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President’s Report

The peak professional body for Chinese medicine: promoting safety, quality and ethics in practice, serving the members and protecting the public.

THE YEAR IN REVIEW

I am pleased to be able to present this report on behalf of the AACMA Board of Directors for the 2012 calendar year. 2012 was a year of some significant achievements as well as many challenges.

National registration of the Chinese medicine profession from July 2012 was a major focus of the Association in 2012, particularly in the lead up period in the first half of the year. This took up significant staff time and resources providing the necessary support and advice to members during this period. I congratulate all members who were successful in their applications. So long as you maintain your registration you will not have to repeat that process.

The 2012 Annual General Meeting saw the addition of two new members on the Board (Waveny Holland and Matt O’Hara from Queensland).

A new Board Executive was appointed after the 2012 Annual General Meeting (AGM), being Walter Simpson as Vice-President, Hong Xu as Secretary, and Hoc Ku Huynh as Treasurer. I was elected to the position of President.

The first quarter of 2012 was an unstable and turbulent time for the Board and CEO, with resignations tendered by four Board members: Ian Murray, Wade James, Peter Kington and Tim Wilson. These matters were reported in the 2011 annual report and also discussed at the 2012 AGM.

Major issues that contributed to the difficulties in the first quarter of 2012 included: the issue of CEO accrued entitlements and how that should be managed by the Board; the Board’s response to the CEO’s resignation; the WFAS 2013 conference; financial management issues; and Board decision-making processes.

I am pleased to report that the issue of accrued CEO entitlements was cordially resolved by agreement between the CEO and the new (post-2012 AGM) board. As of the date of this report recreation leave had been reduced to a reasonable level. However, accrued long service leave can only be paid when the staff member takes the leave or ceases their employment.

The CEO resigned in 2011; however I am pleased to report that by agreement between the Board and CEO, her date of departure was extended to the end of 2013 in order to provide continuity and support to members during the lead up to national registration and the international conference.

The venue arrangement for the WFAS 2013 conference had been the subject of a detailed review by the CEO and approved by the previous (2011/2012) Board in 2011. In 2012, preparation work continued on the conference.

From the Financial Report, members will see that AACMA finished the year again with a healthy surplus and an end-of-year cash-positive position.

I am pleased to report that the current AACMA Board continues to have a well-functioning, positive and mutually respectful relationship with the CEO.

In 2012, AACMA launched on-line career videos on acupuncture and Chinese herbal medicine, featuring members Beaux Mannix and Eli Huang. These can be accessed from the AACMA website.

2012 also saw campaigns against Chinese medicine registration and practice launched as part of a broader campaign against complementary therapies by the ‘Friends of Science in Medicine’. In the Australian Journal of Acupuncture and Chinese Medicine (2012;7;1), AACMA published Guest Editorials responding to those claims. These guest editorials can also be found on the AJACM website. AACMA also responded to many of the more outrageous claims that appeared in the media.

Our organisation is only as strong as its members. Without your input and support, the AACMA Board past and present could not have achieved the benefits for members that we now enjoy.

I would like to thank our members, our State Committees, and the Board for the hard work and support you have shown during the past year. In particular, I extend my thanks and appreciation to all of the Board members, Walter Simpson, Hong Xu, Hoc Ku Huynh, Waveny Holland, Matt O’Hara, Michael Porter and Zhen Zheng for their hard work and commitment to the board and the association during 2012 and 2013.

I also give special thanks to the members of our State Committees who have tirelessly provided local CPD events for our members. A full list of State Committee members, as of 31 December 2012 is included on the final page.

I also thank and acknowledge the other Board members who served on the Board during 2012: Ian Murray, Wade James, Peter Kington, and Tim Wilson.

Last but not least, the Board and I thank Judy James and the AACMA office staff for their outstanding efforts in supporting our goals.

THE YEAR AHEAD

We, the AACMA Board, look forward to another exhilarating year in the field of Chinese medicine and a successful and profitable year for our members.

In the post-registration era, AACMA will continue its focus on supporting the members and the profession in the post-registration environment. The focus has now shifted to developing comprehensive submissions on national codes, guidelines and standards as well as building policy and infrastructure within AACMA to assist members with the transition to a regulated environment.

Strengthened focus will be on developing member capacity through CPD and related activities. The Board published its revised CPD policy in the Autumn 2013 Jing-Luo and areas of specific need have been identified.

The Board is also progressively reviewing our core business activities in the post-registration context. A major decision
taken in 2013 has been to discontinue the independent AACMA course accreditation policy and process. This function was a necessity in a self-regulated environment as AACMA had for decades set the benchmark for Chinese medicine education standards. Now, with the establishment of an independent Accreditation Committee under the Chinese Medicine Board of Australia, the AACMA process became redundant.

Improving access to financial benefits for members is also a priority in 2013. So far, members have been able to access a combined electronic claims and merchant facility via an arrangement with Suncorp and Healthpoint. Other target areas are Medicare (including the Enhanced Primary Care via GP Health Management Plan), work cover recognition in all states and territories and the access to hospital care for patients. At present there is no certainty that national registration will bring any of these goals to fruition, but it certainly does provide a strong basis.

We face continued challenges from our detractors, some of whom are highly organised and driven by ideological extremism. We do need to support high quality research about our practices and their efficacy and cost-effectiveness. This will also assist in obtaining more practice benefits. However, we must maintain the fundamental theoretical and practical basis of our system of health care which has nurtured and sustained its development over many centuries to the present.

The continued development of strategic partnerships and alliances is a priority for 2013, in both the political and academic areas.

As part of our communications strategy, the AACMA Board has approved a new part-time staff position with a dedicated focus on media and promotions to improve community awareness of acupuncture and Chinese medicine and to have a sharper media profile.

Developing and retaining our membership base and ensuring our membership admission criteria remain relevant is another priority for 2013. AACMA has introduced a mechanism to enable all registered practitioners to be members of AACMA via Associate Membership. This non-accredited membership category allows access to information, e-news, journal, CPD activities etc., but not the benefits of accredited practising membership. Details were published in the Autumn 2013 Jing-Luo and more information will be forthcoming throughout the year.

In 2013, AACMA is moving to more on-line services for members. The first step has been the transition of our membership database into an on-line hosted environment. This is a major project that will eventually enable on-line submission of CPD activities, on-line event registration, as well as direct member access to information held in the AACMA database about them. It goes without saying that these features and facilities come with a hefty price so careful management is necessary to ensure member value.

Finally, AACMA will be host to WFAS Sydney 2013, the 8th World Conference on Acupuncture to be held at the Sydney Convention and Exhibition Centre in November. This is an important commitment for AACMA and the support of our members is necessary. Please go the conference website (www.wfas2013sydney.com) for conference information.

2012 HIGHLIGHTS

The major highlights for 2012 are outlined below.

National registration

The commencement and lead up to national registration was by far the most significant issue for 2012.

Chinese medicine practitioners were one of four partially registered professions (Aboriginal and Torres Strait Islander health workers, occupational therapists, and radiation protection practitioners are also included) that joined the scheme on 1 July 2012. These four professions were additional to the 10 fully registered professions for which national registration commenced on 1 July 2012.

AACMA activities in the lead-up to national registration

AACMA undertook the following activities to support members in the lead up to national registration:

- preparation of comprehensive information, guidelines and Frequently Asked Questions about the national registration process to assist members with their applications
- comprehensive member information sessions in all capital cites and some regional areas
- dedicated staff to assist individual members in completing their applications
- Statements of Membership and Accreditation
- Statement of Continuing Professional Development
- summaries of discontinued courses (where information is available) uploaded to the members’ section of the AACMA website
- comprehensive submissions to the CMBA on draft registration standards (Continuing Professional Development, Criminal History Checks, English Language, Professional Indemnity Insurance, Recency of Practice and Grandparenting Registration standard)
- submission on composition of the (Course) Accreditation Committee
- provision of assistance to members applying for appointment to the national Board or the Accreditation Committee.

Activities after the commencement of national registration

AACMA continued to provide support and information to members whose registrations had not yet been processed or who had yet to submit their applications.

Additionally, AACMA lodged the following submission in relation to national registration:

- Consultation on proposed Codes and Guidelines (Advertising, Mandatory Notifications, Patient Records)
- Guidelines for Continuing Professional Development
- Consultation on international criminal history checks
- Consultation on Draft Infection Control Guidelines specific to acupuncture practice
- the CMBA English Language Skills Registration Standard.

AACMA staff continued to work behind the scenes seeking clarification from the CMBA/AHPRA on interpretation
Endorsements in relation to acupuncture

By far the most controversial aspect of the legislation is a mechanism to enable endorsement by other health boards for the practice of acupuncture. Endorsed practitioners will be able to use the title acupuncturist without having to be registered in the Division of Acupuncture with the Chinese Medicine Board of Australia. This is an adaptation of the Victorian model albeit with a requirement to consult and a greater level of transparency and accountability for the other boards than was apparent in the Victorian situation.

In May 2012, the Medical Board of Australia released a consultation paper on a registration standard for acupuncture endorsement. Copies of the submissions (including the AACMA submission) can be found on the Medical Board’s Past Consultations pages. Subsequently, the Medical Board released its approved Standard for Endorsement of Registration for Acupuncture, which can be found on the Medical Board’s registration standards page. The list of approved courses for acupuncture endorsement can be found on the Medical Board’s Accreditation page. These pages can be found by navigating the links from www.medicalboard.gov.au.

Proposed standards for acupuncture endorsement were released for consultation in 2011 by the Australian Physiotherapy Council (APC), acting on behalf of the following national boards: chiropractors, dentists, medical practitioners, osteopaths, physiotherapists and podiatrists. AACMA lodged a submission to the APC on this issue. At the time of this report, there had not been any outcome published on either the APC or the Physiotherapy Board’s site. Indeed, all reference to the issue appears to have disappeared from the APC’s public sites. However, a copy of the discussion paper and related documents can be found on AHPRA back pages through an internet search.

The Podiatry Board also released a consultation paper on proposed options in relation to acupuncture for the podiatry profession. As of the date of this report, neither the submissions (including the AACMA submission) nor the outcome had been published.

In June 2012, most national boards had published notices to their registered practitioners about the requirements to be registered with the CMBA if they wanted to use the title ‘acupuncturist’ unless they had already achieved this endorsement under the now-defunct Victorian scheme.

Impacts of national registration

The most significant impact is that practitioners can no longer practice in the profession of acupuncture/Chinese medicine unless they are registered or endorsed.

Most members successfully applied for national registration and have renewed their registration for 2012/2013. A small number were refused on various grounds and some of these have proceeded to an administrative review of the decision. Outcomes to date from these reviews are unknown.

Some members took the decision not to apply for registration and instead to focus on other health practices, such as massage, while others had decided to leave the profession altogether.

An immediate benefit from national registration has been the exclusion of acupuncture and Chinese medicine services from the review of natural therapies for continued private health insurance rebates. The unregistered health professions are now fighting for their survival and this is a fight we do not have to take on at this stage.

AACMA is, however, arguing the case for retaining the benefit for TCM remedial massage and massage in general as these are important services provided by our members.

Also, it is inevitable that AACMA would experience some loss of members due to national registration. Most members who did not renew their 2013 membership were not in practice and others did not review for financial reasons. The good news is that membership losses due to national registration have been less than anticipated, amounting to an impact of under 5%.

Health insurance matters

Monthly health fund updates to continue

Commonwealth legislation to establish national baseline criteria for provider registration by private health funds continued to operate in 2012. Under the Private Health Insurance (Accreditation) Rules (the Rules), quality requirements apply to practitioners if they are to be recognised by a private health insurer for the purpose of paying health fund rebates on their services. These changes effectively overrode the law against third line forcing (that is, forcing someone to be a member of a professional association in order to gain a benefit) in relation to health fund provider recognition. Under the Rules, practitioners are required to be a member of an appropriate professional body for their patients to obtain a rebate from the health fund, unless they are registered with a national board in relation to the provision of those services.

With the advent of national registration of the Chinese medicine profession, registration in the relevant division of the Register of Chinese medicine practitioners is the baseline for health fund provider recognition for acupuncture and/or Chinese herbal medicine. However, having regard to the criteria set by health funds for provider recognition, most health funds have opted to continue with relying on lists of eligible practitioners provided by the associations.

This means that AACMA will continue to supply monthly updates to the health funds and to liaise with the funds on behalf of members.

Review of Natural Therapies

In 2012, the federal government commenced a review of natural therapies to determine which therapies should continue to receive the private health insurance rebate and which therapies should have their cover removed. For all practical purposes, if the health insurance rebate is removed from a type of service, the health funds will also remove coverage from their ancillary tables.

The services of registered health providers are not included in this review.
Strategic Planning
The incoming 2012/2013 AACMA Board continued with its strategic planning processes. A schematic of the Summary of our revised strategic plan is included on page 10.

The revised Strategic Plan includes the following elements
- the AACMA Vision (NEW!!!)
- the AACMA Mission Statement (REVISED!!!)
- four Core Objectives (NEW!!!)
- two Tag-lines (NEW!!!)
- six strategic initiatives to give effect to these goals and objectives
- action goals and operational plans for each of the strategic initiatives in order for this process to have practical and measurable outcomes (IN DEVELOPMENT!!!).

The AACMA vision

Equal partners in health care
This reflects our aspirational goal for acupuncture and Chinese herbal medicine, provided by qualified registered practitioners, to be accepted as part of mainstream healthcare. It also represents the importance of the relationship between the practitioner and patient – one of collaboration about healthcare for the benefit of the patient.

The AACMA Mission Statement

The peak professional body for Chinese medicine: promoting safety, quality and ethics in practice, serving the members and protecting the public.

This reflects AACMA’s current and future role as the leading Chinese medicine professional association, our commitment to ethics and standards, our role in serving our members and, through these measures, our long-standing role in protecting the public.

Core Objectives

These are:
- strong professional base
- high community acceptance
- active engagement in the health system
- effective industry structure.

The five elements represent the dynamic cycles of nature. The five elements represent the dynamic cycles of nature. The placement of a core objective in a specific element is not intended in any way to imply a specific elemental relationship with or between the objectives. The representation via arrows of the Sheng and Ke cycles is there to complete the five element diagram and to impart a sense of balance and movement, such as the unrestrained yet orderly flow of Qi in the human body.

The Strategic Initiatives

The summary has six areas of Strategic Initiatives for 2013–2015, as the means to achieve the key goals, messages and aspirations.

Health Professionals Prescribing Pathways Project

Health Workforce Australia, a federal government health body, has been working on a national project called the Health Professionals Prescribing Pathways Project (HPPP). The HPPP is about the prescribing of medicines by registered health professionals other than doctors. It is mainly about scheduled medicines, but is not limited to scheduled medicines.

The HPPP Project Team is developing generic models for prescribing, dovetailing with generic competencies. So far, this has involved targeted consultations with key stakeholders. Once the draft models have been finalised, the draft will go out for broader consultation in early 2013.
President’s Report (continued)

The HPPP is not intended to direct practitioners in how to practise in their profession; rather, it relates to generic skills, competencies and processes for the safe prescription of medicines.

As the Chinese medicine profession will be seeking endorsement for prescribing and dispensing rights to specified scheduled Chinese herbal substances and the development of a new schedule for potentially toxic Chinese herbal medicines, this project has long-term significance for the safety and quality in Chinese herbal medicine practice.

This is an important example of how registration brings the profession into mainstream health workforce consultation and policy development.

To obtain more information, visit www.hwa.gov.au/hppp. For a copy of the generic prescribing competencies developed by the National Prescribing Service go to http://www.nps.org.au/health_professionals/prescribing_competencies_framework.

Publications and Promotions

In July 2011 AACMA appointed a dedicated Publications and Promotions Administrator, Julia Starkey; AACMA subsequently commenced progressively updating and refreshing AACMA publications and improving AACMA communications and marketing strategies.

Starting with the Jing-Luo, layout and formatting changes were introduced for the September and December 2011 editions, culminating in a totally new-look full-colour glossy format for the March 2012 Jing-Luo.

The new AACMA webpage was launched in November 2011, with a contemporary and stylish homepage, an expanded members-only section and an extensively updated media section, amongst some of the positive changes.

New formats for bulk emails were introduced, improving the look and interactivity of our electronic communications.

Extended use of Facebook and Twitter has enhanced the profile and reach of AACMA on the internet.

AACMA has also improved its responses to negative media through better monitoring and increased use of media releases.

Journal

In 2012, AACMA published the seventh volume of the Australian Journal of Acupuncture and Chinese Medicine (AJACM), the official peer-reviewed journal of AACMA.

I express my thanks and appreciation to the members of AJACM Editorial Board for their professionalism and hard work in making the journal a success. The Editorial Board represents a good cross section of skills and expertise from the profession and academia. All are members of AACMA.

The Editorial Board members, as of 31 December 2012 were:
- Dr Zhen Zheng, Editor-in-Chief (VIC)
- A/Prof Chris Zaslawski, Deputy Editor (NSW)
- John Deare (QLD)
- Dr Peter Ferrigno (VIC)
- Dr Yun-Fei Lu (WA)
- A/Prof Hong Xu (VIC)
- A/Prof Caroline Smith (VIC)

The AJACM Management Committee and the AACMA Board thank A/Prof Caroline Smith for her substantial contribution to the journal over its first 6.5 years.

AACMAC Brisbane 2012

AACMAC Brisbane 2012, held on 25 – 27 May 2012, was a resounding success and proved to be the biggest and most popular AACMAC to date. More than 360 delegates from Australia and abroad met for three engaging and entertaining days at the Brisbane Convention and Exhibition Centre, in the heart of beautiful, sunny Brisbane.

In 2012 delegates were treated to an impressive academic program from more than 65 nationally and internationally renowned speakers, workshop presenters and posters.

AACMA was delighted to hear such positive and encouraging feedback after the event – proof that the hard work and dedication was worth every minute.

As with every conference, a complimentary cocktail party is held on the Friday evening and a Gala Dinner on the Saturday evening. At the cocktail party we launched David Legge’s latest book, and at the Gala Dinner we celebrated the signing of MOUs with the New Zealand Register of Acupuncturists and the Network of Researchers in the Public Health of Complementary and Alternative Medicine.

AACMA extends its gratitude to members, speakers, exhibitors, sponsors and staff for continuing to support Australia’s only TCM-focused annual conference. Each year we attempt to push the boundaries to deliver three worthwhile days, and AACMAC Brisbane 2012 was no exception.

WFAS Sydney 2013 (2 – 4 November) will take the place of AACMAC in 2013. This event is not to be missed.

Conference Awards

Overall Best Paper (Safflower $150 theatre voucher): Mark Strudwick for ‘Functional brain imaging of Acupuncture: an update’

Best Research Scientific Paper (Beijing Tong Ren Tang 12 x 5 seeds Eugenic Supporter valued at $190): Suzanne Cochrane for ‘Prior to conception: the role of an acupuncture protocol beyond fertility protocols’


Honourable Mention For First Presentation (Helio Supply $125 Voucher): Tracy Churchill for ‘How to make the most of your student experience’

Best Poster (Cathay Herbal $125 Voucher): Bertrand Loyeung for ‘To investigate the effect of (i) needling specificity, (ii) needle manipulation, and (iii) needle retention time on deqi’

International Issues

NZRA

AACMA continues to share a cooperative and supportive relationship with our New Zealand sister association, the New Zealand Register of Acupuncturists (NZRA).
Two delegates of the NZRA (President Paddy McBride and Vice-President Thomas Lin) attended AACMAC Brisbane 2012. AACMA sent Vice-President Walter Simpson and CEO Judy James to the NZRA annual conference in June 2012.

The NZRA and AACMA finalised our Memorandum of Understanding (MOU), which we launched during AACMAC Brisbane 2012, and had an exchange of gifts ceremony at the NZRA annual conference.

WFAS
AACMA continued to maintain its strong position in the World Federation of Acupuncture-Moxibustion Societies (WFAS). AACMA President, Richard Li, holds the WFAS Vice-President position for Oceania-Australia and Former President, James Flowers, holds an Executive Committee position on WFAS for Australia. Richard Li and CEO Judy James represented AACMA and Australia at the WFAS International Symposium on Acupuncture in Bandung, Indonesia in 2012.

WFAS is the only non-government organisation (NGO) in official relations with the World Health Organization (WHO) on acupuncture.

AACMA hosted WFAS the 6th World Conference on Acupuncture at the Gold Coast in October 2004. WFAS Gold Coast 2004 was the most successful WFAS conference to date outside the East Asia region.

AACMA will be hosting WFAS 2013 the 8th World Conference on Acupuncture in Sydney in November 2013.

WFCMS
AACMA continues its involvement with the World Federation of Chinese Medicine Societies (WFCMS). AACMA Treasurer, Hoc Ku Huynh, is a member of the Presidium of the Executive Committee of WFCMS. Former President James Flowers is Deputy Chair of the WFCMS Supervision Committee and Secretary Hong Xu is a member of the WFCMS Executive Committee.

AACMA Secretary, Hong Xu, and Treasurer, Hoc Ku Huynh, represented AACMA at the WFCMS International Congress & General Assembly in Malaysia in 2012.

ICOM
In September 2012, CEO Judy James attended the International Congress of Oriental Medicine (ICOM), held in Seoul, Korea. AACMA had entered into an exchange agreement with ICOM, which involved an exchange of trade booths at the ICOM and AACMAC Brisbane conferences. The CEO’s purpose was to promote the WFAS Sydney 2013 conference. She also represented James Flowers at the meeting of the Directors of the Internal Society of Oriental Medicine (ISOM), organisers of the ICOMs, which are held every two years.

MOU – AACMA & AGTCM/Rothenberg Kongress
In November 2012, AACMA signed a Memorandum of Understanding with the organisers of the Rothenburg TCM Kongress. The Rothenburg Kongress is held in May each year, around the same time as the AACMA annual conference.

Under the terms of the MOU, AACMA members are able to access the same rates as the AGTCM members (lowest possible rate) and AGTCM members are able to access member rates for the WFAS 2013 conference and AACMA annual conferences.

This is a great opportunity for members to see the status of the profession internationally first hand and to learn from the leading clinicians in TCM in Europe.

ISO
Australia is a participating country in the development of international standards in traditional Chinese medicine. This project, called ISO/TC249 TCM (Provisional) is being conducted under the auspices of the International Organization for Standardization.

Standards Australia (SA) is Australia’s designated standards body, and represents Australia’s position on standards at the international level. SA established a local committee (called HE031 TCM) to develop the Australian position and to represent the Australian view at meetings and consultations of ISO/TC249. A/Prof Chris Zaslavski, from UT, was appointed Chair of the Australian committee and acts as head of the Australian delegation at international meetings.

On 6 December 2012, Standards Australia held a TCM Forum to update stakeholders on the work of HE031 and ISO/TC249. Presentations were made by Damien Fisher (SA), Chris Zaslavski (HE031), Chairs of HE031 working groups (Chris Zaslavski, Wendy Morrow, and Suzanne Cochrane), outgoing HE031 project manager (AACMA CEO Judy James) as well as from the Chair of ISO/TC249, Dr David Graham.

The work of ISO/TC249 and HE031 is divided into five working areas:
- raw (herbal) materials and traditional processing
- manufactured (herbal) product
- acupuncture needles
- acupuncture and other devices
- informatics (terminology).

International standards in development included international standards for:
- acupuncture (filiform) needles
- intradermal needles
- ginseng seeds and seedlings (Panax ginseng and Panax quinquefolius)
- heavy metal and pesticide content in commonly prescribed individual raw Chinese Herbal Medicines (pending)
- medical devices (various in preliminary stage)
- coding structure of Chinese medicines.

AACMA had provided external project management for the Australian Committee since the Australian Committee was established by Standards Australia. If AACMA had not agreed to provide this project management support, Australia would not have been able to participate in this important international project on standards for TCM. The decision by the AACMA Board to support the work of HE031 showed great leadership and vision, as it was not possible to know precisely the extent of the project at the beginning.

Due to the exceptional work being done by HE031 Committee members at an international level, Standards Australia has now agreed to fund the management of the committee. This is
another great achievement for the Chinese medicine profession and represents how important Chinese medicine is becoming in Australia.

From 6 December 2012, AACMA ceased to act in the role of Project Manager for HE031 and that role is now being provided by Standards Australia. We thank Standards Australia and all committee members for their hard work and support for this internationally significant project.

AACMA continues to play a major role in the Australian committee.

For more information go to the Standards Australia website: www.standards.org.au and search for Traditional Chinese Medicine.

Richard Li
President
22 April 2013
The Australian Acupuncture and Chinese Medicine Association Ltd (AACMA) is the leading national professional association for qualified practitioners of Traditional Chinese Medicine (TCM) and the primary national mechanism for regulating and representing acupuncture and Chinese medicine practitioners in Australia. AACMA was formed out of the amalgamation between the Australian Acupuncture Association Ltd (AAcA), the Acupuncture Ethics and Standards Organisation Ltd (AESO) and the Acupuncture Association of South Australia (AASA).

The Australian Acupuncture Association Ltd (AAcA) was established in 1973 as the first Australian association formed by acupuncturists to represent and promote the acupuncture profession. Originally called the Queensland Acupuncture Society, it changed its name to the Australian Acupuncture Association in 1973 and in 1998 changed to its current name, AACMA.

The Acupuncture Ethics and Standards Organisation Ltd (AESO) was formed in NSW in 1977 to provide a mechanism to identify and accredit bona fide acupuncture practitioners for health fund rebates. On 1 March 1995, AAcA and AESO formally completed an amalgamation resulting in the vast majority of qualified TCM practitioners in Australia becoming united under one national association, the Australian Acupuncture Association Ltd. In 1996, AAcA merged with the Acupuncture Association of South Australia (AASA), the largest TCM body in South Australia.

At the 1998 Annual General Meeting in Adelaide, the members resolved by an overwhelming majority to change the name of the Association (AAcA) to the Australian Acupuncture and Chinese Medicine Association Ltd (AACMA) and to conduct all joint operations of AACMA and AESO under the AACMA name.

Until 1996, AACMA provided accreditation in acupuncture only. In 1996, AACMA introduced accreditation standards in Chinese herbal medicine for its practitioner members, and in 1998 introduced entry-level accreditation standards in Chinese herbal medicine equivalent to the entry-level standard in acupuncture. In 2002, standards of accreditation in TCM Remedial Massage were also introduced in line with the new Health Training Package in TCM Remedial Massage (Anmo-Tuina). In 2003, new membership categories were passed to provide for entry-level non-voting stand-alone membership categories in TCM Remedial Massage and Chinese herbal dispensing, as well as various Associate Member categories and a Retired Member category. In 2011, the members approved the introduction of standards for endorsement of AACMA members for other (non-TCM) health modalities. The purpose of this change was to enable AACMA to extend the range of services available for members and assist in reducing the costs of practice.

In 2011, the members also approved the introduction of a new Associate Member (Specific) category to enable AACMA to accept practitioners to a limited form of members if they did not meet our practitioner accreditation standard. This type of membership enables access to AACMA member information, newsletter, e-news, journal and continuing education events, but not the benefits of full membership such as practitioner referrals and health fund listing.

These amalgamations and subsequent organisational developments have provided genuine national standards and representation for acupuncture and Chinese herbal medicine practitioners in Australia, independent of any commercial interest, factional alliance, or ethnic bias.

AACMA provides a clear point of contact for governments and other bodies seeking to identify and communicate with the majority of the profession. AACMA is widely acknowledged as the preferred destination of graduates of Australian TCM programs and qualified overseas-trained entrants to the profession. It is clearly the peak national body for the Traditional Chinese Medicine (TCM) profession in Australia.

**AACMA Strategic Plan**

The AACMA Mission Statement and Key Goals and Objectives of AACMA were revised in 2012. The following are correct as of the date of this report. Development of our strategic priorities and operational plans are ongoing as part of the Board’s strategic planning processes.

**AACMA Vision**

**Equal partners in health care**

**AACMA Mission Statement**

The peak professional body for Chinese medicine: promoting safety, quality and ethics in practice, serving the members and protecting the public.

**AACMA Core Objectives**

- strong professional base
- high community acceptance
- active engagement in the health system
- effective industry structure

**AACMA Taglines**

- Your health – your natural choice
- One profession – a united voice

**Strategic initiatives 2013 – 2015**

- Leadership & advocacy
- Standards in education & practice
- Member services
- Membership base
- Partnerships & collaboration
- Messages & messaging

**AACMA Capacity**

**Enhancing capacity to work smarter with less**

A more detailed and schematic representation of the Strategic Plan is outlined on page 10.

**Organisational structure**

A diagram of the AACMA organisational structure is included on page 2.

**The Board**

The joint AACMA and AESO Board of Directors is elected directly by the voting membership. Executive Board positions, including President/Chair, are decided by majority vote of the elected Board. Once elected, the joint Board has the responsibility to set and implement the goals, objectives and policies of the Association in accordance with its Memoranda and Articles of Association. The Board also supervises the operations of the national office and the employment of consultants as required.

**State Committees**

Articles 74 and 75 outline the roles of AACMA State Committees, which are primarily to provide local continuing education activities and social events, thereby enabling the development of local professional...
networks and increased grassroots participation by members. The State Committees also play an advisory role, identifying local issues that need the attention of the Board. Members of State Committees may be invited to sit on committees of the national board.

**Board Committees** As the range of functions and duties of the Board is extensive, ad hoc and standing committees are formed to examine and address specific areas of activity and report back to the Board with recommendations. The Board considers the recommendations and accepts them or, if there is disagreement, refers the matter back to the Committees for further consideration.

**Accreditation Committee** The AACMA Accreditation Committee, made up of external consultants, provides independent assessment of all applications for membership against the AACMA Accreditation Policy.

**Disciplinary Committee** The AACMA Disciplinary Committee investigates and makes determinations on written complaints against members.

### Membership

**Member Types**

- **Fellow** This is currently open to Members and Associate Fellows who meet the criteria set by the AACMA Board. The criteria for admission to the status of AACMA Fellow were revised in 2010. Admission as a Fellow is subject to unanimous agreement of the Board. Applications for Fellow status must also meet other requirements as to duration of continuous membership and ethical standards.

- **Associate Fellow** This membership category was discontinued in May 2011 for new applications.

- **Member** (also called Full Member) This is the standard AACMA accredited membership category.

- **Provisional Member** This limited-voting membership type is provided when an applicant meets all the requirements for Full Membership but has a minor aspect of their documentation outstanding (for example, they may have met the requirements for graduation from a recognised program but as the ceremony has not yet been held they have not yet received their award). Provisional Membership is awarded until the member provides certified copies of outstanding documentation.

- **Non-Practising Member** (previously called Graduate Member) This limited-voting membership type is available when a member has met all the requirements for accredited membership but is not in practice for a period of at least six months.

- **Associate Member (Transitional)**: This limited-voting membership category is intended for practitioners who meet the AACMA accreditation standard and who are members of a designated organisation that AACMA deems to have comparable standards. For all practical purposes, a designated organisation is an organisation with which AACMA has a formal agreement to amalgamate. Members of the designated association are placed in this membership category until the process of amalgamation has been finalised, after which they would become fully accredited members of AACMA.

- **Associate Member (Dispenser – Registered)**: This limited-voting membership category is designed for persons who are registered as Chinese herbal dispensers (but who are not otherwise AACMA members).

- **Associate Member (Dispenser – Registered)**: This limited-voting membership category is designed for persons who are registered as Chinese herbal dispensers (but who are not otherwise AACMA members).

- **Associate Member (Specific)**: This is a limited membership category for practitioners who want to be members of AACMA but do not meet the AACMA accreditation standard.

- **Associate Member (Provisional)**: This limited-voting category of membership is intended for persons who have been in full-time acupuncture or Chinese medicine practice for at least 10 years, who do not fully satisfy AACMA’s qualifications requirements, who have enrolled in an AACMA recognised course in order to upgrade their qualifications and who have progressed through at least 50% of the course. Amongst other requirements, the AACMA Board must be satisfied that the practitioner is able to complete the course within a prescribed time and that they are of a sufficient standard for safe practice, etc. On completion of the recognised course, they may be admitted as fully accredited members of AACMA.

- **Associate Member (Anmo-Tuina)**: This limited-voting membership category is open to persons who have completed an AACMA recognised course in TCM Remedial Massage (Anmo-Tuina). The requirement is a Diploma recognised under the Health Training Package for Complementary and Alternative Health.

- **Retired Member** Practitioners who permanently retire from professional practice after at least 20 years membership may move to the Retired Member category.

- **Honorary and Life Members**: Life Membership is awarded to persons of distinction who have made an outstanding contribution to the TCM profession and/or the Association. Honorary Membership is awarded to persons of merit and distinction in traditional Chinese medicine practice, education, and/or administration and upon whom the Association wishes to confer special distinction and honour. Honorary Members are usually residents overseas.

- **Student Member**: This is open to students enrolled in primary qualifying programs in traditional Chinese medicine. Acceptance as a Student Member does not necessarily imply acceptance as an accredited member on course completion.

- **Suspended Member**: This covers members whose membership and accreditation is suspended by the Board as a result of a finding of professional misconduct by the Disciplinary Committee.

### Membership numbers

As at 31 December 2012, AACMA membership numbers were:

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Accredited</th>
<th>Non-accredited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Member</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Fellow</td>
<td>162</td>
<td>N/A</td>
</tr>
<tr>
<td>Associate Fellow</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Member</td>
<td>1378</td>
<td>N/A</td>
</tr>
<tr>
<td>Provisional Member</td>
<td>65</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-Practising Member</td>
<td>226</td>
<td>N/A</td>
</tr>
<tr>
<td>Associate Member</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Retired Member</td>
<td>13</td>
<td>N/A</td>
</tr>
<tr>
<td>Honorary Member</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Suspended Member</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Student Member</td>
<td>N/A</td>
<td>351</td>
</tr>
<tr>
<td><strong>Sub-totals</strong></td>
<td><strong>1848</strong></td>
<td><strong>353</strong></td>
</tr>
</tbody>
</table>

**Percentage of totals**

- Accredited: 84.0%
- Non-accredited: 16.0%

**TOTAL MEMBERS as at 31 December 2012**: 2201
Secretary’s Report (continued)

Annual Membership Growth Rates
The average annual growth rate in AACMA accredited membership over the past five years has been 3.3%. In 2012, the net annual increase in accredited membership was 3.5%.

Acceptance Ratio
AACMA has recorded an average 78.4% ratio of Acceptances to Applications over the past five years. In 2012, the acceptance ratio was 89.6%, which reflected the increasing proportion of graduates of recognised programs in 2012. AACMA admitted 98 newly accredited members in 2012.

Membership Attrition Rate
The membership attrition rate (e.g. through death, retirement, resignation, or lapsed memberships) in 2012 was 2.5%. In 2012, AACMA suffered a loss of 40 accredited members (after reinstatements), with an overall net increase of 53 accredited members. As increasing numbers of long-term members head into retirement or pass away, it is unlikely that this membership attrition rate will decrease in coming years. The membership attrition rate in 2013 is expected to be higher due to the impact of national registration. Focus will continue to be placed on attracting and retaining more graduates of recognised Australian programs and qualified non-member practitioners, as well as introducing new membership types.

Student Members
AACMA saw a decrease of 63 (or 15%) in the total number of student members in 2012 (total 351).

Accredited modalities
AACMA accredits practitioners in the following modalities:
- Acupuncture
- Chinese herbal medicine
- Chinese herbal dispensing
- TCM remedial therapy (tuina)

Non-accredited (endorsed) modalities
AACMA endorses suitably qualified accredited members for the following practices:
- Naturopathy
- Western herbal medicine
- Western remedial therapy/massage
- Homeopathy

Complaints
AACMA operates a formal complaints handling process. Complaints against members are referred to the AACMA Disciplinary Committee, which investigates and makes determinations on those complaints. The complaint must be in writing and signed by the complainant.

The process followed by the Disciplinary Committee is outlined below:

The Disciplinary Committee advises the member in writing outlining the substance of the complaint and a copy of the original letter of complaint may be attached. The member is then required to respond to the allegations within 14 – 21 days (depending on the nature of the complaint). The member is directed not to contact the complainant in relation to the matters under investigation.

If necessary, the Disciplinary Committee may seek further information from the complainant or the member if it believes it does not have all relevant facts before it. Where the Disciplinary Committee deems it appropriate, expert advice may also be sought in order to determine whether acceptable standards of practice were followed. Should expert advice be sought, only de-identified information is provided in order to protect the identity of both the complainant and the member.

The AACMA Disciplinary Committee then considers the following questions as part of its investigation of the complaint:
- Did the matters alleged in the complaint occur in full or in part?
- If Yes, were they a breach of the AACMA Code of Ethics?
- If Yes, is disciplinary action warranted?
- If Yes, what disciplinary action should be applied (this can range from a warning, counselling or fine to suspension or expulsion, depending on the nature of the complaint). The Disciplinary Committee may also set conditions on the practitioner regarding professional development should it deem that necessary.
- If a No answer results from any of the above questions, the Disciplinary Committee may consider whether any other action is required in order to prevent further complaints alleging similar conduct.

The complaint is advised of the outcome of the complaint.

In 2012, the AACMA Disciplinary Committee received six formal complaints against members. All of these complaints were still ongoing at the end of 2012. The breakdown of allegations in complaints is outlined in the table below:

<table>
<thead>
<tr>
<th>Nature of allegation/complaint</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance irregularities</td>
<td>1</td>
</tr>
<tr>
<td>Unprofessional conduct</td>
<td>1</td>
</tr>
<tr>
<td>Standard of care provided</td>
<td>2</td>
</tr>
<tr>
<td>Record keeping</td>
<td>1</td>
</tr>
<tr>
<td>Standards of infection control</td>
<td>1</td>
</tr>
</tbody>
</table>

Where a formal complaint is received against a non-member, all efforts are taken to refer the matter to another suitable body, such as a statutory health complaints body or registration board, or, in some cases, the police. If the practitioner is known to be a member of another society, the complainant is also referred to that other society.

For legal reasons, verbal complaints are not actioned unless poor infection control and hygiene standards are alleged, in which case independent verification can be obtained through a local council inspection of the premises.

Complaints alleging unprofessional conduct included allegations of inappropriate charging practices and patient abandonment.

Allegations relating to health insurance irregularities included retention of patient health fund cards and claiming multiple electronic claims for a single treatment.

Allegations relating to record keeping related to the way records were kept.

Allegations relating to infection control related to concerns about standards in a community/market clinic.

All six complaints from 2012 were outstanding at the end of the year.

Disciplinary Committee action imposed in 2012 included:
- suspension of membership, and;
- imposition of a fine.

AACMA received one new appeal in 2012. AACMA re-instated one member in 2012 who was suspended in 2011.

The primary focus of disciplinary action is to end or change inappropriate conduct. To this end, increased use was made of counselling members, issuing warnings and obtaining
undertakings as to future conduct. Severe penalties such as loss of Fellow or Associate Fellow status, fine, suspension or expulsion are imposed in relation to findings of misconduct of a serious nature, such as health fund fraud, false completion of receipts, contacting a complainant against the direction of the Disciplinary Committee, indecent assault, etc.

It must be stressed that the rate of complaints is very low, and represent only a very small percentage (less than 1%) of the membership as a whole.

THE AACMA NATIONAL OFFICE

The AACMA national office was established in its present location in 2007.

The AACMA national office has grown from a two-person team in 1996 to a complement of eight full-time staff positions by the end of 2012. The overall staff numbers have not increased in 2012, although there has been some staffing restructure over 2012/2013.

AACMA staff as of 31 December 2012 were:
- Judy James (CEO)
- Rebekah Davis (Membership Administrator)
- Julia Starkey (Publications and Promotions Administrator)
- Melissa Hamilton (Office and Events Administrator)
- Nadya Urban (Front-Line Administration/Receptionist)
- Tina Wu (Administration Assistant, Finance, Events and General Administration)
- Amanda Tozer (Administration Assistant, Membership)
- Rachel Dowdy (Casual Administration Assistant)

On behalf of the Board and the members, I thank all our staff, past and present, for their diligence, commitment and hard work for the association and the members over 2012.

Hong Xu
AACMA Secretary
22 April 2013
Finance Report

GENERAL

It is with pleasure that I present to members my financial report on behalf of the AACMA board, and my first as Chair of the AACMA Finance Committee, being the accounts for the year ended 31 December 2012. The Board continued its policy of good financial management in 2012 and is pleased to present to members an on-going stable fiscal situation.

In 2012, AACMA again achieved a turnover exceeding $1,000,000. This marks an important achievement for AACMA and the profession and it is important that it be acknowledged.

REVENUE

The revenue streams of AACMA should be viewed as revenue from normal operations and revenue from other sources. Revenue from normal operations includes membership fees, Yellow Pages advertising, sale of AACMA-branded products, videos and literature, seminars, and interest received on investments. Other sources of revenue for 2012 included income related to AACMA events (AACMAC Brisbane 2012 and State Committee functions). Total revenue in 2012 from all sources (excluding pages advertising, sale of AACMA-branded products, videos and literature, seminars, and interest received on investments.

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Comparision of Membership Fees to Total Revenue

<table>
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<tr>
<th>Year</th>
<th>Membership Fees</th>
<th>Total Revenue</th>
</tr>
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<tbody>
<tr>
<td>2010</td>
<td>$1,000,000</td>
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<td>$1,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
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Other sources of revenue for 2012 included income related to AACMA events (AACMAC Brisbane 2012 and State Committee functions). Total revenue in 2012 from all sources (excluding pages advertising, sale of AACMA-branded products, videos and literature, seminars, and interest received on investments.

Members were offered six options for paying 2012 fees, providing considerable incentives for members to pay on time or to enter into an instalment payment plan. Membership fees accounted for 68.8% of 2012 income. The increase in the CPI index. The AACMA Board is dedicated to keeping fees to the minimum required to provide services to members and still maintain the financial security and continued viability of this peak professional body for TCM practitioners.

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<td>$1,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

Subscriptions

The increase of $35,474.01 (3.6%) in income from membership subscriptions to $733,456.99 resulted from an increase in overall membership numbers, as membership fees did not increase in 2012. This means that the AACMA Board has continued to fulfil its long-standing commitment to limit any increase in fees for members who pay on time to under 5% above the increase in the CPI index. The AACMA Board is dedicated to keeping fees to the minimum required to provide services to members and still maintain the financial security and continued viability of this peak professional body for TCM practitioners.

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Accreditation fees

Income from accreditation fees ($10,000.00) was lower than 2011 and was offset against $8,213.18 in committee and examination costs.

Bank interest

Bank interest of $17,088.37 was 18.65% lower than in 2011, mainly due to accumulated funds being placed in the business development loan to reduce interest costs. The savings from reduced interest costs exceeded potential income from bank interest.

Sales

Sales of AACMA-badged products and other items amounted to 3.2% of general revenue in 2012, compared with 3.3% in 2011. Income from sales of $33,844.38 was offset by cost of sales (printing, production and purchase costs) of $13,905.59, resulting in a net surplus of $19,938.79.

Sundry income – Other

This figure of $15,122.70 relates to income from postage collected on member orders ($4,772.64), income from mailouts and email advertising ($8,695.48) and non-member fees for consultation forums ($1,654.59).

Jing-Luo Advertising

Since 2004, this expenditure has been reported separately from other sources of income as it is now a significant revenue source. The income from newsletter advertising ($25,955.93) is off-set against newsletter printing ($21,744.41) and collation and postage costs ($11,955.14), resulting in a net deficit of $7,743.62. The on-going cost of the newsletter was reviewed in early 2012 and production costs for the Jing-Luo were reduced in 2012.

Other advertising income

Other advertising income of $18,414.77 derived from subscriptions, royalties and advertising in the bi-annual Journal (AJACM $14,155.67) and in the annual Wall Planner ($4,259.10).

AACMAC & State Committees

Income from AACMAC Brisbane 2012 was 71.6% higher than in 2011 (see Expenditure Report below), mainly because it was a much larger conference in 2012. State Committee function income decreased by 11.7% in 2012.

Yellow Pages

Yellow Pages income of $50,304.57 represented income from members listing under the AACMA banner in the metropolitan and selected regional directories. Income from Yellow Pages listings represented 4.7% of general revenue, compared with 6.7% in 2011.
Finance Report (continued)

**EXPENDITURE**

Total expenditure in 2012 amounted to $996,763.81, an increase of $61,924.59 on 2011 expenditure (or 6.6%). This increase is primarily attributed to increased expenditure on the annual conference, Journal costs carried over from previous year, and staff wages. A summary of major expense items is outlined in the chart below.

![Expenditure Breakdown Chart]

**Administration and staffing** As with any sound organisation, staffing and administration expenses constituted the highest proportion of total expenditure in 2012. These costs amounted to $619,563.75 (62.2% of total expenditure), compared with 59.7% in 2011. Administration expenses were made up of $484,742.09 in staffing costs and $133,821.66 in office and administration expenses.

**Staffing expenses** Staffing expenses of $485,742.09 were 17.2% higher than 2011 costs. The salary and superannuation component was $442,577.41 in 2012, compared with $372,657.69 in 2011. Other staffing expenses were made up of $14,374.19 in labour hire charges, $20,317.23 in staff travel and accommodation, $2,525.27 in staff amenities, $1,085 in employment advertising, with the balance in miscellaneous costs. The increase in wages was derived in part from increased use of casual staff and annual pay increases, but primarily from a decision to pay out part of the CEO accrued entitlements.

**Office expenses** Office expenses of $87,856.53 were made up of postage and couriers ($19,308.94), service contracts, repairs and maintenance, cleaning, power, and software licensing and support ($25,234.70), phone, fax and internet expense ($9,309.39), office supplies ($7,926.22), photocopy charges ($2,265.62), minor furniture, equipment, fittings and computing ($905.43), leasing of phones, photocopier and franking machine ($12,590.66), rent for off-site storage ($2,470.05), corporate stationery ($2,892.04) and depreciation ($4,276.00). The remainder was in sundry expenses.

**Administration expenses** Administration expenses of $45,965.13 included printing of annual report and AGM ballot/reply paid envelopes ($1,231.18), AGM postage ($5,524.12), bank charges and merchant fees ($7,967.86), directors’ insurance ($4,015.31), audit ($8,200.00), premises insurance ($3,052.13), ASIC fees ($322.00), body corporate costs ($9,335.28), and rates, water and sewerage ($4,270.28). AACMA takes out additional insurance to protect staff, board and committee members and volunteers in the event of illness or injury while attending to AACMA business. These are a corporate travel insurance policy covering board, staff and speaker travel and a group personal accident policy for the board, committee members and volunteers when attending or conducting meetings on behalf of AACMA. These policies amounted to $2,046.59.

**Board** Board expenses totalled $55,978.52 in 2012, representing 5.6% of total expenditure. This was made up of $28,743.75 in Directors’ fees, $6,412.50 in fax/internet allowance, $15,923.54 in board travel and accommodation, $1,212.48 for phone expenses, and $1,930.91 in conference fees. Board members are expected to take an active role in Australian and international affairs in order to promote and protect the interests of the members and the profession in general. This has inevitably resulted in increased costs in board travel and accommodation. The remaining board costs related to miscellaneous expenses.

**Committees and meetings** Meeting and committee expenses amounted to $15,519.95 in 2012. This was made up of $8,897.24 in Board meeting costs. The cost of Board Committees was reduced through use of an in-house conferencing facility. The AACMA Board held one face-to-face Board meeting in 2012 (May). The May face-to-face meeting is essential for organising the new Board of Directors, establishing the direction of AACMA for the coming year, and appointing members to Board Executive and Committee positions. This meeting is always held in conjunction with the AGM to minimise costs.

**Directory advertising** Directory advertising of $65,259.96 was made up of members’ group listings in the metropolitan and selected regional Yellow Pages directories ($57,183.00) and an advertisement for Chinese herbal medicine in the Herbalists section of metropolitan directories ($3,459.00). The balance of expenses included a line listing for AACMA in every Yellow Pages book, a White Pages listing in every capital city, and online listings.

**Member products – cost of product sales** Cost of sales of $13,905.59 was made up of $10,857.73 for receipt books, $2,716.73 for videos/DVDs and the balance in miscellaneous costs.

**Publications and Marketing** This expenditure of $11,505.86 relates to $1,929.38 for the AACMA 1300 number, $2,784.32 for the wall planner, $2,675.00 for website maintenance and development, $2,000 for the career development DVDs, $2,000 for media monitoring, $1,055.91 for stock pictures and board photographs, $316.36 in domain name registration/renewals, $276.38 for email campaign costs, and the remainder in miscellaneous expenses.

**AACMAC** AACMAC Brisbane 2012 expenses amounted to $116,275.24 in 2012. This was made up of $69,494.55 in venue hire, audio-visual, and catering packages, $6,555.51 in trade exhibition and satchel costs, $9,984.29 in travel, accommodation and speaker costs, $2,210.50 in printing costs, $12,861.82 for the cocktail party, $10,795.09 for the gala dinner, and $4,373.48 in administration expenses. This was offset against income of $148,653.03, made up of $115,714.40 in delegate fees, $25,921.45 in exhibition fees and advertising, $6,309.11 in gala dinner fees, and $709.08 in partner cocktail party fees. Pre-paid 2012 conference fees of $15,187.46 are not included in the above figures. AACMA Board sees AACMAC as the peak...
Finance Report (continued)

annual professional development and networking event for the profession and worth the investment in the long term. The 2012 conference resulted in an operational surplus of $32,377.79. The Board and staff outgoings attributable to the conference were $7,392.01, effectively reducing the surplus to $24,985.78.

AJACM The launch of our academic journal, the Australian Journal of Acupuncture and Chinese Medicine, in 2006 was a major new expenditure item for the association. The majority of the costs incurred in 2012 related to the costs of printing and postage of the seventh volume, consisting of two issues. Expenditure of $27,014.64 was made up of printing ($12,368.00), collation and postage ($13,525.08), and editorial board meeting costs ($671.56). These costs were offset by journal income of $14,155.72, made up of advertising ($10,625.00), subscriptions ($3,386.38) and royalties ($144.34). The increased cost of the journal in 2013 was attributed to cost of a late invoice for 2011 journal postage ($6,439.52) which would otherwise have been included in the 2011 costs (which showed as reduced in 2011). The Board views investment in the Journal as a long-term project with returns expected to increase over the next five years.

AACMA office premises In 2007, AACMA purchased premises for the national office for a contract price of $495,000 ex GST. AACMA contributed 30% of the sale price ($148,500) out of our accrued surplus, with the remaining 70% ($346,500) being funded by a Westpac Business Development Loan (BDL) secured by a mortgage on the property. As of 31 December 2012, the amount owing on the BDL was $238,836.25 (compared with $267,265.96 at the end of 2011). This represents a reduction in the capital in the BDL of $28,429.71 in 2012. Loan repayments in 2012 were $43,968.00, with $15,538.29 paid in interest charges. During 2012, $100,000 of accrued funds was invested into the business loan, reducing interest payable by $8,279.28, representing a good return on members’ funds.

REVENUE AND EXPENDITURE TRENDS

AACMA had an operating surplus of $68,910.56 for the 2012 year, compared with $69,898.79 in 2011. This has meant the association has been able to maintain an end-of-year cash-positive position two years running, following the cash-deficit position that existed from 2007–2010 as a result of the purchase of office premises.

OTHER COMMENTARY

Staff accruals Accrued staff entitlements were reduced by 24.4% from $106,775.34 to $76,421.43 in 2012. This resulted primarily from a decision to pay out part of the CEO accrued entitlements as well as regular staff leave. Staff entitlements show each year on the Balance Sheet in the Auditors Report and are located on page 21 of this report.

Office premises The Board stresses the importance of the investment in AACMA office premises as an important part of the long-term security of the association and members’ funds. The total amount paid in relation to the office premises was $57,573.94 made up of loan repayments of $43,968.00, body corporate costs of $9,335.28, and rates/water/sewerage charges of $4,270.66. These outgoings are less than what AACMA would have paid in rental costs. When AACMA purchased the office premises in 2007, we were already paying over $45,000 in rent. Now, all the money invested in the Business Development Loan (minus interest payments) is an asset that can be realised in the future and converted to a cash asset should that be a necessity.

THE YEAR AHEAD

2013 will see a continuation of the Board’s commitment to sound financial policies and the exercise of caution in relation to the use of members’ funds. The accrued deficit from the 2007 and 2008 calendar years has been fully reversed through the surpluses achieved in 2009, 2010, 2011 and 2012. Our cash position as of 31 December 2012 was $703,328.48, which converts to $68,522.19 if pre-paid 2013 fees and pre-paid WFAS fees/costs were removed.

Pre-paid 2013 membership fees, as of 31 December 2012, amounted to $632,607.87, an increase of 3.9% on the previous year. Because of the exigencies of national registration, payment plans for 2014 fees are to commence in February 2013 to enable members to spread the cost of next years’ fees over an extended period. Pre-paid WFAS income was $74,430.16 and pre-paid Journal subscriptions were $181.81. Pre-paid expenses not allocated in 2012 were $5,413.55.

In relation to WFAS Sydney 2013, as of the date of this report the association had met all its Very Early Bird targets of 40% of delegates and 40% of budgeted income. WFAS Sydney 2013 is a major commitment for AACMA and the support of our members and the local and international profession is important for its success.

On-line membership services AACMA is in the process of upgrading its membership database to an on-line hosted environment. This means that AACMA will be able to progressively open up features for direct member access. Once the system is up and running and tested, the first feature to become available on-line will be the ability for members to record their CPD activities directly into their membership record and to check their total for the year. This will avoid the need to submit a CPD card if their on-line submissions satisfies annual CPD requirements. Attendance at AACMA-managed events will also be automatically updated once attendance has been confirmed. The next planned stages are on-line registration for State Committee events and future AACMA conferences, as well as an on-line store for member orders.
Making these online features available to members is a major initial and ongoing investment for AACMA, which will be fully detailed in next year’s annual report. An update will be provided at the 2013 Annual General Meeting.

Another major financial investment in 2013 is the upgrade of office computing. The last significant investment in office computing was in 2002 when we moved to new rented premises in Highgate Hill. Due to the cost of relocating to our current premises in Coorparoo, it was considered not the right time to also invest in upgrading our computers, although the networking infrastructure was put in place to cater for future needs. Now, with an increased need for efficient online data management and speedy communication, this necessary infrastructure development cannot be further delayed and will be implemented during 2013.

AACMA has invested funds in marketing and promotions through the creation of a new full-time Communications Officer position and a part-time Media and Marketing Administrator position. Membership administration and support roles are being progressively streamlined and updated to cater for current and future needs. Staff roles and duties will continue to be reviewed to ensure they meet the association’s strategic goals and operational plans.

AACMA is aiming for an accrued cash surplus of up to $100,000 over the next two years in order to maintain the association in a healthy position as we weather the long-term transition to national registration. This will ensure AACMA is able to continue with a stable fiscal position into the future.

The purchase of association property in 2007 was considered a significant step in long-term cost savings so that outgoings related to office premises are effectively reinvested back into assets for the association rather than in unrecoverable rental outgoings. The monthly repayment on the bank loan is $3,664.00, plus associated bank fees, exceeds the minimum amount payable and resulted in possible draw down funds exceeding $20,000. Cash reserves are continuing to be sequestered into the business loan in order maximise interest benefits and to act as a contingency fund for payment of staff accruals and WFAS expenses.

Benefits paid to Board members and staff will remain within the ranges considered reasonable by the not-for-profit sector and the capacity of the Association to pay.

The transition to national registration has necessitated in a change in the focus of the board and the staff and the types of services to be provided. Progress on these and other matters affecting the future of the association will be reported at the Annual General Meeting on 17 May 2013.

Hoc Ku Huynh OAM
Treasurer
Co-Chair, AACMA Finance Committee
22 April 2013
Annual Report 2012

Financial Statements
Australian Acupuncture and Chinese Medicine Association Limited

Directors’ Report

General
The Australian Acupuncture & Chinese Medicine Association Limited is a company limited by guarantee (to the extent of $100 per member), incorporated under the Corporations Act 2001.

Statutory Requirements
The directors present their report on the company for the financial year ended 31 December 2012.

The names of the Directors in office at the date of this report are:
Hong Xu Walter Simpson Hoc Ku Huynh Richard Ke Yuan Li Michael Porter (commenced 5/4/12)
Zhen Zheng Waveny Holland (commenced 26/5/12)
Matthew O’Hara (commenced 26/5/12)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The net profit for the company for the financial year amounted to $68,910.56.

No significant changes in the company’s state of affairs occurred during the financial year.

The principal activity of the company is to regulate, represent and promote the profession of acupuncture and traditional Chinese medicine.

No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an official or auditor of the company.

Auditors Independence
The Directors have received an Independence Declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited, which is attached on page 20 and signed in accordance with a resolution of the board of Directors.

Information on Directors and Meetings
The following information and number of meetings attended is provided on Directors of the Company during the year:

Hoc Ku Huynh OAM Director & Treasurer
Qualifications:
• Master of Health Science in TCM
• Bachelor of Acupuncture
• Certificate of Chinese Medicine
Experience:
• Member of AACMA (33 years), AACMA Fellow
• 36 years Clinical Practice in Australia
• Honorary Clinical Associate UTS & Honorary Clinical Supervisor UWS
• Awarded Order of Australia Medal & Life Member of the Order of Australia Association
• Executive member of presidency of WTCMS
• Director of the Australian TCM Practitioner Accreditation Board Ltd
• Registered with the CMBA

Wade James Director (ceased 1/2/12)
Qualifications:
• Master of Health Science in TCM (UTS)
• Diploma of TCM
• Certificate of TCM (China) & Certificate of Chinese Herbal Medicine (China)
• Certificate of Tai Na (China)

Richard Ke Yuan Li Director & President
Qualifications:
• Bachelor of Medicine (TCM)
• Certificate of English for Academic Purpose
• Certificate IV Workplace Training and Assessment
• Certificate of Information Technology
Experience:
• Member of AACMA (16 years), AACMA Fellow
• 24 years Clinical Practice in Australia & 4 years Clinical Practice overseas
• Lecturer at Shanghai University of TCM (4 years) & at UWS (sessional)
• Vice-President, World Federation of Acupuncture-Moxibustion Societies
• Director of the Australian TCM Practitioner Accreditation Board Ltd
• Registered with the CMBA

Ian Murray Director (ceased 1/2/12)
Qualifications:
• Bachelor of Health Science (Acupuncture)
• Certificate IV Remedial Therapies
• Certificate of Acupuncture (China)
• Certificate of Chinese Herbal Medicine
Experience:
• Member of AACMA (9 years)
• 7 years Clinical Practice in Australia
• Director of Advanced Acupuncture Education Pty Ltd
• Registered with the CMBA

Michael Porter Director (appointed 5/4/12)
Qualifications:
• Bachelor of Acupuncture
• Diploma of Acupuncture
• Certificate of Chinese Herbal Medicine
Experience:
• Member of AACMA (28 years), AACMA Fellow
• 28 years Clinical Practice in Australia
• Director of Academy of Oriental Therapies (1993-2003)
• Registered with the CMBA

Walter Simpson Director
Qualifications:
• Bachelor of Acupuncture
• Diploma of Chinese Herbal Medicine
• Certificate IV Workplace Training and Assessment
• 4th Degree Black Belt World Taiki Boxing Association
Experience:
• Member of AACMA (25 years), AACMA Fellow
• 25 years Clinical Practice in Australia
• QLD Representative of World Taiki Boxing Association
• Member of Toyo Hari Association
• Registered with the CMBA

Hong Xu Director & Secretary (appointed Secretary 5/4/12)
Qualifications:
• Bachelor of Medicine (TCM), China
• Doctor of Philosophy (Chinese Medicine and Sports Physiology), Australia
• Graduate Certificate of Tertiary Education, Australia
Experience:
• Member of AACMA (17 years)
• 18 years Clinical Practice in Australia & 5 years Clinical Practice overseas
• Associate Professor at Victoria University & Visiting Professor at Beijing University of Chinese Medicine
• Guest Professor at Shandong University of Traditional Chinese Medicine
• Member of council of WFCMS
• Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
• AACMA nominee to the Australian Mirror Group in Standards for ISO/TC249
• Traditional Chinese Medicine ( Provisional)
• Editorial Board Member, Australian Journal of Acupuncture & Chinese Medicine
• Registered with the CMBA

Australian Acupuncture and Chinese Medicine Association Limited ACN 010 020 390
Acupuncture Ethics and Standards Organisation Ltd ACN 065 533 762
The Directors received an independence declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited which is attached on the following page [below].

Signed in accordance with a resolution of the Board of Directors.

Director

22 APRIL 2013

BRISBANE, QLD

Auditor’s Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012 there has been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

(signed)

PHILIP FITZGERALD

FCA

REGISTERED AUDITOR #15079

30 APRIL 2013

BRISBANE, QLD
Financial Statements
Australian Acupuncture and Chinese Medicine Association Limited

Income Statement for the Year ended 31 December 2012

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Subscriptions</td>
<td>733456.99</td>
<td>707982.98</td>
</tr>
<tr>
<td>Other Income</td>
<td>332217.38</td>
<td>296745.12</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>(133821.66)</td>
<td>(143373.03)</td>
</tr>
<tr>
<td>Salary Expenses</td>
<td>(485742.09)</td>
<td>(414558.86)</td>
</tr>
<tr>
<td>Other Expenses from Ordinary Activities</td>
<td>(377200.06)</td>
<td>(376897.42)</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities Before Income Tax Expense</td>
<td>$68910.56</td>
<td>$69898.79</td>
</tr>
<tr>
<td>Income Tax Expense Relating to Ordinary Activities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities After Related Income Tax Expense</td>
<td>68910.56</td>
<td>$69898.79</td>
</tr>
</tbody>
</table>

Balance Sheet as at 31 December 2012

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>703328.48</td>
<td>658257.49</td>
</tr>
<tr>
<td>Debtors</td>
<td>18955.94</td>
<td>18226.82</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>$722284.42</td>
<td>$676484.31</td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land &amp; Buildings</td>
<td>557356.54</td>
<td>557356.54</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>22012.46</td>
<td>9383.53</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>$579369.00</td>
<td>$566740.07</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$1301653.42</td>
<td>$1243224.38</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>57461.07</td>
<td>24055.05</td>
</tr>
<tr>
<td>Fees Received in Advance</td>
<td>640037.73</td>
<td>625141.65</td>
</tr>
<tr>
<td>Provision for Employee Entitlements</td>
<td>76421.43</td>
<td>106775.34</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>43968.00</td>
<td>43968.00</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>$817888.23</td>
<td>$799940.04</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Loan</td>
<td>194868.25</td>
<td>223297.96</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>1012756.48</td>
<td>1023238.00</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>$288896.94</td>
<td>$219986.38</td>
</tr>
<tr>
<td>MEMBER’S FUND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Funds</td>
<td>288896.94</td>
<td>219986.38</td>
</tr>
<tr>
<td>TOTAL MEMBER’S FUND</td>
<td>$288896.94</td>
<td>$219986.38</td>
</tr>
</tbody>
</table>

Statement of Recognised Income & Expenditure for the Year Ended 31 December 2012

<table>
<thead>
<tr>
<th>RETAINED EARNINGS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 31 December 2011</td>
<td>$219986.38</td>
</tr>
<tr>
<td>Profit/(Loss) Attributable to the Equity</td>
<td>68910.56</td>
</tr>
<tr>
<td>BALANCE AT 31 DECEMBER 2012</td>
<td>$288896.94</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Annual Report 2012

Financial Statements
Australian Acupuncture and Chinese Medicine Association Limited

Cash Flow Statement for the Year Ended 31 December 2012

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Subscriptions</td>
<td>728922.90</td>
<td>772894.31</td>
</tr>
<tr>
<td>Other Income</td>
<td>316639.99</td>
<td>220556.97</td>
</tr>
<tr>
<td>Payment for Operating Expenses</td>
<td>(939618.97)</td>
<td>(874236.27)</td>
</tr>
<tr>
<td><strong>NET CASH FROM OPERATING ACTIVITIES</strong></td>
<td><strong>8</strong></td>
<td><strong>$105943.92</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM INVESTING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Transfers of Plant &amp; Equipment</td>
<td>(16904.93)</td>
<td>(1298.00)</td>
</tr>
<tr>
<td><strong>NET CASH FROM INVESTING ACTIVITIES</strong></td>
<td><strong>$(16904.93)</strong></td>
<td><strong>$(1298.00)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH FLOWS FROM FINANCING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayments of Borrowings</td>
<td>(43968.00)</td>
<td>(43548.00)</td>
</tr>
<tr>
<td><strong>NET CASH FROM FINANCING ACTIVITIES</strong></td>
<td><strong>$(43968.00)</strong></td>
<td><strong>$(43548.00)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET INCREASE/(DECREASE) IN CASH HELD</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INCREASE IN CASH HELD</strong></td>
<td>45070.99</td>
<td>74369.01</td>
</tr>
<tr>
<td><strong>CASH AT THE BEGINNING OF THE YEAR</strong></td>
<td><strong>658257.49</strong></td>
<td><strong>583888.48</strong></td>
</tr>
<tr>
<td><strong>CASH AT THE END OF THE YEAR</strong></td>
<td><strong>8</strong></td>
<td><strong>$703328.48</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the
Financial Statements for the Year Ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report is a general purpose financial report prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Acupuncture & Chinese Medicine Association Limited is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets.

(a) DEPRECIATION

Plant & Equipment

Depreciation on the abovementioned items of property has been provided in accordance with AASB 116 “Property, Plant and Equipment”.

All fixed assets are written off in accordance with their estimated useful lives. Depreciation is calculated by adopting the diminishing value method.

(b) INCOME TAX

Income Tax has not been provided for in the company’s accounts.

(c) COMPARATIVE FIGURES

Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the figures reported for the current financial year.

(d) EMPLOYEE ENTITLEMENTS

Liabilities for Wages & Salaries and Annual Leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlement contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.
2. CASH

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Management Account</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cheque Account - Westpac</td>
<td>206233.20</td>
<td>22993.33</td>
</tr>
<tr>
<td>Maxi Bonus 1</td>
<td>221921.30</td>
<td>170350.88</td>
</tr>
<tr>
<td>Maxi Bonus 2</td>
<td>151336.67</td>
<td>343734.75</td>
</tr>
<tr>
<td>Maxi Bonus 3</td>
<td>123837.31</td>
<td>121178.53</td>
</tr>
<tr>
<td>Total</td>
<td>$703328.48</td>
<td>$658257.49</td>
</tr>
</tbody>
</table>

3. NON CURRENT ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Office Furniture &amp; Equipment</th>
<th>Land &amp; Building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>17708.53</td>
<td>557356.54</td>
<td>575065.07</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>1298.00</td>
<td>-</td>
<td>1298.00</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(9623.00)</td>
<td>-</td>
<td>(9623.00)</td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>$9383.53</td>
<td>$557356.54</td>
<td>$566740.07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>9383.53</td>
<td>557356.54</td>
</tr>
<tr>
<td>Additions at cost</td>
<td>16904.93</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(4276.00)</td>
<td>-</td>
</tr>
<tr>
<td>Carrying amount at end of year</td>
<td>$22012.46</td>
<td>$557356.54</td>
</tr>
</tbody>
</table>

The above property is secured by Registered Mortgage to the bank loan.

4. OPERATING LEASE

(a) Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the financial statements

Payable - Minimum Lease Payments

Not longer than 12 months | 11124.48 | 11124.48 |
Between 12 months and five years | 27003.24 | 39515.88 |

Total | $38127.72 | $50640.36 |

5. DIRECTOR’S REMUNERATION AND RETIREMENT BENEFITS

(a) Director’s Remuneration

Income paid or payable to all Directors of the company by the company and any related parties

2012 | 28743.75 | 36500.00 |

The names of the Directors who have held office during the financial year are:

Hong Xu | Richard Ke Yuan Li | Zhen Zheng
Michael Porter | Hoc Ku Huynh OAM | Walter Simpson
Waveny Holland | Matt O’Hara |

6. AUDITOR’S REMUNERATION

2012 | 2011 |

Auditing the Accounts | 8200.00 | 7500.00 |

No other benefits were received by the auditors.
7. **MEMBER’S GUARANTEE**

   The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the company.

8. **NOTES TO STATEMENT OF CASH FLOWS**

   (a) **Reconciliation of Cash**

   For the purpose of the Statement of Cash Flows, cash includes cash on hand and in Financial Institutions net of bank overdrafts. Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the balance sheet as follows:-

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$703328.48</td>
<td>$658257.49</td>
</tr>
</tbody>
</table>

   (b) **Reconciliation of Net Cash provided by Operating Activities to Operating Profit After Income Tax**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit/(Loss) after income tax</td>
<td>68910.56</td>
<td>69898.79</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4276.00</td>
<td>9623.00</td>
</tr>
<tr>
<td>Interest</td>
<td>15538.29</td>
<td>23817.57</td>
</tr>
<tr>
<td>Changes in Assets &amp; Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/(Decrease) in fees received in advance</td>
<td>14896.08</td>
<td>7160.90</td>
</tr>
<tr>
<td>Increase/(Decrease) in Debtors</td>
<td>(729.12)</td>
<td>(11276.82)</td>
</tr>
<tr>
<td>Increase/(Decrease) in Creditors</td>
<td>33406.02</td>
<td>2923.84</td>
</tr>
<tr>
<td>Increase/(Decrease) for Employee Entitlements</td>
<td>(30353.91)</td>
<td>17067.73</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>$105943.92</td>
<td>$119215.01</td>
</tr>
</tbody>
</table>

**Directors Declaration**

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 21 to 24:
   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
   (b) give a true and fair view of the company’s financial position as at 31 December 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors’ opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

**DIRECTOR**

22 APRIL 2013
BRISBANE, QLD

**DIRECTOR**
Financial Statements
Australian Acupuncture and Chinese Medicine Association Limited

Independent Auditor’s Report to the Members of Australian Acupuncture & Chinese Medicine Association Limited


We have audited the accompanying financial report of Australian Acupuncture & Chinese Medicine Association Limited, which comprises the balance sheet as at 31 December 2012, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors’ responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report 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 made by the directors, as well as evaluating the overall presentation of the financial report.

The additional financial data presented on page 26 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial period ended 31 December 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Acupuncture & Chinese Medicine Association Limited) in respect of such data, including any errors of omissions herein however caused.

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

Independence

In conducting our audit, we complied with the independence requirements of the Corporations Act 2001.

The audit opinion expressed in this report has been formed on the above basis.

Auditor’s Opinion

In our opinion, the financial report of Australian Acupuncture & Chinese Medicine Association Limited is in accordance with the Corporations Act 2001, including:

a. giving a true and fair view of the company’s financial position as at 31 December 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

(signed)
HAYWARDS CHARTERED ACCOUNTANTS

(signed)
30 APRIL 2013
BRISBANE, QLD
Philip Fitzgerald FCA
REGISTERED AUDITOR

DISCLAIMER TO THE MEMBERS OF AUSTRALIAN ACUPUNCTURE & CHINESE MEDICINE ASSOCIATION LIMITED

The additional financial data presented on page 26 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial period ended 31 December 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Acupuncture & Chinese Medicine Association Limited) in respect of such data, including any errors of omissions herein however caused.

(signed)
30 APRIL 2013
BRISBANE, QLD
Philip Fitzgerald FCA
REGISTERED COMPANY AUDITOR #1/5079
## OPERATING PROFIT

The operating profit before income tax is arrived at after crediting as revenue and after charging as expenses the following items:

(a) **REVENUE**

<table>
<thead>
<tr>
<th>Item</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Fees</td>
<td>733,456.99</td>
<td>707,982.98</td>
</tr>
<tr>
<td>Accreditation</td>
<td>10,000.00</td>
<td>15,960.91</td>
</tr>
<tr>
<td>Interest</td>
<td>170,883.37</td>
<td>20,980.75</td>
</tr>
<tr>
<td>AACMAC Income</td>
<td>1,486,533.03</td>
<td>866,133.39</td>
</tr>
<tr>
<td>Sales</td>
<td>338,448.38</td>
<td>335,914.41</td>
</tr>
<tr>
<td>Sundry Income - Other</td>
<td>1,512,702.00</td>
<td>1,573,753.00</td>
</tr>
<tr>
<td>Jing-Luo Income</td>
<td>2,955,932.00</td>
<td>2,389,681.81</td>
</tr>
<tr>
<td>Other Advertising Income</td>
<td>1,841,774.00</td>
<td>1,417,955.00</td>
</tr>
<tr>
<td>State Committee Functions</td>
<td>1,283,363.00</td>
<td>1,453,480.00</td>
</tr>
<tr>
<td>Yellow Pages</td>
<td>503,045.70</td>
<td>668,499.77</td>
</tr>
<tr>
<td>Donations Received</td>
<td>-</td>
<td>440,000.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>10,656,743.37</td>
<td>10,047,278.10</td>
</tr>
</tbody>
</table>

(b) **EXPENSES**

<table>
<thead>
<tr>
<th>Item</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Expenses</td>
<td>821,318.18</td>
<td>1,047,831.83</td>
</tr>
<tr>
<td>Cost of Product Sales</td>
<td>1,390,559.59</td>
<td>1,046,874.74</td>
</tr>
<tr>
<td>AACMAC Expenses</td>
<td>1,162,752.24</td>
<td>757,949.53</td>
</tr>
<tr>
<td>TCM Endangered Species Certification Scheme</td>
<td>-</td>
<td>308,947.24</td>
</tr>
<tr>
<td>Jing-Luo Expenses</td>
<td>3,369,555.00</td>
<td>3,671,992.00</td>
</tr>
<tr>
<td>AJACM Expenses</td>
<td>2,701,464.64</td>
<td>1,692,887.00</td>
</tr>
<tr>
<td>Directory Advertising</td>
<td>652,599.96</td>
<td>779,759.63</td>
</tr>
<tr>
<td>Publications and Marketing</td>
<td>1,150,586.86</td>
<td>1,631,644.00</td>
</tr>
<tr>
<td>State Committees</td>
<td>791,543.75</td>
<td>1,145,630.00</td>
</tr>
<tr>
<td>Consultancy Costs</td>
<td>2,484,841.00</td>
<td>-</td>
</tr>
<tr>
<td>Journal Subscriptions &amp; Memberships</td>
<td>2,154,871.00</td>
<td>4,731,476.00</td>
</tr>
<tr>
<td>Board Expenses</td>
<td>5,997,852.00</td>
<td>7,297,134.00</td>
</tr>
<tr>
<td>Meetings &amp; Committees</td>
<td>1,551,995.00</td>
<td>1,104,632.00</td>
</tr>
<tr>
<td>ACCME Expenses</td>
<td>42,000.00</td>
<td>42,000.00</td>
</tr>
<tr>
<td>ATPAB Expenses</td>
<td>-</td>
<td>41,000.00</td>
</tr>
<tr>
<td>Administration</td>
<td>4,596,513.00</td>
<td>4,306,461.00</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>8,785,565.03</td>
<td>10,028,594.00</td>
</tr>
<tr>
<td>Staffing Costs</td>
<td>4,8574,209.09</td>
<td>4,145,588.86</td>
</tr>
<tr>
<td>Interest</td>
<td>1,553,829.29</td>
<td>2,387,157.57</td>
</tr>
<tr>
<td>Donations</td>
<td>-</td>
<td>4,400,000.00</td>
</tr>
<tr>
<td>WFAS Expenses</td>
<td>1,692,144.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>9,967,638.81</td>
<td>9,348,299.31</td>
</tr>
</tbody>
</table>

**OPERATING PROFIT FOR YEAR**

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$689,105.56</td>
<td>$698,987.79</td>
</tr>
</tbody>
</table>
Financial Statements

Acupuncture Ethics and Standards Organisation Limited

Directors’ Report

General
The Australian Acupuncture & Chinese Medicine Association Limited is a company limited by guarantee (to the extent of $100 per member), incorporated under the Corporations Act 2001.

Statutory Requirements
The Directors present their report on the company for the financial year ended 31 December 2012.

The names of the Directors in office at the date of this report are:

Hong Xu  Walter Simpson  Hoc Ku Huynh
Richard Ke Yuan Li  Michael Porter (commenced 5/4/12)
Zhen Zheng  Waveny Holland (commenced 26/5/12)
Matthew O’Hara  (commenced 26/5/12)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The net profit for the company for the financial year amounted to $68,910.56.

No significant changes in the company’s state of affairs occurred during the financial year.

The principal activity of the Company is to regulate, represent and promote the profession of acupuncture and traditional Chinese medicine.

No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the state of affairs of the company in future financial years.

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an official or auditor of the company.

Auditors Independence
The Directors have received an Independence Declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited which is attached on page 28. Signed in accordance with a resolution of the board of Directors.

Information on Directors and Meetings
The following information and number of meetings attended is provided on Directors of the Company during the year:

Hoc Ku Huynh OAM  Director & Treasurer
Qualifications:
• Master of Health Science in TCM
• Bachelor of Acupuncture
• Certificate of Chinese Medicine

Experience:
• Member of AACMA (53 years), AACMA Fellow
• 36 years Clinical Practice in Australia
• Honorary Clinical Associate UTS & Honorary Clinical Supervisor UWS
• Awarded Order of Australia Medal & Life Member of the Order of Australia Association
• Executive member of presidium of WFCMS
• Director of the Australian TCM Practitioner Accreditation Board Ltd
• Registered with the CMBA

Wade James  Director (ceased 1/2/12)
Qualifications:
• Master of Health Science in TCM (UTS)
• Diploma of TCM
• Certificate of TCM (China) & Certificate of Chinese Herbal Medicine (China)

Experience:
• Member of AACMA (53 years), AACMA Fellow
• 26 years Clinical Practice in Australia
• Director of Chinawest Pty Ltd & Director of Shanghai International TCM Seminars
• Registered with the CMBA

Richard Ke Yuan Li  Director & President
Qualifications:
• Bachelor of Medicine (TCM)
• Certificate of English for Academic Purpose
• Certificate IV Workplace Training and Assessment
• Certificate of Information Technology

Experience:
• Member of AACMA (16 years), AACMA Fellow
• 24 years Clinical Practice in Australia & 4 years Clinical Practice overseas
• Lecturer at Shanghai University of TCM (4 years) & at UWS (sessional)
• Vice-President, World Federation of Acupuncture-Moxibustion Societies
• Director of the Australian TCM Practitioner Accreditation Board Ltd
• Registered with the CMBA

Ian Murray  Director (ceased 1/2/12)
Qualifications:
• Bachelor of Health Science (Acupuncture)
• Certificate IV Remedial Therapies
• Certificate of Acupuncture (China)
• Certificate of Chinese Herbal Medicine

Experience:
• Member of AACMA (9 years)
• 7 years Clinical Practice in Australia
• Director of Advanced Acupuncture Education Pty Ltd
• Registered with the CMBA

Michael Porter  Director (appointed 5/4/12)
Qualifications:
• Bachelor of Acupuncture
• Diploma of Acupuncture
• Certificate of Chinese Herbal Medicine

Experience:
• Member of AACMA (28 years), AACMA Fellow
• 28 years Clinical Practice in Australia
• Director of Academy of Oriental Therapies (1993-2003)
• Registered with the CMBA

Walter Simpson  Director
Qualifications:
• Bachelor of Acupuncture
• Diploma of Chinese Herbal Medicine
• Certificate IV Workplace Training and Assessment
• 4th Degree Black Belt World Taiji Boxing Association

Experience:
• Member of AACMA (25 years), AACMA Fellow
• 25 years Clinical Practice in Australia
• QLD Representative of World Taiji Boxing Association
• Member of Toyo Hari Association
• Registered with the CMBA

Hong Xu  Director & Secretary (appointed Secretary 7/2/12)
Qualifications:
• Bachelor of Medicine (TCM), China
• Doctor of Philosophy (Chinese Medicine and Sports Physiology), Australia
• Graduate Certificate of Tertiary Education, Australia

Experience:
• Member of AACMA (17 years)
• 18 years Clinical Practice in Australia & 5 years Clinical Practice overseas
• Associate Professor at Victoria University & Visiting Professor at Beijing University of Chinese Medicine
• Guest Professor at Shandong University of Traditional Chinese Medicine
• Member of council of WFCMS
• Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
• AACMA nominee to the Australian Mirror Group in Standards for ISO/TC249 Traditional Chinese Medicine (Provisional)
• Editorial Board Member, Australian Journal of Acupuncture & Chinese Medicine
• Registered with the CMBA
Zhen Zheng  
**Director**

**Qualifications:**
- Bachelor of Medicine (Acupuncture), China
- Doctor of Philosophy (Melbourne)

**Experience:**
- Member of AACMA (10 years)
- 13 years Clinical Practice in Australia & 2 years Clinical Practice overseas
- Senior Lecturer at RMIT University
- Member of the CMRBV Hearing Panel (to June 2012)
- Editor-in-Chief, *Australian Journal of Acupuncture & Chinese Medicine*
- Registered with the CMBA

Peter Kington  
**Director (ceased 25/3/12)**

**Qualifications:**
- Master of Letters (American Studies) (UNE)
- Graduate Certificate Higher Education (UQ)
- Bachelor of Health Science (Acupuncture) (ACNM)
- Bachelor of Arts (UQ)
- Advanced Diploma Health Science (Acupuncture) (ACNM)
- Certificate IV of Remedial Therapies (OM) (ACNM)
- Certificate of TCM (Guangxi, China)
- Master of Reproductive Medicine (UNSW [current student])

**Experience:**
- 8 years clinical experience in Australia
- AACMA member 8 years
- Qld State Committee member since 2010-2012
- Lecturer and Tutor ACNM/ECNH 2005-2010
- Director Acumedics Pty Ltd
- Clinical Director and Proprietor of Conceive - Natural Health & Fertility
- China Books Sydney, China Books Melbourne, Embrace Holistic Services contract speaker for TCM professional development
- Registered with the CMBA

Timothy M Wilson  
**Director (ceased 26/3/12)**

**Qualifications:**
- Bachelor of Arts (Syd Uni)
- Advanced Diploma of TCM (SITCM)
- Certificate of TCM (China)

**Experience:**
- Member of AACMA (5 years)
- 6 years clinical experience
- Director Australian Centre for Photography
- Registered with the CMBA

Waveny Holland  
**Director (appointed 25/5/12)**

**Qualifications:**
- Master of Chinese Medicine (UWS)
- Bachelor of Health Science (Acupuncture) (ACNM)
- Advanced Diploma of Health Science (Acupuncture) (ACNM)
- Certificate IV An Mo Tui Na (ACNM)
- Registered Nurse and Midwife

**Experience:**
- Member of AACMA (10 years)
- 13 years clinical practice in Australia
- Chair Qld State Committee 2011–13
- Practitioner/owner Serendip Natural Healing & Wellness Centre 2005-current
- Registered with the CMBA

Matthew O’Hara  
**Director (appointed 25/5/12)**

**Qualifications:**
- Bachelor of Health Science (Acupuncture)
- Certificate of Chinese Herbal Medicine

**Experience:**
- Member of AACMA (13 years)
- 13 years clinical practice in Australia
- Qld State Committee member (11 years)
- Registered with the CMBA

### Meetings attended by Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wade James</td>
<td>5 (ceased 1/2/12)</td>
<td>3</td>
</tr>
<tr>
<td>Hoc Ku Heng OAM</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Michael Porter</td>
<td>13 (commenced 7/2/12)</td>
<td>13</td>
</tr>
<tr>
<td>Walter Simpson</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Zhen Zheng</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Hong Xu</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Richard Ke Yuan Li</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Ian Murray</td>
<td>5 (ceased 1/2/12)</td>
<td>5</td>
</tr>
<tr>
<td>Peter Kington</td>
<td>8 (ceased 25/3/12)</td>
<td>8</td>
</tr>
<tr>
<td>Tim Wilson</td>
<td>9 (ceased 26/3/12)</td>
<td>4</td>
</tr>
<tr>
<td>Waveny Holland</td>
<td>10 (commenced 26/5/12)</td>
<td>10</td>
</tr>
<tr>
<td>Matthew O’Hara</td>
<td>10 (commenced 26/5/12)</td>
<td>10</td>
</tr>
</tbody>
</table>

No director has received or become entitled to receive a benefit by reason of a contract made by the company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

**Auditor Independence**

The Directors received an independence declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited which is attached on the following page [below]. Signed in accordance with a resolution of the Board of Directors.

23 MARCH 2013
BRISBANE, QLD

[Signature]
DIRECTOR

---

**Auditors Independence Declaration Under Section 307C of the Corporations Act 2001 to the Directors of Acupuncture Ethics & Standards Organisation Limited**

**Auditor’s Independence Declaration**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012 there has been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit

(signed)

HAYWARDS CHARTERED ACCOUNTANTS

30 APRIL 2013
BRISBANE, QLD

Philip Fitzgerald FCA
REGISTERED AUDITOR #15079
Financial Statements
Acupuncture Ethics and Standards Organisation Limited

Income Statement for the Year ended 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>NOTES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses from Ordinary Activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities Before Income Tax Expense</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Income Tax Expense Relating to Ordinary Activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities After Related Income Tax Expense</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

Balance Sheet as at 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>NOTES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>TFN Tax Paid</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
<tr>
<td>MEMBER’S FUNDS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Funds</td>
<td></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>TOTAL MEMBER’S FUNDS</td>
<td></td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

Cash Flow Statement for the year ended 31 December 2012

<table>
<thead>
<tr>
<th></th>
<th>RETAINED EARNINGS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 31 December 2011</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Profit/(Deficit) Attributable to the Entity</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December 2012</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Cash Flow Statements
Acupuncture Ethics and Standards Organisation Limited

Statement of Recognised Income & Expenditure for the Year Ended 31 December 2012

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from Subscriptions</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payment for Operating Expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NET CASH FROM INVESTING ACTIVITIES</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>NET INCREASE/(DECREASE) IN CASH HELD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CASH AT THE BEGINNING OF THE YEAR</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>CASH AT THE END OF THE YEAR</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

Notes to and Forming Part of the Financial Statements for the Year Ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Acupuncture Ethics & Standards Organisation Limited is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets.

(a) DEPRECIATION

Plant & Equipment

Depreciation on the above mentioned items of property has been provided in accordance with AASB 116 “Property, Plant and Equipment”.

All fixed assets are written off in accordance with their estimated useful lives. Depreciation is calculated by adopting the diminishing value method.

(b) INCOME TAX

Income Tax has not been provided for in the company’s accounts.

(c) COMPARATIVE FIGURES

Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the figures reported for the current financial year.

(d) EMPLOYEE ENTITLEMENTS

Liabilities for Wages & Salaries and Annual Leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.
# Financial Statements

## Acupuncture Ethics and Standards Organisation Limited

### Notes to and Forming Part of the Financial Statements for the Year Ended 31 December 2012

#### 2. OPERATING REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$NIL</td>
<td>$NIL</td>
</tr>
</tbody>
</table>

#### 3. RELATED PARTY DISCLOSURE

(a) Director's Remuneration

Income paid or payable to all directors of the company by the company and any related parties | $NIL | $NIL |

The names of the Directors who have held office during the financial year are:

- Hong Xu
- Michael Porter
- Waveny Holland
- Richard Ke Yuan Li
- Hoc Ku Huynh OAM
- Matt O’Hara
- Zhen Zheng
- Walter Simpson

#### 4. MEMBER'S GUARANTEE

The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the company.

#### 5. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in Financial Institutions net of bank overdrafts. Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the balance sheet as follows:-

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit After Income Tax

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit/(Loss) after income tax</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in Assets &amp; Liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase/(Decrease) in Fees Received in Advance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Decrease) in Creditors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Provided by Operating Activities</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
6. ACCUMULATED PROFITS

Accumulated Profits at the Beginning of the Financial Year 10.00 10.00
Net Deficit Attributable to Members of the Company - -

$10.00 $10.00

7. CONTINGENT LIABILITIES
The company does not have any contingent liabilities as at 31 December 2012.

8. SEGMENT INFORMATION
The company operates only in the profession of acupuncture and traditional Chinese medicine.

9. SIGNIFICANT EVENTS AFTER BALANCE DATE
There were no significant events after balance date that would impact on the financial report.

Directors Declaration
The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30 to 32:
   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
   (b) give a true and fair view of the company’s financial position as at 31 December 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors’ opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

DIRECTOR
22 APRIL 2013
BRISBANE, QLD

DIRECTOR
Annual Report 2012

Financial Statements
Acupuncture Ethics and Standards Organisation Limited

Independent Audit Report
to the Members of Acupuncture Ethics & Standards Organisation Limited

We have audited the accompanying financial report of Acupuncture Ethics & Standards Organisation Limited, which comprises the balance sheet as at 31 December 2012, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors’ declaration.

Directors’ Responsibility for the Financial Report
The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors’ responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial report 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 made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors’ financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence
In conducting our audit, we complied with the independence requirements of the Corporations Act 2001.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion
In our opinion, the financial report of Acupuncture Ethics & Standards Organisation Limited is in accordance with the Corporations Act 2001, including
a. giving a true and fair view of the company’s financial position as at 31 December 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

30 APRIL 2013
BRISBANE, QLD

HAYWARDS CHARTERED ACCOUNTANTS

(signed)

Philip Fitzgerald FCA
REGISTERED AUDITOR

DISCLAIMER TO THE MEMBERS OF
ACUPUNCTURE ETHICS & STANDARDS ORGANISATION LIMITED

The additional financial data presented on page 33 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial period ended 31 December 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Acupuncture Ethics & Standards Organisation Limited) in respect of such data, including any errors of omissions herein however caused.

30 APRIL 2013
BRISBANE, QLD

Philip Fitzgerald FCA
REGISTERED COMPANY AUDITOR #15079
Board of Directors
As at 31 December 2012
Richard Li (President)      NSW/ACT
Walter Simpson (Vice-President)      QLD
Hong Xu (Secretary)      VIC
Hoc Ku Huynh OAM (Treasurer)      NSW/ACT
Waveny Holland      QLD
Matthew O’Hara      QLD
Michael Porter      SA
Zhen Zheng      VIC/TAS

Company Secretary
Hong Xu
Membership Officer
Michael Porter

Committees
As at 31 December 2012
AJACM Management Committee
Walter Simpson (Chair, Past President)
Course Accreditation Committee
John Deare (Chair)
Disciplinary Committee
Hoc Ku Huynh (Chair)
Finance Committee
Hoc Ku Huynh & Walter Simpson (Co-chairs)
International Relations Committee
Richard Li (Chair)
Research Committee
Zhen Zheng (Chair)
Strategic Plan Steering Committee
Richard Li (Chair)
WFAS 2013 Local Organising Committee
Richard Li (Chair)

Consultants
Mary Herbison (Accreditation)
Paul McLeod (Accreditation)
Yanping Wang (Accreditation)

AUDITORS
Haywards Chartered Accountants

BANKERS
Westpac

BROKERS
PI Direct Insurance Brokers P/L
Professional Insurance Agencies P/L

REGISTERED OFFICE
Unit 1, 55 Clarence Street
COORPAROO QLD 4151

POSTAL ADDRESS
PO Box 1635
COORPAROO DC  QLD  4151
Telephone  07 3324 2599
1300 725 334
Facsimile  07 3394 2399
Email  aacma@acupuncture.org.au
Website  www.acupuncture.org.au

State Committees
As at 31 December 2012

Australian Capital Territory
No committee was formed.

Northern Territory
No State Liaison Officer appointed.

New South Wales
Hoc Ku Huynh (Chair)
El Huang (CPD Coordinator)
Cherie Lawrence (Finance Assistant & Social Events Coordinator)
Damien Bodnarchuk (Committee Member)
Mei-Kin Li Rees (Deputy Chair)
Peter Sarsifletti (Committee Member)
Rachael Haley (CPD Coordinator & Social Events Coordinator)
Tomarris (Deputy Chair, Minutes Secretary)
Warren Wilson (Deputy Chair)
Yifan Yang (Committee Member)
Yingshu Li-Cantwell (Deputy Chair & Finance Secretary/ Treasurer and Assistant)

Queensland
Waveny Holland (Chair)
Matt O’Hara (Deputy Chair)
Darren Gentle (Finance Secretary)
Brett Montgomery (Committee Member)
Nicola Macdonald (Committee Member)
Bernhard Marzini (Committee Member)
Andrew Matfin (Committee Member)
William Shanasy (Committee Member)

South Australia
Michael Porter (Chair)
Gengchen Bai (Finance Secretary)
Kevin Jingquan Cao (Committee Member)
Lily Li Feng (Minutes Secretary)

Tasmania
Geraldine Robinson (Chair)
Peter Hanssen (Deputy Chair)
Andrew Lean (Treasurer)

Victoria
Minda Agosta (Chair)
Victor Lam (Deputy Chair)
Zhen Zheng (Committee Member)
Ke Li (Committee Member)
Joseph Azuolas (Committee Member)
Hong Xu (Committee Member)
Bing Lei Chen (Committee Member)
Winnie Law (Student member, Endeavour)
Xiandong Yu (Committee Member)

Western Australia
James Evans (Chair)
Edwin Miao (Committee Member)
Diana Lui (Committee Member)
Christine Yong (Committee Member)