Council as the body that represents General Practitioner opinion, takes that responsibility very seriously.

Issues that have been of particular interest in the past 12 months are those relating to scopes of practice by other health providers. The GP Council has developed working relationships with the Pharmacists Society and the Nursing Council to further discussions on collaboration, and integration of care.

Professionalism, generalism, corporatisation and integration have been key themes during the year and the NZMA GPCME conferences this year will develop these further. The medicopolitical session at the Conference in Rotorua will focus on corporatisation and emerging models of care, whereas the session at the Conference in Dunedin will focus on the new professionalism and generalism. See you there.

Kate Baddock
Chair GP Council
General Practitioner Council 2012
Tim Baily Gibson
Peter Chapman-Smith
Barney Montgomery
Jan White
David Wilson
Paul Ockelford (ex officio)
Lesley Clarke (ex officio)
I am pleased to give this report and to express my thanks to the members of the Council. The Specialist Council met on 22 February 2012, 16 May 2012 and 5 September 2012 in Wellington.

The members are:
Dr Harvey White (Chair)  
Dr Deborah Greig  
Dr Andrew Tie  
Dr Rob Carpenter (NZSA Representative)  
Dr Cathy Ferguson (RACS Representative)  
Ms Lesley Clarke (ex officio)  
Dr Howard Clentworth  
Dr Wayne Miles  
Dr Graham Sharpe  
Dr Ian Page (RANZCOG Representative)  
Dr Paul Ockelford (ex officio)

- On 5 September 2012 there was an historic combined GPC and Specialist council meeting in Wellington.
  **Combined Meeting Agenda:**
  1. Integration Integrated clinical care – barriers and solutions from practice perspectives and DHB regional perspectives Secondary services in primary care Cancer care in primary care
  2. Pathology Services
  3. Euthanasia
  4. NZMA Code of Ethics
  5. Meeting Fees

An historic picture of the combined Councils was taken.

- 11 September NZMA Board meeting Wellington
- 30 November Auckland Council teleconference
- 27 November Interviewed for *Listener* article on AEDs
- 18 February Interview for *Morning Report* on AEDs

We continue to be faced with a number of issues including:

- the lack of Government support for the Select Committee on the “Inquiry into improving New Zealand’s Environment to Support Innovation through Clinical Trials”
- concern as to whether the new Elective Surgical Centre planned at North Shore Hospital will adequately ensure teaching of junior staff and the Role of physician assistants.
- PHARMAC taking over the purchasing of medical devices
- Nurse prescribing.
Membership

There has been a pleasing increase in the specialist members to be the highest since 2005 with an increase of 13.5% last year in fulltime hospital specialists.

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.

I would like to thank the members of the Specialist Council for their ongoing support and contribution.

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

Professor Harvey White
Chair Specialist Council
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 nine 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 continues to advocate for our members on a number of issues and 2012 has been no different. We have continued to diversify our representation on various committees involving Health Workforce New Zealand (HWNZ), Medical Council of New Zealand (MCNZ) and the Junior Doctors Network of the World Medical Association (JDN). Our facebook page continues to grow.

The DiTC was involved in a number of publications in 2012. The Medical Parents Guide, the vocational trainee survey was completed and submitted for publication which will provide a snapshot of trainees attitudes to a wide variety of issues and an update of the Medical Education and Training position statement has taken place.

The DiTC hosted the 6th Annual Trainee forum in September. This continues to be a platform for trainees around the country to discuss medical training concerns at a national level. Trainees from nearly every college attended this meeting and we were able to debate a variety of concerns with our invited speakers, Professor Des Gorman, Chair of HWNZ, Dr John Adams, Chair of MCNZ, Dr David Galler of Health Quality and Safety Commission and Mr Chai Chuah, Director of the National Health Board.

2012 also saw the introduction of face-to-face meetings, with the entire council, with key groups in DIT affairs. Invited speakers were Professor John Nacey and Joan Crawford from MCNZ prevocational working group, Brenda Wraight, CEO of HWNZ, Karen Brown, health reporter for Radio New Zealand.

Working Groups/Committees
The DiTC was invited to participate in a number of national working groups / committees in 2012:
- MCNZ prevocational working group
- HWNZ advanced training fellowship committee
- HWNZ Physician assistant advisory group
- RNZCGP training in another vocational scope for GP registrars
- ACE Reference Group
- Junior Doctor Network of World Medical Association.
Elections

I would like to extend my thanks to previous DiTC chair Dr Jonathon Foo for his tireless work on DiT issues and to Dr Emily Gill for working as acting chair until I could take up the role. I would also like to thank our members who will complete their terms in May, Dr Ciaran Thrush, Dr Kathryn Hagan, Dr Richard Pole and Dr Emily Gill, Dr Yeri Ahn and Mr Michael Chen-Xu (NZMSA) for their committed service and work for both the DiTC and the NZMA. We welcome Dr James Johnston, Dr Dayna More, Dr Sudhvir Singh, Dr Matthew Johnson and Mr Phillip Chao (NZMSA). The DiTC election process now aligns with the other NZMA councils and we look forward to the results.

Dr James Blackett
Chair DiTC

Doctors-in-Training Council 2012

Yeri Ahn
Michael Chen-Xu (NZMSA rep)
Emily Gill
Kathryn Hagen
Jimmy Johnston
Dayna More
Richard Pole
Sudhvir Singh
Ciaran Thrush
Paul Ockelford (ex officio)
Lesley Clarke (ex officio)
The online NZMJ and printed NZMJ Digest have continued despite the continued turmoil of the aftermath of the earthquakes here in Christchurch. I am certain that most parts of New Zealand are sick and tired of hearing about the earthquake effects (earthquake fatigue), however the aftermath had a major effect on those living in Christchurch in 2012.

Due to the need to make way for clinical activities, the NZMJ lost its office space in Christchurch Hospital and—thanks to the generosity of Southern Cross Hospital—managed to relocate to Southern Cross Hospital for the short term.

The most significant change has been the utilisation of commercial software package (Manuscript Manager from Denmark) for handling manuscripts. This has increased the ease of handling, sped up the reviewing time (now a remarkable 4.5 weeks on average), and allowed for better production processing. This has also meant that fewer staff are required, which will reduce overhead costs.

The work environment in Christchurch has been one of continuous change (especially to computer systems) and the need for quick adaptation due to the effects of the earthquakes and relocation. The staff have shown remarkable resilience with these changes. This has meant that some projects for the Journal have been put on hold, or held up the normal efficiency at times, however now that we finally have more stability we are getting back to normal routines this year. So despite the disruptions and difficulties the Journal was published as usual in 2012.

Surprisingly the Journal published more articles than most years, with the table below outlining what we published in 2012. As well as these articles, the Journal includes Methuselah (abstracts from other journals), 100 years ago (in the NZMJ), obituaries, 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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* Case reports now called clinical correspondence—case reports and medical images combined since May 2008. Reported separately for 2008, however for 2009 medical images are included along with case reports.
The NZMJ Editorial Board in 2012 started as Jennie Connor, Richard Beasley, Roger Mulder, Tim Buckenham, Jim Reid, and myself. Professor Richard Beasley, after 10 years of excellent service, retired from the Editorial Board and was replaced by Associate Professor Lutz Beckett. Professor Tim Buckenham (who looks after the medical images and case reports) moved to Melbourne to live and work, however now that we are able to review and edit electronically he has stayed on the Editorial Board for now.

The production staff also experienced changes with Sally Bagley retiring after 10 years of excellent service. The remaining production staff currently are Brennan Edwardes (Production Editor, full time) and Wendy Edwardes (part-time Administrative Assistant; 6 hours per week).

In 2012, the International Committee of Medical Journal Editors (ICMJE) met in Boston USA. Due to multiple commitments at the time I could not attend, however it was an important meeting with updating of the “Uniform Requirements of Medical Publishing (URMs)”. Considerable ongoing work is still going into developing new uniform requirements of medical publishing (the rules for medical publishing). An updated version of this document is likely to be published this year.

The NZMJ Digest continues to be well received and continues to attract advertising. Indeed, the Digest is enjoyed the most by many readers and appears to be filling a gap that the NZMJ in electronic format doesn’t fill.

The articles reported in the Journal receive responsible reporting in the media, however since the demise of NZPA, the source (NZMJ) of many articles is not always acknowledged in media reporting.

I am hoping during the year ahead we will continue progress with the ongoing evolution of the NZMJ.

Frank Frizelle
Editor-in-Chief
New Zealand Medical Journal

NZMA Services Ltd
Dr Don Simmers (Chair)
Dr Sandra Hicks
Dr David Kerr
Ms Lesley Clarke (ex officio)
The Ethics Committee has had a very interesting year, with a variety of issues to consider.

In July 2012 the Committee responded to the MCNZ’s request for our preliminary views regarding their planned revision of the publication, Good Medical Practice. We had concerns that the proposed foreword for the revised Good Medical Practice Guide offered a definition of professionalism that did not state strongly enough the essential component of self-regulation of both knowledge and ethics. We also felt that the structure of the foreword did not reflect the structure or sections of the rest of the book, and would gain from realignment, especially if professionalism is seen (absolutely appropriately) as the key to good medical practice. The Medical Council was very interested in our response, and I was involved in a teleconference with the Council working on the foreword, and also had further input via email.

We then had further correspondence from the Medical Council gaining our agreement to an addition to the forward pointing out that “Good Medical Practice is not a Code of Ethics – it does not seek to describe all the ethical values of the profession or to provide specific advice on ethical issues, ethical frameworks and ethical decision-making. This type of advice is provided by the New Zealand Medical Association.”

In July I provided comment to the NZMA on proposed WMA policies on Forced Sterilisation, Person Centred Medicine and Prioritisation of Vaccination. The Committee also provided feedback on the MCNZ’s proposed advice for doctors who provide care to themselves and those close to them.

In August I provided advice and references to the Board regarding Euthanasia.

In December 2012 I provided advice to the CEO in response to a patient enquiry regarding doctor confidentiality and reporting to the Health and Disability Commissioner. Under law doctors are obliged to provide requested information to the HDC. The doctor must also make a decision that his or her legal obligations are consistent with medical ethical obligations before acting on them. If they are unsure, doctors should seek wise advice before acting.

The Committee also provided comment to the Board regarding a paper by Otago University’s Pharmacovigilance Ethics Advisory Group (PEAG) considering the ethical issues regarding the possible use of routinely collected data from general practice for pharmacovigilance.

In January 2013 I provided advice to the Board on the National Ethics Advisory Committee (Ministry of Health) consultation on ‘do no harm’ and industrial action. Our response to NEAC was that the NZMA believes that the Committee’s suggested expansion of services to be provided during industrial action was broadly consistent with Clause 67 in the Code of Ethics.
The major work of the Ethics Committee over the latter part of 2012 and in 2013 has been the planned 2013 review of the NZMA Code of Ethics. We have suggested new recommendations regarding remote consultations (e.g. telemedicine) and social media, and a new section on Doctors in a Just and Caring Society. This section has pulled together recommendations that were previously in other parts of the Code and expanded on the role of doctors in health advocacy. The committee also recommended some minor additions regarding security when transferring data, and providing support to families involved in organ donation.

After review by the NZMA Board, the draft revised Code was sent out for comment from stakeholders, NZMA members and the general public in March, and after review of their comments, is to be presented for ratification at the May Annual General Meeting.

My thanks to my fellow committee members, Dr Grant Gillett, Dr Brian Linehan and Dr Philip Rushmer for their valued input and support over the year, and also to the NZMA National Office staff, particularly Lucille Curtis, and Sanji Gunasekara, for their indispensable help and assistance.

Dr Tricia Briscoe  
*Chair Ethics Committee*

**Ethics Committee members**  
Tricia Briscoe (Chair)  
Grant Gillett  
Brian Linehan  
Philip Rushmer
Submissions made by the NZMA national office during 2012 are listed below:

British Medical Association
- Conditions for Junior Doctors in New Zealand

Children’s Commissioner
- Solutions to Child Poverty in New Zealand

DHB Shared Services
- New Service Models for Pharmacy

Finance and Expenditure Select Committee
- Customs and Excise (Tobacco Products – Budget Measures) Amendment Bill 2012

Food Standards Australia NZ
- Proposal P293: Nutrition, health and related claims / fat free and % fat free claims

Justice and Electoral Select Committee
- Privacy (Information Sharing) Bill

Government Administration Select Committee
- Lobbying Disclosure Bill

Health Select Committee
- Natural Health Products Bill
- Medicines Amendment bill
- Inquiry into preventing child abuse and improving children’s health outcomes
- Medicines Amendment Bill – Supplementary Submission

Healthy Quality and Safety Commission (HQSC)
- Development of Quality and Safety Markers
- Developing Health Quality and Safety Indicators

Health Workforce New Zealand (HWNZ)
- Health workforce strategy
- 2012 Review of the Health Practitioners Competence Assurance Act 2003

Maori Affairs Select Committee
- Inquiry into Social Determinants of Wellbeing for Maori Children

Medical Council of New Zealand (MCNZ)
- Doctors who provide care for themselves or those close to them
- A proposed framework for the regulation of special interests
- Doctors and financial conflicts of interest

Medsafe
- Submission for reclassification of Trimethoprim
Mental Health Commission
- Blueprint II for the Mental Health and Addiction Centre

Ministry of Health (MOH)
- Prescribing Rights – Misuse of Drugs Act and Medicines Regulations
- Resource and capability framework for integrated adult palliative care services in New Zealand
- Proposal to Introduce Plain Packaging of Tobacco Products in New Zealand
- Consultation on Paying Family Carers to Provide Disability Support
- Rising to the Challenge: The Mental Health and Addiction Service Development Plan 2012-2017
- Draft Medicines Care Guide for Community Residential and Facility-based Respite Services – Disability, Mental Health and Addiction

Ministry for Primary Industries (MPI)
- The future of folic acid fortification of bread in New Zealand

Ministry of Social Development (MSD)
- Green Paper on Vulnerable Children

Nursing Council of New Zealand (NCNZ)
- Code of Conduct

Pharmac
- Proposal to remove the restrictions applying to Azithromycin and list Apotex’s brand of Azithromycin 250mg tablets
- Review of Pharmac’s operating policies and procedures
- Review of dispensing frequency for monthly medicines - additional proposals relating to dispensing frequency (close control) & access exemption rule
- Records retention and disposal schedule

Pharmacy Council
- Proposed Schedule of Medicines and Controlled Drugs for Designated Prescriber / Pharmacist
- Prescriber

Privacy Commissioner
- Proposed Amendment No 7 to Health Information Privacy Code 1994

Social Services Select Committee
- Social Security (Youth Support and Work Focus) Amendment Bill

WMA
- 2012 Draft Policies – Vaccination Prioritisation/ Forced Sterilisation/ Person Centred Medicine
NZMA Affiliates 2012

- Association of Catholic Doctors
- NZ Association of Pathology Practices
- Australasian College for Emergency Medicine
- Australian and New Zealand Association of Urological Surgeons
- Australian and New Zealand College of Anaesthetists
- Aviation Medical Society of New Zealand
- Cardiac Society of Australia and New Zealand
- College of Urgent Care Physicians
- Doctors for Sexual Abuse Care
- Health Improvement and Innovation Resource Centre
- Health Quality and Safety Commission
- Institute of Australasian Psychiatrists
- Medical Acupuncture Society of New Zealand
- New Zealand Association of Musculoskeletal Medicine
- New Zealand College of Appearance Medicine
- New Zealand College of Public Health Medicine
- New Zealand Dermatological Society
- New Zealand Doctors for Life
- Family Planning
- New Zealand Orthopaedic Association
- New Zealand Pain Society
- New Zealand Rheumatology Association
- New Zealand Sexual Health Society
- New Zealand Society of Anaesthetists
- New Zealand Society of Gastroenterology
- New Zealand Society of Otolaryngology/Head and Neck Surgery
- 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 Stuart Wendon Agnew
Dr Stuart Alexander Ballantyne
Dr Harry Anderson Budd
Dr Jeremiah Alfred Chunn
Dr Patrick William Cotter
Dr Jacqueline Anne Cripps
Dr John Daniel Crowley
Mr James David Ross Elliott
Dr Alexander Fergus Ferguson
Dr Roy Julian Flight
Dr Harold Haydon Gray
Dr Robert Frank Henderson
Dr Roberta Sibyl Janette Highton
Dr William Roy Holmes
Dr John Edwin Horton
Dr Roy Frederick Hough
Miss Laurel Jones
Dr Stanley Peter Lay
Dr Derek Heathcote Livingston
Dr John Alistair Loan
Dr Andrew Richmond Martin
Dr Stanley John Matthews
Dr Murray Joseph Angland McDonald
Dr Barrie Craig McLeay
Dr Ian Alan McPhail
Dr Anna Muriel Kathleen Nielsen
Dr John Terence O’Brien
Dr Ralph Leslie Saxe
Dr Charles Swanston
Dr William James Treadwell
Dr William Leslie Francis Utley
Dr David Wilson Virtue
Dr Leo James Walker
Dr Montagu Edward Williams
Mr William Sealy Wood
Advisory Service

In 2012 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 556 general practices in these negotiations with the New Zealand Nurses Organisation.

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 on 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% on electronic credit card processing for your practice.

- **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.

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

- **FearFree security and safety management**
  Support and assistance on risk mitigation, security reviews and conflict awareness workshops.

- **Goodyear Dunlop Tyres and Co**
  10% off all tyres and batteries at Beaurepaires, Frank Allen Tyres and Goodyear stores.

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

- **Medicus Indemnity Insurance**
  Discounted annual premiums for indemnity insurance through Medicus

- **MSIG Pre-Employment Screening and Theft Investigation**
  Discounted comprehensive pre-employment screening and theft investigation service through Morley Security and Investigation Group (MSIG).
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 Leeming and Bond & Bond stores.

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

NZMA GPCME Conference
Members receive $150 discount on full registration to the NZMA GPCME Conferences in Rotorua and Dunedin.

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.

Volvo
Guaranteed 10% discount from our exclusive vehicle partner

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 Platinum Edge credit 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
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
Cherrytree
Fear Free Security & Safety Management
HotelClub
Morley Security and Investigation Group
Nexus Data Security
Noel Leeming Group
OfficeMax
Petals
South Pacific Tyres
Telecom
Primo Vino
Volvo
New Zealand Medical Association Inc.
Consolidated Statement of Financial Performance
For the Year Ended 30th September 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>2012 Group</th>
<th>2012 Parent</th>
<th>2011 Group</th>
<th>2011 Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions</td>
<td>1,237,441</td>
<td>1,168,590</td>
<td>1,189,668</td>
<td>1,109,702</td>
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<td>Investment Income</td>
<td>143,009</td>
<td>142,818</td>
<td>168,156</td>
<td>167,838</td>
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<tr>
<td>Member Benefit Income</td>
<td>73,094</td>
<td>73,094</td>
<td>66,649</td>
<td>66,649</td>
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<tr>
<td>Buy A Brick Donations</td>
<td>27,280</td>
<td>27,280</td>
<td></td>
<td></td>
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<tr>
<td>GPOME Conference</td>
<td>92,022</td>
<td>92,022</td>
<td>73,038</td>
<td>73,038</td>
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<tr>
<td>MECA Negotiations</td>
<td>70,000</td>
<td>70,000</td>
<td>70,065</td>
<td>70,065</td>
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<tr>
<td>Other Income</td>
<td>45,664</td>
<td>71,068</td>
<td>109,951</td>
<td>106,906</td>
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<tr>
<td>Total Income</td>
<td>1,689,090</td>
<td>1,645,452</td>
<td>1,677,527</td>
<td>1,594,198</td>
</tr>
<tr>
<td>Less Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration, Support and Finance</td>
<td>1,040,048</td>
<td>1,022,218</td>
<td>971,454</td>
<td>958,229</td>
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<tr>
<td>Advocacy and Policy</td>
<td>25,390</td>
<td>25,390</td>
<td>130,107</td>
<td>130,107</td>
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<tr>
<td>Audit Fees</td>
<td>9,000</td>
<td>7,000</td>
<td>18,180</td>
<td>14,180</td>
</tr>
<tr>
<td>Board and Advisory Councils</td>
<td>344,057</td>
<td>307,021</td>
<td>362,274</td>
<td>359,382</td>
</tr>
<tr>
<td>Depreciation</td>
<td>35,455</td>
<td>35,455</td>
<td>36,728</td>
<td>36,728</td>
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<tr>
<td>Doubtful Debt Expense</td>
<td>-</td>
<td>-</td>
<td>3,923</td>
<td>-</td>
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<tr>
<td>Grants</td>
<td>-</td>
<td>197,130</td>
<td>-</td>
<td>143,478</td>
</tr>
<tr>
<td>Loss on Disposal of Assets</td>
<td>48,699</td>
<td>48,699</td>
<td>18,440</td>
<td>18,440</td>
</tr>
<tr>
<td>Membership Services and Marketing</td>
<td>77,897</td>
<td>77,896</td>
<td>75,334</td>
<td>75,334</td>
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<tr>
<td>Special Projects</td>
<td>18,594</td>
<td>18,594</td>
<td>-</td>
<td>-</td>
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<tr>
<td>New Zealand Medical Journal &amp; Digest (Net)</td>
<td>190,856</td>
<td>-</td>
<td>201,948</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>1,789,996</td>
<td>1,740,003</td>
<td>1,847,388</td>
<td>1,744,878</td>
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</table>

Operating Deficit for Year

<table>
<thead>
<tr>
<th>Net Surplus/(Deficit) for Year</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>(99,941)</td>
<td>$84,586</td>
<td>($230,573)</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>ACCUMULATED FUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance as at 1 October 2011</td>
<td>2,227,142</td>
<td>2,246,323</td>
</tr>
<tr>
<td>Net Surplus for the Year</td>
<td>(90,941)</td>
<td>(84,586)</td>
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<tr>
<td><strong>OTHER MOVEMENTS</strong></td>
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<td></td>
</tr>
<tr>
<td>Transfer from Building Maintenance Fund</td>
<td>42,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Transfer from Building Replacement Reserve</td>
<td>510,416</td>
<td>510,416</td>
</tr>
<tr>
<td><strong>CLOSING BALANCE as at 30 September 2012</strong></td>
<td>2,689,117</td>
<td>2,714,653</td>
</tr>
<tr>
<td><strong>RESERVES AND TRUSTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening Balance as at 1 October 2011</td>
<td>667,878</td>
<td>667,878</td>
</tr>
<tr>
<td>Transfer from Building Fund and Reserve</td>
<td>(552,916)</td>
<td>(552,916)</td>
</tr>
<tr>
<td>Unrealised Gain/(Loss) on Investments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CLOSING BALANCE as at 30 September 2012</strong></td>
<td>114,962</td>
<td>114,962</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>2,804,079</td>
<td>2,829,615</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Audit Report.
# New Zealand Medical Association Inc.
## Consolidated Statement of Financial Position
### As at 30th September 2012

<table>
<thead>
<tr>
<th>Note</th>
<th>2012 Group</th>
<th>2012 Parent</th>
<th>2011 Group</th>
<th>2011 Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>6</td>
<td>764,029</td>
<td>744,515</td>
<td>58,736</td>
</tr>
<tr>
<td>GST Refund Due</td>
<td>1(b)</td>
<td>23,119</td>
<td>28,316</td>
<td>4,207</td>
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<tr>
<td>Accounts Receivable</td>
<td></td>
<td>170,220</td>
<td>152,346</td>
<td>147,521</td>
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<tr>
<td>Advance</td>
<td></td>
<td></td>
<td>2,870</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>2,674,362</td>
</tr>
<tr>
<td>Payments in Advance</td>
<td></td>
<td>3,171</td>
<td>3,171</td>
<td>4,320</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>2,460,539</td>
<td>2,431,218</td>
<td>2,889,146</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets at Cost</td>
<td>11</td>
<td>954,367</td>
<td>954,367</td>
<td>1,042,988</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td></td>
<td>(275,447)</td>
<td>(275,447)</td>
<td>(862,744)</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td></td>
<td>678,920</td>
<td>678,920</td>
<td>180,244</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>678,920</td>
<td>678,920</td>
<td>180,244</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>3,139,459</td>
<td>3,110,138</td>
<td>3,069,390</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>272,876</td>
<td>237,748</td>
<td>129,350</td>
</tr>
<tr>
<td>Provision for Holiday Pay</td>
<td></td>
<td>62,504</td>
<td>42,775</td>
<td>45,020</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>335,380</td>
<td>280,523</td>
<td>174,370</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td><strong>$2,804,079</strong></td>
<td><strong>$2,829,615</strong></td>
<td><strong>$2,895,020</strong></td>
</tr>
</tbody>
</table>

Represented by:

**EQUITY**

**RESERVES AND TRUSTS**
| | | | | |
| JPS Jamieson/GP Society Trust | | 7,425 | 7,425 | 7,425 |
| Building Maintenance Fund | | - | - | 42,500 | 42,500 |
| Memorial Oration Fund | | 16,004 | 16,004 | 16,004 |
| Guest Speaker Fund | | 23,000 | 23,000 | 23,000 |
| Building Replacement Fund | 3 | 68,533 | 68,533 | 578,949 | 578,949 |
| **Total Reserves and Trust** | 12 | 114,962 | 114,962 | 667,878 | 667,878 |
| Accumulated Funds | | 2,689,117 | 2,714,653 | 2,227,142 | 2,246,323 |
| **TOTAL EQUITY** | | **$2,804,079** | **$2,829,615** | **$2,895,020** | **$2,914,201** |

For and on behalf of the Board:

Chairperson Date: 4-3-2013

Chief Executive

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Audit Report.
New Zealand Medical Association Inc.
Consolidated Notes to the Financial Statements
For the Year Ended 30th September 2012

1. STATEMENT OF ACCOUNTING POLICIES

Nature of Entity
The financial statements presented here are for the entity New Zealand Medical Association Inc. (the Association), an
Incorporated Society registered under the Incorporated Societies Act 1908. They are also registered as a Charity under the
Charities Commission as at 30 June 2005.

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.

The financial statements of the Association as at and for the year ended 30 September 2011 comprise the separate financial
statement of the Association being the ‘Parent’ and the consolidated financial statements of the Parent and its subsidiary
being NZMA Services Limited as from 1 October 2010.

Measurement Base
The accounting principles recognised as appropriate for the measurement and reporting of financial performance and
financial position on a historical cost basis are followed, with the exception of certain items for which specific accounting
policies have been identified.

Changes in Accounting Policies
There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in
previous years.

Specific Accounting Policies

(a) Depreciation
All fixed assets, other than vehicles, are depreciated on a straight line basis to write off the various assets over their
expected useful lives. Buildings have not been depreciated in the current year as the current building is to be demolished
and costs for the new building cannot be depreciated until building is complete. The entity has the following classes of
Property, Plant & Equipment;

- Buildings 0%-1%
- Building Renovations 10%
- Furniture, Fittings and Office Equipment 20 - 25 %
- Computer Equipment and Website 20 - 25 %
- Membership Database 12.5%

(b) Goods & Services Tax
These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and
accounts payable which are shown inclusive of GST.

(c) Taxation
The Taxation refund due relates to NZMA Services refund of withholding tax paid. New Zealand Medical Association is
registered as a charity under the Charities Commission and is therefore exempt from income tax. NZMA Services Limited are
subject to income tax but have no tax to pay in the current year.

(d) Differential Reporting
The Association is a qualifying entity in terms of the framework for Differential Reporting by virtue of it not being publicly
accountable and not being deemed large. All differential reporting exemptions available have been applied.

(e) Revenue
Membership subscriptions and dividends are recognised in the statement of financial performance on a cash basis as this is
when the Association is entitled to the revenue. Interest income is recognised on an accrual basis.

Contract income is recognised in the statement of financial performance with reference to the term of the contract and nature
of the underlying effort required to meet contract requirements. The Association has recognised re-negotiated contract
income on the Primary Health Care Multi-Employer Collective Agreement (MECA) over two financial reporting periods.
New Zealand Medical Association Inc.
Consolidated Notes to the Financial Statements
For the Year Ended 30th September 2012

(f) Investments
Share investments in listed companies are stated at their fair value. Initially they are recorded at cost, and are then valued at market bid price at the Statement of Financial Position date in subsequent periods. Any gains or losses generated as a result of revaluation is recognised in the Statement of Financial Performance.

Other investments are stated at cost less any amortisation. Amortisation is recognised in the Statement of Financial Performance.

(g) Operating Leases
Operating leases are those which all the risks and benefits are substantially retained by the lessor. Operating lease payments are expensed in the periods the amounts are payable.

(h) Receivables
Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified. Dividends are recorded on a cash received basis.

2. AUDIT
These financial statements have been subject to audit, please refer to Auditor’s Report.

3. BUILDING REPLACEMENT FUND
From 1986 until 1 October 2006 members of the Association were levied for the replacement of Association premises. No levy has since been charged. This fund is now being used to help pay the costs of the new building development as presented in Note 12.

4. LAND AND BUILDINGS
The latest Government valuation on land and buildings, dated 1 September 2009 was $1,775,000.
The New Zealand Medical Association Inc. building was assessed late 2011 and found to be earthquake prone. The NZMA has elected to demolish the existing building and erect a new building on the site. As at 30 September 2012 $580,000 has been spent in work in progress on the development of its new building.

5. RELATED PARTIES
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 per annum for the provision of these services. The grant given for 2012 was $197,130. (2011: $143,478)NZMA Services Ltd have paid $30,000 to New Zealand Medical Association during the year to cover staff time used. (2011 Nil)

6. BANK

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Westpac Current Account</td>
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<td>30,391</td>
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</tr>
<tr>
<td>Westpac On Call account</td>
<td>688,048</td>
<td>688,448</td>
<td>1,700</td>
</tr>
<tr>
<td>Westpac Management Account</td>
<td>25,976</td>
<td>25,876</td>
<td>20,123</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>764,029</strong></td>
<td><strong>744,515</strong></td>
<td><strong>58,736</strong></td>
</tr>
</tbody>
</table>

7. CONTINGENT LIABILITIES
At balance date there are no known contingent liabilities (2011:$0). New Zealand Medical Association Inc. has not granted any securities in respect of liabilities payable by any other party whatsoever.
8. OPERATING LEASE COMMITMENTS

Lease of Premises
Premises have been leased from March 2012.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>63,984</td>
<td>63,984</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1 - 5 years</td>
<td>122,636</td>
<td>122,636</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>186,620</strong></td>
<td><strong>186,620</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Lease of Photocopier
The photocopier is leased for a term of 60 months commencing in December 2010 and includes a minimum volume amount in each payment.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Year</td>
<td>14,100</td>
<td>14,100</td>
<td>14,100</td>
<td>14,100</td>
</tr>
<tr>
<td>1 - 5 years</td>
<td>30,650</td>
<td>30,650</td>
<td>44,650</td>
<td>44,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44,750</strong></td>
<td><strong>44,750</strong></td>
<td><strong>58,750</strong></td>
<td><strong>58,750</strong></td>
</tr>
</tbody>
</table>

9. INVESTMENTS

Investment Portfolio
All investments are held by New Zealand Medical Association Inc. and therefore the numbers represent both parent and group.

<table>
<thead>
<tr>
<th></th>
<th>Westpac</th>
<th>JB Were</th>
<th>ANZ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash / Term Deposits</td>
<td>1,500,000</td>
<td>-</td>
<td>-</td>
<td>1,500,000</td>
</tr>
<tr>
<td></td>
<td>1,500,000</td>
<td>-</td>
<td>-</td>
<td>1,500,000</td>
</tr>
<tr>
<td><strong>Income derived from Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>33,621</td>
<td>13,706</td>
<td>47,327</td>
</tr>
<tr>
<td>Interest</td>
<td>53,588</td>
<td>5,803</td>
<td>36,230</td>
<td>95,622</td>
</tr>
<tr>
<td></td>
<td>53,588</td>
<td>39,424</td>
<td>48,836</td>
<td>143,909</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Zealand Equity</td>
<td>-</td>
<td>168,534</td>
<td>236,643</td>
<td>405,177</td>
</tr>
<tr>
<td>Australian Equity</td>
<td>-</td>
<td>121,007</td>
<td>75,648</td>
<td>196,655</td>
</tr>
<tr>
<td>Offshore Equities</td>
<td>-</td>
<td>86,377</td>
<td>-</td>
<td>86,377</td>
</tr>
<tr>
<td>Bonds</td>
<td>-</td>
<td>568,958</td>
<td>941,891</td>
<td>1,510,849</td>
</tr>
<tr>
<td>Cash / Term Deposits</td>
<td>380,267</td>
<td>61,074</td>
<td>33,963</td>
<td>475,304</td>
</tr>
<tr>
<td></td>
<td>380,267</td>
<td>1,005,960</td>
<td>1,288,145</td>
<td>2,674,362</td>
</tr>
<tr>
<td><strong>Income Derived from Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>3,224</td>
<td>19,743</td>
<td>22,967</td>
</tr>
<tr>
<td>Interest</td>
<td>23,961</td>
<td>44,823</td>
<td>57,516</td>
<td>126,300</td>
</tr>
<tr>
<td></td>
<td>23,961</td>
<td>48,047</td>
<td>77,259</td>
<td>149,267</td>
</tr>
</tbody>
</table>
New Zealand Medical Association Inc.
Consolidated Notes to the Financial Statements
For the Year Ended 30th September 2012

10. BOARD FEES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees Paid to Council/Board</td>
<td>173,204</td>
<td>173,204</td>
<td>194,614</td>
<td>194,614</td>
</tr>
</tbody>
</table>

11. FIXED ASSETS

All fixed assets are held by New Zealand Medical Association Inc. and therefore the numbers represent both parent and group. Costs to date on the development of the new building are recorded as Building work in Progress.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</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>(24,688)</td>
<td>(24,689)</td>
</tr>
<tr>
<td></td>
<td>31,404</td>
<td>31,403</td>
</tr>
<tr>
<td>Building Work in Progress</td>
<td>580,176</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>611,580</td>
<td>31,403</td>
</tr>
<tr>
<td>Building Renovations</td>
<td>-</td>
<td>252,706</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>-</td>
<td>(200,403)</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>52,303</td>
</tr>
<tr>
<td>Furniture, Fittings &amp; Office Equipment</td>
<td>63,723</td>
<td>478,607</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(65,718)</td>
<td>(459,355)</td>
</tr>
<tr>
<td></td>
<td>8,006</td>
<td>19,252</td>
</tr>
<tr>
<td>Computer Equipment and Website</td>
<td>247,797</td>
<td>249,004</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td>(195,040)</td>
<td>(175,297)</td>
</tr>
<tr>
<td></td>
<td>52,757</td>
<td>73,707</td>
</tr>
<tr>
<td>Total Fixed Assets</td>
<td>678,921</td>
<td>180,244</td>
</tr>
</tbody>
</table>

DEPRECIATION

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>-</td>
<td>561</td>
</tr>
<tr>
<td>Building Renovations</td>
<td>8,122</td>
<td>11,164</td>
</tr>
<tr>
<td>Furniture &amp; Fittings, Office Equipment</td>
<td>6,139</td>
<td>7,032</td>
</tr>
<tr>
<td>Computer Equipment and Website</td>
<td>21,104</td>
<td>14,282</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>-</td>
<td>3,689</td>
</tr>
<tr>
<td>Total Depreciation</td>
<td>35,455</td>
<td>36,728</td>
</tr>
</tbody>
</table>
### 12. RESERVES AND TRUSTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JPS Jamieson/GP Society Trust</td>
<td>7,425</td>
<td>7,425</td>
<td>7,425</td>
<td>7,425</td>
</tr>
<tr>
<td>Opening Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>7,425</td>
<td>7,425</td>
<td>7,425</td>
<td>7,425</td>
</tr>
<tr>
<td>Building Maintenance Fund</td>
<td>42,500</td>
<td>42,500</td>
<td>42,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Opening Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement for the Year</td>
<td>(42,500)</td>
<td>(42,500)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>-</td>
<td>-</td>
<td>42,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Memorial Oration Fund</td>
<td>16,004</td>
<td>16,004</td>
<td>16,004</td>
<td>16,004</td>
</tr>
<tr>
<td>Opening Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>16,004</td>
<td>16,004</td>
<td>16,004</td>
<td>16,004</td>
</tr>
<tr>
<td>Guest Speaker Fund</td>
<td>23,000</td>
<td>23,000</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Opening Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>23,000</td>
<td>23,000</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Building Replacement Fund</td>
<td>578,949</td>
<td>578,949</td>
<td>578,949</td>
<td>578,949</td>
</tr>
<tr>
<td>Opening Balance</td>
<td>(510,416)</td>
<td>(510,416)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Movement for the Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLOSING BALANCE</td>
<td>68,533</td>
<td>68,533</td>
<td>578,949</td>
<td>578,949</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES AND TRUSTS</strong></td>
<td>114,962</td>
<td>114,962</td>
<td>667,878</td>
<td>667,878</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the Members of New Zealand Medical Association Incorporated and Group

Report on the financial statements
We have audited the financial statements of New Zealand Medical Association Incorporated (the “Parent”) and Group comprising its subsidiaries on pages 1 to 8, which comprise the statement of financial position as at 30 September 2012, and the statement of financial performance, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Members’ responsibilities
The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibilities
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of financial statements that present fairly the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in New Zealand Medical Association Incorporated or its subsidiaries.

Opinion
In our opinion, the financial statements on pages 1 to 8 present fairly, in all material respects, the financial position of New Zealand Medical Association Incorporated and Group as at 30 September 2012, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Grant Thornton
Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
4 March 2013