



19 April 2022

Tēnā koutou

Consultation on proposed Council fees and disciplinary levy

Executive summary

We are seeking stakeholder feedback on the Medical Council of New Zealand's (Council) proposal to gazette changes to its existing fees and disciplinary levy, to be effective from 1 July 2022.

I am very pleased that we have been able to maintain the level of practising certificate fee and limit the increase to the disciplinary levy. Council is very aware of the need to keep our own costs under control and to minimise all of our fees at all times. While the increase to the disciplinary levy is disappointing, it reflects the complex and challenging environment we operate in, and is necessary to protect the public.

Your feedback is welcome and will be carefully considered by Council before a final decision is made at Council's May meeting. If you would like to provide feedback to us please do so by **5pm Friday 13 May 2022**.

Current proposals

- No change to the practising certificate fee.
- An increase in the disciplinary levy of \$33.10 to reflect increasing disciplinary costs we face. Overall, this results in a net increase in the practising certificate fee and disciplinary levy of \$33.10 to \$806.70 (4.3%).
- An inflation adjustment is applied to other existing gazetted fees, with some minor exceptions. Details of the specific fee changes proposed are included in Appendix 1.

All figures in this document are GST exclusive unless otherwise stated.

Practising certificate fee and disciplinary levy

The components making up the combined practising certificate fee and disciplinary levy are set out in the following table.

	2021/22 Current Fee	2022/23 Proposed Fee	\$ Change	% Change
Practising certificate (PC) fee	\$571.70	\$571.70	-	
Disciplinary levy	\$201.90	\$235.00	+ \$33.10	
Total PC fee and disciplinary levy	\$773.60	\$806.70	+ \$33.10	+ 4.3 %

The proposed practising certificate fee and disciplinary levy is based on:

- Council's budgeted and projected operating costs for the 2021/2022 and 2022/23 financial years; and
- the actual general, disciplinary and examination fund reserves as at 31 March 2022.

In preparing the draft 2022/23 budget, Council is committed to operating in a cost effective manner and strives to maintain a balance between the efficient and effective discharge of its public safety obligations and practitioner affordability.

Rationale for proposed changes to the disciplinary levy

The corresponding increase to the proposed disciplinary levy (in dollar terms) partly reflects Council's prudent approach to ensure disciplinary costs are adequately recovered while remaining cognisant that specific one-off cases can result in extraordinary costs.

At the time of writing, 20 cases have been referred to a Professional Conduct Committee (PCC) this financial year, with 5 charges filed in the Tribunal and a further 4 cases set down. The 2022/23 budget anticipates the number and complexity of cases will continue to be high. By its nature these costs are difficult to budget as Council has no control over disciplinary matters and must act in the public interest at all times.

The Council is responsible for all costs associated with an investigation and prosecution of unethical conduct from any doctor. These costs may include:

- PCC investigation costs of a notification
- prosecution costs when charges are laid before the Tribunal
- appeal costs
- collection costs for any costs awarded.

The Council actively seeks all recoveries of any awards of costs to ensure that these are not passed onto the profession. Any recoveries collected will increase disciplinary reserves during the financial year and can be factored into future levy calculations.

Other fees inflation-adjusted

In line with existing practice, Council proposes to inflation-adjust all existing gazetted fees, with some minor exceptions. The inflation adjustment to be applied is 5.9%, being the annual CPI for the year ended 31 December 2021¹. The proposed revised fees schedule is outlined in Appendix 1.

Council's fees are based on an activity-based costing methodology. The framework was introduced in 2015, following extensive consultation with the medical profession, and is designed to ensure that there is transparency and equity across all fees charged by Council. The methodology also ensures that cross-subsidisation amongst fees is minimised.

The methodology and the underlying assumptions were substantively re-tested in 2021 for the first time since being introduced. As a result of this review, fees were realigned with the cost of providing various services to minimise cross subsidisation occurring through the practising certificate fee. Council considers the existing fees remain appropriate, valid and relevant.

Council's 2021/22 Forecast Financial Results and 2022/23 Budget

The forecast financial results for the 2021/22 financial year are reported in Appendix 2 and forecast a surplus of \$2.1m against a budgeted \$0.7m surplus. Approximately half of this variance is attributable to an increase in the number of PC renewals during the year compared to budget (~19,200 v 18,300 budgeted) and is a key reason there is no increase proposed to the practising certificate fee.

Additionally, disciplinary matters and other budgeted activities have been disrupted for reasons beyond Council's control. In most cases these costs are deferred to the 2022/23 financial year and factored as part of the budget.

Overall, a small deficit of ~\$0.2m is budgeted for the 2022/23 financial year as shown in Appendix 2. This reflects the ongoing operational costs for Council to continue to fulfil its statutory obligations and strategic objectives, efficiently and effectively. The budgeted deficit is reasonable and has been

¹ <https://www.stats.govt.nz/information-releases/consumers-price-index-december-2021-quarter>

determined within a responsible budgeting framework and consistent with the current reserves management strategy.

Conclusion

The objective of this consultation is to seek input from the profession and other stakeholders before Council makes a final decision. If you would like to provide feedback to us please do so by **5pm Tuesday 13 May 2022**.

Council will consider all submissions at its meeting on Thursday 26 May 2022, prior to placing a notice in the New Zealand Gazette for an effective date of 1 July 2021.

Council's consultation guidelines, copies of this consultation document have been sent to all doctors, the Ministry of Health, Health New Zealand, district health boards, primary health organisations, medical colleges and other organisations with an interest in this area.

This document has also been published on the Council's website, with an invitation to comment. Responses can be submitted online through the [survey form](#) or sent to:

Fee Consultation

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Nāku noa nā,



Dr Curtis Walker
Chairperson
Medical Council of New Zealand

Appendix 1: Existing Fee Schedule and Proposed Fees

	Current	Proposed	\$ Change
A Practising certificate or Interim Practising certificate including Disciplinary Levy			
> Annual Practising certificate fee including Disciplinary Levy	773.60	806.70	33.10
> Application to vary existing Practising certificate	301.67	319.47	17.80
> Practising certificate quarterly fee (used only when bringing a doctor into their registration cycle)	193.40	201.68	8.28
B Disciplinary levy for 12 months	201.90	235.00	33.10
C Registration fees			
<i>Application for registration in a provisional general/general scope of practice:</i>			
> Provisional general registration (NZ/Australian/NZREX graduate)	301.67	319.47	17.80
> Provisional general registration (Australian General Registrant)	482.67	511.15	28.48
> Provisional general registration (competent authority)	482.67	511.15	28.48
> Provisional general registration (comparable health system)	1,508.35	1,597.34	88.99
> General registration (NZ/Australian graduate)	482.67	511.15	28.48
<i>Application for registration in a provisional vocational / vocational scope of practice:</i>			
> Vocational registration (for those registered in the General scope of practice, who have been awarded the prescribed qualification)	241.34	255.58	14.24
> Vocational registration (for those who are not registered in the General scope of practice, who have been awarded the prescribed qualification)	482.67	511.15	28.48
> Provisional vocational registration (for international medical graduates with overseas specialist qualifications)	3,620.04	3,833.62	213.58
> Vocational practice assessment	16,783.35	16,783.35*	-
<i>College advice fees for registration in a provisional vocational scope of practice</i>			
> Assessment of documents (preliminary advice)	1,650.00	1,747.35	97.35
> Interview (final advice)	3,900.00	4,130.10	230.10
> Re-evaluation	750.00	794.25	44.25
> Advice on supervisor/employment	200.00	211.80	11.80
<i>For registration in a special purpose scope of practice:</i>			
> Special purpose postgraduate training	965.34	1,022.30	56.96
> Special purpose locum tenens / teleradiology / research	603.34	638.94	35.60
<i>Other registration-related fees:</i>			
> Application to change existing scope or conditions	301.67	319.47	17.80
> Restoration of registration	301.67	319.47	17.80
> Annual Retention fee (non-practising status)	130.43	138.13	7.70
D Certificate Signed by the Registrar			
> Certificate of professional status, Certificate of registered information, and any other document confirming registration status/standing or internship details	181.00	191.68	10.68
E New Zealand Registration Examination (NZREX Clinical)			
> Application fee	670.91	710.49	39.58
> Examination fee	3,870.66	4,099.03	228.37
> Review of decisions (recount)	341.33	361.47	20.14
> Appeal of decisions (impairment or exam process)	511.99	542.20	30.21
> Withdrawal, or transfer, prior to, or on, the cut-off date for the specified exam (6 weeks prior to exam)	341.33	361.47	20.14
> Withdrawal after the cut-off date for the specified exam (20 working days or more prior to exam)	774.13	819.80	45.67
F Screening Programmes			
> Testing administrative charge (per test)	137.66	145.78	8.12
> Charge per test for urine / hair / blood (recharged at cost)	at cost	at cost	-
> Cost of breathalyser unit / re-calibration of breathalyser unit (recharged at cost)	at cost	at cost	-
G Sexual Misconduct Assessment			
> Administrative charge only	1,798.03	1,904.11	106.08
H Contribution to Educational Supervision Costs			
> Administrative charge only	2,400.85	2,542.50	141.65

	Current	Proposed	\$ Change
I Educational – Pre-Vocational			
Accreditation of training provider	31,725.35	31,725.35*	-
J Educational - Vocational			
> Accreditation New Zealand-only training providers			
- Training provider with 300 or more paying members	22,154.00	22,154.00*	-
- Training provider with fewer than 300 paying members	17,119.00	17,119.00*	-
> Accreditation of training providers recertification programme only	10,070.00	10,070.00*	-
K Recognition of vocational scope of practice / Assessment of a recertification programme			
> Vocational education and advisory body application for recognition of new vocational scope of practice	7,258.08	7,686.31	428.23
> Application for assessment of an individual recertification programme for a vocational scope of practice	3,024.00	3,202.42	178.42
L Register			
> Register for 12 months downloaded from the Council’s website	309.47	327.73	18.26
> Request for one copy of the Register	154.73	163.86	9.13
> Register data requests (<i>Fee is per hour but may be adjusted depending on the nature of the query. Any disbursements will be recovered at cost</i>)	154.73	163.86	9.13

All figures are proposed to take effect from 1 July 2022 and are GST exclusive.

The Practising Certificate fee remains unchanged. However, the Disciplinary Levy is proposed to increase by \$33.10. Unless otherwise stated, all other fees have been inflation adjustment by 5.9%, being the annual CPI for the year ended 31 December 2021. (Source: <https://www.stats.govt.nz/information-releases/consumers-price-index-december-2021-quarter>).

* These fees have not been inflation-adjusted on the basis that the existing fees, having been reviewed, are still considered representative of the activity-based cost. Additionally, the fee for accreditation of prevocational training providers is unlikely to be levied in the 2022/23 financial year given ongoing health reforms. Each of these fees will be reviewed for the 2023/24 financial year.

Appendix 2: 2021/22 Forecast Financial Performance and 2022/23 Draft Budget

Financial Performance	2021/22 Budget (000's)	30 Jun 22 Forecast* (000's)	2022/23 Draft Budget (000's)
Income			
Practitioner Fees^	10,462	10,962	11,148
Disciplinary Levies	3,695	3,872	4,583
Disciplinary Recoveries	-	203	-
Other Registration Income	4,194	3,741	4,066
Other Income	30	444	341
Total Income	18,381	19,222	20,138
Expenditure			
Administration and general	9,685	9,720	11,184
Council and Profession	3,959	3,785	4,345
Disciplinary	3,662	3,343	4,658
Examination	405	296	228
Total Expenditure	17,711	17,144	20,415
Net Surplus	670	2,078	(277)

* The forecast is based on actual results for the nine months ended 31 March and estimates for the remaining three months to June 2022, which remain subject to change.

^ Practising certificate renewals budgeted in 2021/22 were 18,300 v 19,200 forecast; 19,500 are budgeted in 2022/23.