



Te Kaunihera  
Rata o  
Aotearoa

**Medical  
Council of  
New Zealand**

## **Consultation on proposed fees for the accreditation of New Zealand-based vocational training and recertification providers**

### **Introduction**

The Medical Council of New Zealand (Council) is consulting with you and other interested parties on the proposed introduction of a fee for the accreditation of vocational medical training and recertification providers for **New Zealand only** colleges. The purpose of this proposal is to recover the costs from accreditation visits and reduce cross subsidisation to better ensure that the Council's fee structure is fair and equitable.

Council proposes to introduce a fee of \$30,736.41 for the accreditation of vocational medical training and recertification programmes for New Zealand colleges and \$20,470.45 for recertification providers only.

Council is seeking your feedback on the proposed fee. It is intended that the new fee will apply to all accreditation assessments from 1 July 2020.

### **Background**

In 2015, Council introduced Activity-Based Costing for fees to ensure that it was charging the correct fees for Council work. This resulted in changes to fees where there had previously been cross subsidisation. Due to the amount of fee changes, combined with the change in the methodology compared to the way fees had been calculated in the past, the process was reviewed by KPMG.

Council agreed that, with the exception of the Vocational Practice Assessment (VPA) fee and the prevocational training provider accreditation fee, all other fees should be on a 'user pays' basis to remove cross subsidisation which was occurring up to that point. Council agreed to partially subsidise the VPA and prevocational training provider accreditation fees on the basis that to charge the full fees from the fee level that was in existence at the time would not be palatable to the profession.

The Australian Medical Council currently charges for the accreditation of vocational training and recertification providers. It uses a cost recovery model. Council looked into this option, but found that the calculated cost was similar across all its training providers and, in the majority of cases, cost recovery would mean additional staff resources, and more cost for the provider.

### **Proposed fee**

As part of a further fees review in 2018, a fee for the assessment and accreditation of vocational medical training and recertification programmes of New Zealand colleges was calculated. It was agreed that consultation on a fee for accrediting New Zealand based vocational training and recertification providers would be undertaken once the new standards for vocational training providers had been finalised.

The current calculated fee is \$30,736.41 for vocational medical training and recertification providers. The calculated fee for recertification providers only is \$20,470.45.

An Activity-Based Costing process has been applied in calculating this fee. The calculated fee is made up of three components:

- a. Direct labour      Council remunerated staff time.

- b. Direct costs Other accreditation team members (using Council daily rate and travel and accommodation costs).
- c. Indirect costs The indirect allocation is a percentage applied to the direct labour costs. The percentage is a ratio of the indirect costs of the Education team / direct salary costs of the Education team.

### **New Standards for vocational training providers**

Council has recently reviewed standards for accreditation of vocational training and recertification providers and has now published the *Standards for assessment and accreditation of vocational medical training and recertification programmes for New Zealand colleges*. The intent of the standards is to strengthen the current standards for New Zealand training providers by aligning them more closely with the accreditation standards and process that the Council uses for bi-national training providers that provide programmes in both Australia and New Zealand.

### **Power to charge fees**

Under section 130(1) of the Health Practitioners Competence Assurance Act 2003 (HPCAA), Council may, by notice of the *Gazette*, prescribe the fees payable in respect to any matter that relates to anything Council is required to do in order to carry out its functions.

Council currently charges fees for a number of different functions and you can find a list of these on [Council's website](#). Current charges include a fee for accrediting prevocational training providers.

### **Invitation to comment**

The Council proposes to introduce a fee of \$30,736.41 for the accreditation of vocational medical training and recertification programmes for New Zealand colleges and \$20,736.41 for recertification providers only. We would welcome your feedback on the proposed introduction of this fee, which would come into effect on 1 July 2020.

Please provide your feedback to the Council at [education@mcnz.org.nz](mailto:education@mcnz.org.nz) by **17 January 2020**.

We look forward to your feedback.