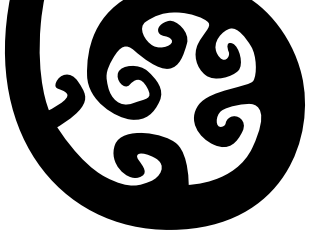
Medical Council of New Zealand
Te Kaunihera Rata o Aotearoa

Medical Council of New Zealand

Annual Report 2012



TE KAUNIHERA RATA O AOTEAROA
MEDICAL COUNCIL OF NEW ZEALAND

Protecting the public, promoting good medical practice
Te tiaki i te iwi whānui me te whakatairanga pai i te mahi e pā ana ki te taha rongoā

CONTENTS

The Medical Council of New Zealand is pleased to submit this report for the year ended 30 June 2012 to the Minister of Health. The report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCAA) and includes a report on activities of the Health Practitioners Disciplinary Tribunal for doctors only.

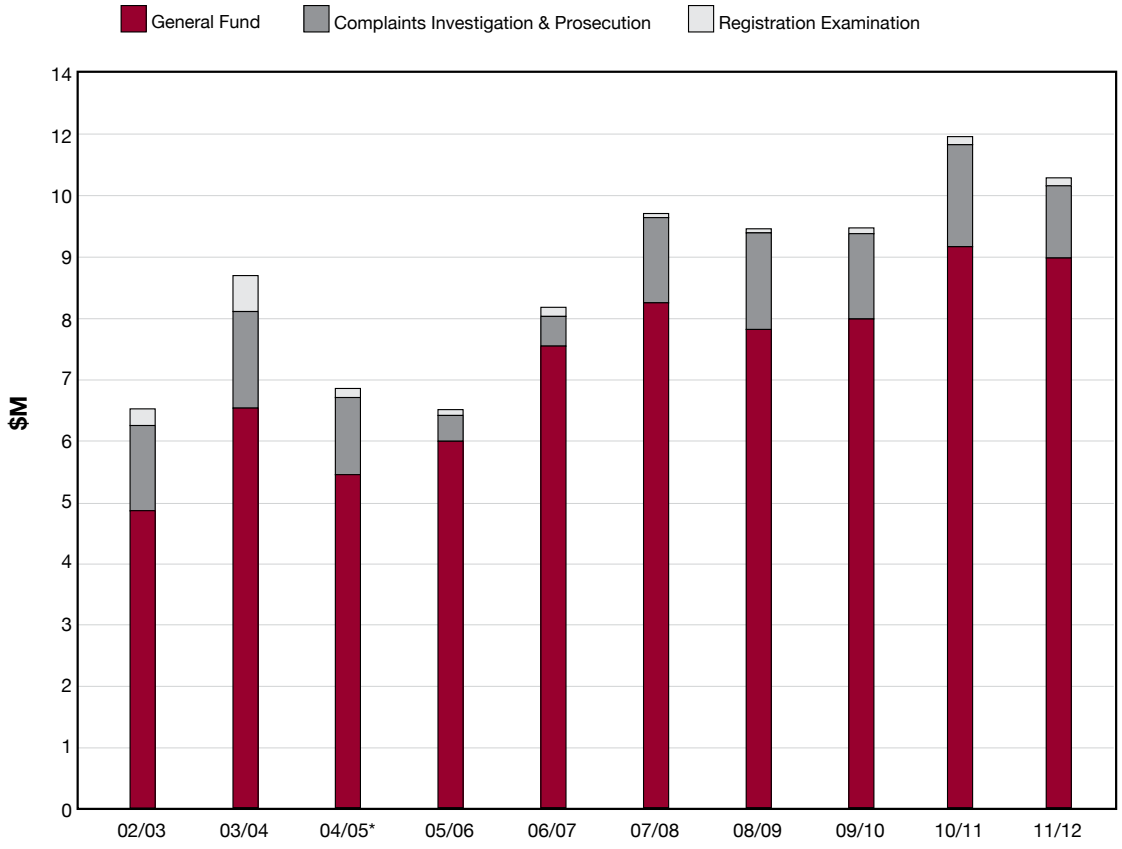
FACTS AT A GLANCE

1 JULY 2011–30 JUNE 2012

Doctors registered (1 July 2011–30 June 2012)	1,652
– Trained in New Zealand	382
– International medical graduates	1,270
Total practising doctors at 30 June 2012	13,874
Doctors registered with vocational scopes	9,385
Candidates who sat NZREX Clinical	111
Candidates who passed NZREX Clinical	73
Referred to professional conduct committees	28
Referrals to competence	46
Competence programmes	7
Health referrals	77

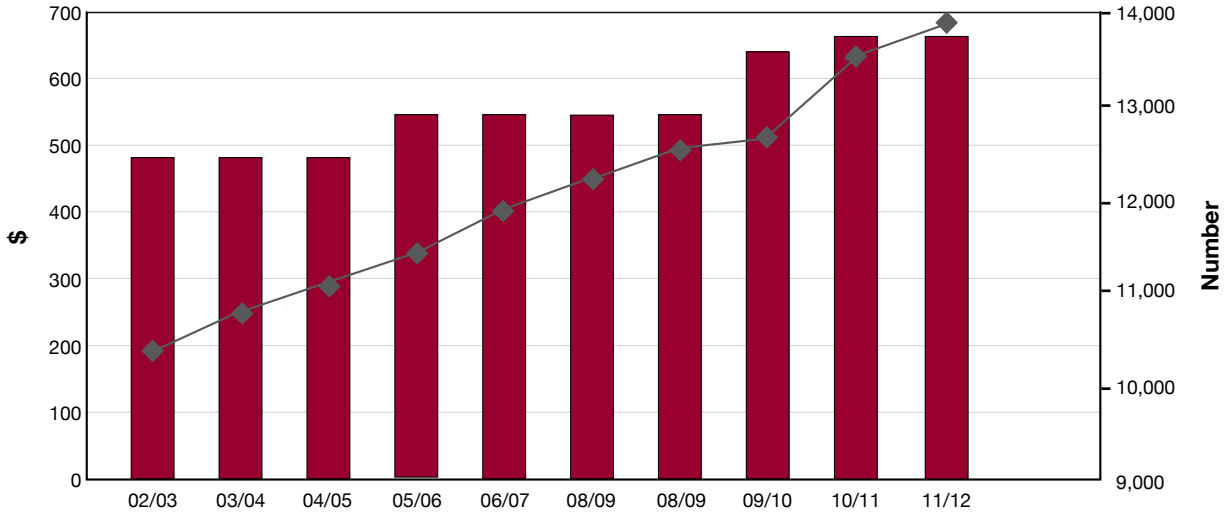
SUMMARY OF EXPENDITURE

TOTAL EXPENDITURE



Note * 15 month period

PRACTISING CERTIFICATE



CHAIRPERSON'S REPORT

This report covers the period 1 July 2011 to 30 June 2012.

MEDICAL COUNCIL ELECTION

In March 2012, doctors voted to choose four doctors as nominees to Council. A total of 14 candidates with excellent skills and experience stood for election.

The successful candidates were:

- Dr Rick Acland
- Dr Jonathan Fox
- Dr Peter Robinson
- Dr Richard Sainsbury

Three existing Council members, Drs Acland, Fox and Sainsbury were returned. Dr Kate O'Connor, a current elected Council member did not stand for re-election.

OTHER COUNCIL MEMBER CHANGES

During the year, there were a number of other changes to the membership of Council.

Ms Judith Fyfe's 3-year term expired and Ms Joy Quigley was appointed in her place. After 12 years, long serving lay member Mrs Heather Thomson was farewelled from Council in December 2011. Mrs Thomson's position was filled by Mr Jacob Te Kurapa.

Dr Kate O'Connor retired from Council in June 2012, having been elected a member in November 2002.

I would like to thank all existing and retired Council members for the contribution they have made. Each member brings a valued and independent public or medical perspective, ensuring rigorous and informed debate in our decision-making.

In February 2012, I was again privileged to be re-elected as Chairperson for another 12-month term by Council members. Mr Andrew Connolly was elected deputy chairperson, replacing Ms Liz Hird.

DISCIPLINARY LEVY INCREASE

Next year, the Council will unfortunately have to increase the disciplinary levy from $120.11 to $195.11 (GST inclusive) after suffering an overall financial deficit of $1.29 million in 2010/11, caused by legal costs being over $1 million and including a deficit in the disciplinary fund of over $0.5 million. There are several reasons for the deficit in the disciplinary fund.

First, there was an increase in the number of charges laid against doctors before the Health Practitioners Disciplinary Tribunal (HPDT). Fifteen charges were laid in 2010/11 compared with an average of 6 per year for the previous 3 years – an increase of 250 percent. Tribunal costs that the Council had to pay in 2010/11 were $432,000 compared to $144,000 in 2009/10 – an increase of 200 percent.

Secondly, the number and cost of professional conduct committee (PCC) investigations into doctors' conduct increased in 2010/11 compared to the three previous years. The Council's costs of PCC investigations in 2010/11 were $1,150,000 compared to an average of $775,000 per year over the three previous years.

Thirdly, specific one-off cases resulted in extraordinary costs for the Council. For instance the Council has faced costs of close to $1M in relation to the investigation and prosecution of one doctor.

The increase in the levy will be $75.00 (inclusive of GST) and will be implemented with effect from 1 July 2012 and end on 30 June 2013.

In making this decision, Council was very aware of the cost burden this may have for some doctors. However, the levy will ensure that the Council can continue to maintain its practising certificate fee at its current level in the meantime.

PROPOSAL FOR A SHARED SECRETARIAT

In February 2011, Health Workforce New Zealand (HWNZ) sought comment from all regulatory authorities on its proposal for a single secretariat to provide back-office functions (including regulatory functions) for all 16 health-related regulatory authorities.

The main arguments for the proposal were greater efficiency and costs saving, more consistent accountancy processes, more consistent policy and processes, and a single database of health practitioner workforce information and knowledge.

The Council expressed concerns, for example, that it would need to retain its own governance, ensure independence and ownership of regulation, retain its strategic development and policy capacity, retain the knowledge and skills to set standards, and manage the risks to public safety specific to the medical profession.

Since then, HWNZ has continued to encourage the regulatory authorities to design a collaborative model.

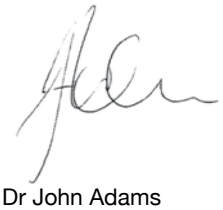
Two different groups of regulatory authorities have worked on different models and consensus has not yet been reached.

Despite the change management work and financial modelling done to date, there is considerable uncertainty about the shape of any shared administrative secretariat and what it will mean for doctors and other health practitioners in the long term.

The Council and other regulatory authorities will continue working on this over 2012/13.

THANKS

I extend my thanks to members and staff of the Medical Council for their support and for meeting the demands that both the Council and the profession place on them.



Dr John Adams
Chairperson

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The terms of reference for the Audit Committee as approved by Council are to:

- oversee the risk management programme
- review the risk profile (including legal compliance, financial, statutory reporting, and fraud risks)
- monitor the internal control systems and assessment
- oversee the annual external audit by the Office of the Auditor-General
- oversee the internal audit function
- ensure the integrity of external financial reporting
- ensure appropriate financial management policies and practices are in place
- ensure that Council and management are provided with financial information that is of high quality and relevant to their judgments
- conduct special investigations as required by Council.

INTERNAL AUDIT PLAN

Last year, the Audit Committee agreed to an ongoing programme of internal audit. KPMG was appointed to undertake this role. The internal audit provides an independent and objective assurance and advisory activity for the Committee and the Council. The internal audit function assists the Council in accomplishing its objective to improve the operations of the Council through a systematic and disciplined approach to evaluating and improving the effectiveness of the Council's risk management systems, control environment, and governance processes.

During the year KPMG undertook three internal audits. They were a review of vocational registration to assess the effectiveness of processes and controls; a review of Council's budgeting and financial monitoring; and an assessment of processes for case management of doctors with health issues.

The audit found that overall the Council's processes and controls related to vocational registration and health case management are effective and the risks are well controlled. Some improvements in the finance and health areas were identified and have been actioned.

RISK MANAGEMENT

Since December 2009 the Council has developed and implemented a comprehensive risk management framework.

Considerable progress continues to be made to establish a clear plan and commitment for risk management. This includes Audit Committee training and support, establishment of a risk champions group, agreeing a format for risk assessment and reporting, and review of internal audit requirements as part of the Council's risk assurance framework.

Council staff and the Audit Committee have continued their quarterly review of the key risks, to ensure that priority is given to managing and reporting on them.

COST MANAGEMENT

A major focus for the Committee has been monitoring the budget and in particular the disciplinary fund. Recognising that legal fees are a significant component of these costs, the Committee recommended an in-house legal service. Council has implemented this recommendation and this will contribute to a reduction in expenditure for this fund in the future.

I would like to acknowledge the work and contributions of Audit Committee members and staff alike.

Ms Liz Hird
Chairperson
Audit Committee

EDUCATION COMMITTEE REPORT

16TH PREVOCATIONAL MEDICAL EDUCATION FORUM

The 16th Prevocational Medical Education Forum was held in Auckland from 6-9 November 2011. This annual Australasian event brings together a wide range of international and national speakers, medical education officers, clinical trainers and educators, managers, researchers and academics to join with the prevocational doctors in debate and discussion. It is the first time the Forum has been held in New Zealand.

The theme of the Forum was *"Bridging the Gap: Providing the Pillars, Supporting the Journey and Achieving Integration"*.

There are many issues facing doctors as they move from medical school to a vocation of their choosing. Finding a balance between developing clinical skills and service, between life-long learning and the demands on their time, and when there are major reforms still working their way through the sector, poses many challenges.

RECERTIFICATION: A NEW WAY FORWARD

The Council has established a recertification programme to provide doctors registered in a general scope of practice with a framework for their continuing professional development. This will further improve the standards of practice of doctors in New Zealand and provide an assurance to the public and patients that practising doctors are competent and fit to practise.

The recertification programme consists of:

- a professional development plan
- a collegial relationship
- peer review activities
- clinical audit
- regular practice review
- multisource or patient feedback
- continuing medical education activities.

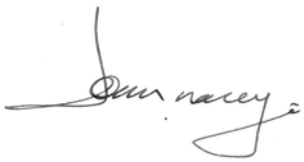
After a RFP, bpac^{nz} was selected as the provider of the recertification programme.

REVIEW OF PREVOCATIONAL TRAINING

Last year, the Council sought feedback from stakeholders and the profession on its discussion document *'Prevocational training requirements for doctors in New Zealand: a discussion paper on options for an enhanced training framework'*. The paper primarily considered the structural issues of the framework. It acknowledged that the elements of curriculum, supervision, assessment, and accreditation are fundamental to the success of the prevocational training framework, and suggested that these would be considered in subsequent stages of the review.

A working group has been established with a focus on drafting a curriculum framework for prevocational training. The Council is fortunate to have a working group with vast experience and expertise in medical education, medical regulation, intern training, and service provision, to develop a draft curriculum framework for prevocational training.

The draft curriculum framework will be used as the basis for discussion when the Council undertakes further consultation on this issue in early 2013.



Professor John Nacey
Chairperson
Education Committee

MEMBERS OF THE MEDICAL COUNCIL

DURING THE PERIOD 1 JULY 2011 TO 30 JUNE 2012 `

DR JOHN B ADAMS
MB ChB 1976 Otago, M 1984 F 1986 RANZCP

Dr Adams was appointed Dean of the Dunedin School of Medicine in 2003. He graduated from the University of Otago and subsequently trained in psychiatry, gaining his Fellowship of the Royal Australian and New Zealand College of Psychiatrists in 1986. Until his appointment as Dean of the Dunedin School, he worked at the Ashburn Clinic in Dunedin, where he was appointed medical director in 1988.

He has had extensive involvement with the New Zealand Medical Association (NZMA), initially as a Council delegate, then a board member, and subsequently NZMA Chairman from 2001 to 2003.

His long-term interest in professionalism and ethics led to him subsequently becoming Chair of the NZMA Ethics Committee, until his appointment to the Medical Council, and in this capacity, he led the most recent full review of the NZMA Code of Ethics.

Apart from his administrative duties, Dr Adams teaches in the Professional Development Programme in the undergraduate course in Dunedin. He maintains some clinical practice with one of the SDHB's community mental health teams. He is a trustee for the New Zealand Institute of Rural Health, the Ashburn Hall Charitable Trust, and the Alexander McMillan Trust.

Since joining the Council as an appointed member in 2008, Dr Adams has participated as a member of the Health Committee and chairperson of the Education Committee. As elected chairperson since 2010, Dr Adams is ex-officio on all Council committees.

DR RICHARD (RICK) H ACLAND
MB ChB 1975 Otago, FFARACS 1982, FANZCA 1992, FAFRM (RACP) 2003

Dr Acland commenced anaesthesia and pain management practice in Auckland in 1983. From 1995 to 1998, he was clinical director of anaesthesia in Christchurch. In 1999, he succeeded Professor Alan Clarke as clinical director of the Burwood Spinal Unit. He was elected to the Medical Council in 2006. Dr Acland is currently director of the Christchurch Neuromodulation Service (CNS).

He was president of the New Zealand Pain Society in 2002 and 2003 and was a member of the Medicines Assessment and Advisory Committee from 1996 to 2010. He is a member of Health Information Standards Organisation (HISO).

MR ANDREW B CONNOLLY
MB ChB 1987 Auckland, FRACS 1994

Mr Connolly is a general and colorectal surgeon, employed fulltime at Counties Manukau District Health Board.

Trained in Auckland, he undertook a formal 18-month period of surgical research under Professor G L Hill before completing post-fellowship colorectal training in the United Kingdom. He returned to Middlemore Hospital as a consultant surgeon in late 1997.

He has a strong interest in governance and clinical leadership and has been the Head of Department of General and Vascular Surgery since 2003. He has served on the ministerial advisory group that was responsible for the 'In Good Hands' document.

Mr Connolly has served on various district health boards and national committees, including the National Guidelines Group for the screening of patients with an increased risk of colorectal cancer. He is the Presiding Member of the Lotteries Health/Research Distribution Committee. He has a strong interest in surgical education and training and acute surgical care, as well as taking an active role with surgical research into enhanced recovery.

DR JONATHAN E M FOX
MB BS 1974 Lond, MRCS Eng LRCP Lond 1974, MRCGP 1981, FRNZCGP 1998

Dr Fox is a general practitioner (GP) based in Auckland. He is a past president of the Royal New Zealand College of General Practitioners (RNZCGP) and immediate past chair of the Council of Medical Colleges in New Zealand. He is a board member of ProCare Health Limited, the Auckland Independent Practitioners Association. He is also a member of various charitable and research trusts in the Auckland region.

He was awarded a Distinguished Fellowship of the Royal New Zealand College of General Practitioners in 2010.

His previous positions included membership of the Board and GP Council of the NZMA and the Competence Advisory Team of the Medical Council, Medical Officer to Kings College Auckland, and many RNZCGP Auckland Faculty positions.

Dr Fox qualified from Guys Hospital Medical School, London, in 1974. He then spent 7 years working as a medical officer in the Royal Navy, before completing his vocational training in the United Kingdom (UK). After leaving the Navy he spent 8 years as a GP in Rugby, UK, where he was also Medical Officer to Rugby School.

He came to New Zealand in 1990 with his GP wife and children. Over the last 20 years, their practice has grown and is now a five-doctor practice in Meadowbank, Auckland.

Dr Fox has been awarded an Honorary Fellowship by the Royal Australian College of General Practitioners.

Dr Fox is chairperson of the Council's Health Committee and a member of the Audit Committee.

DR ALLEN R FRASER

MB ChB 1969 Otago, DPM 1973 Otago, MRCPsych 1976, M 1978 F 1980 RANZCP

Dr Fraser went to medical school in Dunedin in the 1960s and subsequently trained as a psychiatrist in Auckland and at St Thomas' Hospital in London. He was appointed as a consultant psychiatrist in South Auckland in 1977, where he led the development of community-based mental health services; at the same time continuing what has been a career-long commitment to the acute care of the seriously mentally ill.

He has been involved in many local, national, and international professional organisations, including the Royal Australian and New Zealand College of Psychiatrists (RANZCP), since 1980. Dr Fraser was Chair of the RANZCP's New Zealand Committee for 4 1/2 years. He has been a union leader (President of the Association of Salaried Medical Specialists for 4 years and now a life member), and a chief medical officer.

His current clinical work is in private practice in Auckland where he concentrates on mood disorders and medico-legal assessments.

Dr Fraser is a member of the Health Committee, and also of the Education Committee.

MS JUDITH FYFE

LLB 1996, ONZM

Ms Fyfe is a lay member who has a background in research and communication. Before co-founding the New Zealand Oral History Archive with Hugo Manson, she worked in television as a journalist and in the film industry. She is a board member of the New Zealand Film Archive.

Ms Fyfe practises as a barrister specialising in forensic law.

In addition to involvement in several community organisations, she is a long-time member of the Wellington Medico-Legal Society.

MS LIZ HIRD
LLB (Hons) 1983

Ms Hird is a lay member who has been a barrister since 1987 and has a wide ranging commercial and administrative law practice.

She has had a long involvement in community health, beginning with the founding of the Otaki Women's Health Group in 1987. She was also an initial member of the Otaki Community Health Committee of the Area Health Board and founding trustee, and is the current chairperson of the Otaki Community Health Trust, which provides community grants for health projects.

Ms Hird was a member of the Otaki PHO steering committee that established the Otaki Community PHO. Ms Hird is also national contractual legal adviser to HealthCare Aotearoa (Inc), a network of community primary health providers.

In 2011, Ms Hird was appointed a District Inspector of Mental Health Services for Manawatu, Wairarapa, Tairawhiti and Wellington, and a District Inspector for Intellectually Disability Services for the lower half of the North Island.

Ms Hird was deputy chairperson of Council until February 2012. She is chairperson of the Council's Audit Committee and deputy chair of the Council's Education Committee.

MS LAURA MUELLER
BA Psych (Calif) 1992, Juris Doctor (Calif) 1996

Ms Mueller is a lay member who was appointed as a judicial officer for the Ministry of Justice in 1999 and sits as a referee in the Disputes Tribunal at the Tauranga District Court. Ms Mueller has 20 years of business experience, including management of a large accounting and tax practice and experience as a medical insurance underwriter.

With a keen interest in governance and leadership, Ms Mueller serves on the Disputes Tribunal's National Education Committee. She has served as treasurer on the Disputes Tribunal's Referees Association Executive.

Ms Mueller is a member of the Council's Health Committee.

PROFESSOR JOHN N NACEY

MB ChB 1977 Otago, FRACS 1985, MD 1987 (Otago), MBA

Professor Nacey graduated from the University of Otago in 1977. After completing specialist training in urology, which included an appointment as Chief Resident in Surgery at the Flinders University Medical Centre Adelaide, Australia, he returned to New Zealand to take up a joint hospital/university position in Wellington. In 1998, he was appointed Dean and Head of Campus at the University of Otago's Wellington School of Medicine, a position he held for 10 years.

With an interest in prostate disease, Professor Nacey has published extensively on this subject. He is a member of the prestigious Urological Research Society and acts as referee for several major international journals. As past examiner for the Royal Australasian College of Surgeons he has maintained his interest in teaching undergraduate medical students and postgraduate surgical trainees.

Professor Nacey currently holds the position of Professor of Urology at the Wellington School of Medicine.

He has widespread community involvement including the position of President of the Wellington Medical Research Foundation and Chairman of the Board of Management. He remains a strong advocate for promoting men's health.

Professor Nacey is chairperson of the Council's Education Committee.

MS JOY QUIGLEY

QSO (2008) JP

Ms Quigley served as a National Member of Parliament between 1990-1999, chairing the Māori Affairs, Foreign Affairs and Defence, and Social Services Select Committees during that time. After retiring from Parliament she became the Executive Director of Independent Schools of New Zealand until 2008 and is currently a director, with her husband, of a consultancy business based in Kerikeri.

Ms Quigley graduated from the School of Physical Education, University of Otago in 1967 and subsequently from Christchurch Teachers College. She has been involved with a wide range of local, regional and national voluntary organisations during her adult life. In 2008 she became a Member of the Queens Service Order recognising her public and community service.

During 2009-2010 Ms Quigley was a member of the Government appointed panel considering New Zealanders' access to high cost, highly specialised drugs.

Ms Quigley is a member of the Council's Audit and Education Committees.

DR KATE A O'CONNOR

MB ChB 1995 Auckland, FRANZCR 2003

Dr O'Connor graduated from the University of Auckland in 1995 and completed her vocational training in diagnostic radiology in 2002.

She worked as a house officer in Waikato and Tauranga Hospitals and as a registrar in all the public hospitals in Auckland. During this time she served on the national executive of the New Zealand Resident Doctors' Association for 6 years, including 2 years as national president.

Dr O'Connor is a radiologist at Auckland District Health Board and a partner at Auckland Radiology Group and was a member of the Council's Health Committee until February 2012.

DR PETER ROBINSON LVO

MBChB 1972, MSc (London) 1982, MCCM 1986, DipDHM 1988, FAFPHM (RACP) 1994, FRACMA 1994, FAFOEM (RACP) 2004, FNZCPHM 2008

Dr Robinson was appointed by the Minister of Health on 25 June 2012, but did not attend any Council meetings during the year.

PROFESSOR RICHARD (DICK) SAINSBURY

MB ChB 1972 Otago, FRACP 1981, MA 2011,
Post Grad Dip Arts 2011

After Professor Sainsbury graduated from the University of Otago, he spent 6 years as a resident medical officer in Auckland, before going to the United Kingdom for advanced training.

Since 1982 he has worked as a consultant physician in geriatric medicine in Christchurch, in dual university/ hospital appointments. He has a particular interest in student teaching and has served a period as trainee intern coordinator. He has also been involved in the examination, mentoring and supervision of international medical graduates.

Professor Sainsbury is a member of the Council's Health Committee.

MR JACOB TE KURAPA

Ko Mataatua te Waka; Ko Manawaru te Maunga; Ko Ohinemataroa te Awa; Ko Mataatua te Marae; Ko Ngati Tawahaki te Hapu; Ko Tuhoe te Iwi; Ko Hakopa Te Kurapa taku ingoa. Tihei Mauri Ora!

Mr Te Kurapa is currently the Project Coordinator assisting the Education and Te Reo Strategy for Murupara and the people of Ngati Manawa.

Mr Te Kurapa worked in health as the Health Promotions Team Leader and the Community Action Youth and Drugs Service Coordinator; a position dedicated to finding alternative and positive solutions for young people in Murupara and the surrounding districts.

Mr Te Kurapa is currently the Chairperson of the Murupara Community Board and was the youngest elected representative during his 9 year term (2001-2010) in Office to the Whakatane District Council.

Mr Te Kurapa is a Ministerial appointee to the National Ethics Advisory Committee (NEAC), and a former member of the Health Practitioners Disciplinary Tribunal. He holds a number of positions in Murupara including the chair of a local charitable trust, the chair of the newly established Murupara Area School and he is also a Justice of the Peace.

Mr Te Kurapa is a member of the Council's Audit Committee.

MRS HEATHER THOMSON

Mrs Thomson is in her fourth term as a lay member of the Council. She has been a public member on many boards, including the Cartwright committees, the Public Health Commission, Māori Health Commission, the Bay of Plenty District Health Board and the PHARMAC Community Advisory Committee for 6 years Ms Thomson's interest in health has been mainly in health management and in the development of services for Māori, community and rural development.

Mrs Thomson lives in Whitianga Bay in the Eastern Bay of Plenty, 50 kilometres east of Opotiki. Her hapu is Ngati Paeakau and her iwi is te Whanau a Apanui.

Mrs Thomson was a member of the Council's Health Committee.

CHIEF EXECUTIVE'S REPORT

Our five strategic goals are to:

1 Optimise mechanisms to ensure doctors are competent and fit to practise.

2 Improve the Council's relationship and partnership with the public, the profession, and stakeholders to further the Council's primary purpose - to protect the health and safety of the public.

3 Promote good regulation of the medical profession by providing standards for medical practice and ensuring that the standards reflect the expectations of the public, the profession, and stakeholders.

4 Improve medical regulutory and work force outcomes in New Zealand by the registration of doctors who are competent and fit to practise and their sucessful integration into the health service.

5 Promote good medical education and learning environments throughout the undergraduate /postgraduate continuum to help ensure all doctors have achieved the necessary standards for their practice.

CONSUMER ADVISORY GROUP

We have this year worked with the Health and Disability Commissioner to establish a consumer advisory group (CAG). It acts as a 'sounding board' for discussion with Council by providing us with timely advice and feedback on strategic and operational issues.

Comprising of 13 consumer advisers, the CAG is made up of Pacific, disability, health and iwi consumer advisers.

The CAG has to date provided invaluable advice on:

- The Council's decision-making principles.
- The revision and development of *'Good Medical Practice'*.

WHY DOCTORS LEAVE

Last year the Council undertook a survey to find out why doctors leave New Zealand and what might encourage them to return. Approximately 55 percent of doctors who were invited to participate in the survey completed it, with a total of 182 surveys completed.

The survey found the highest proportion of doctors responding to the survey were those registered in a general scope of practice (those not recognised as specialists) who had worked in New Zealand for longer than 3 years. The majority of these doctors worked in general practice, general medical, and surgical runs (house officers and senior house officers), or internal medicine.

The survey found that doctors have a variety of reasons for leaving New Zealand including:

- the desire for training opportunities and work experience in overseas settings
- increased remuneration
- family reasons
- improved working conditions
- locum opportunities.

RELATIONSHIPS WITH OUR STAKEHOLDERS

We have continued to build relationships with our major stakeholders over the year, both within New Zealand and internationally. This has included:

- finalising a Memorandum of Understanding with Branch Advisory Bodies;
- implementing the changes to accreditation through our Memorandum of Understanding with the Australian Medical Council;
- continuing to build our very positive relationship with District Health Boards;
- developing a Memorandum of Understanding with Southern Cross Hospitals, which we wish to expand to other private health providers; and
- liaising with our international medical regulatory colleagues to share knowledge and information and contribute to best international practice.

OUR SERVICE TEAMS

The Council's Registration, Professional Standards and Health teams effectively and efficiently managed our core business. The Registration Team approved 1,652 registrations and undertook 1,365 CPD audits of doctors; the Professional Standards team actioned 46 competence or performance assessments and 28 professional conduct investigations; and the Health team managed 77 new referrals.

THE COUNCIL'S NEW WEBSITE

In May, the Council launched its new website which can be found at the same address: www.mcnz.org.nz

The site's homepage welcomes visitors with bold colours and a clean uncluttered design. It contains three sections that allow visitors access to information based on their needs rather than having to sift through information to decide what is of interest to them. In redesigning the site we have focused on making the navigation simpler and used plain English wherever possible.

The three main sections are:

- Patients and the public – with information for patients and the public about our expectations of doctors, how to find a doctor, and how to make a complaint.
- Doctors already practising in New Zealand – with details for doctors already working in New Zealand, as well as information on practising certificates, recertification and health concerns.
- Doctors who want to practise in New Zealand – offers doctors wanting to work in New Zealand, a 'one stop shop' on how to get registered with the Council, and links to key government agencies like Immigration New Zealand.

Thank you to all managers, advisors and staff for the excellent contribution you have made to the work of Council over 2011/12.

Philip Pigou
Chief Executive

REGISTRAR'S REPORT

NEW GAZETTE NOTICE PUBLISHED FEBRUARY 2012

The Council last published a full list of the scopes of practice (and associated prescribed qualifications) for the profession of medicine in January 2010 as a separate Supplement to New Zealand Gazette.

The publication of the Council's requirements as a stand alone Supplement to the Gazette has proved convenient, making it easier to provide to stakeholders as an authoritative reference document.

David Dunbar
Registrar

REGISTRATION OF HEALTH PRACTITIONERS AND PRACTISING CERTIFICATES

Principal activities: maintaining the medical register, considering applications for registration, issuing practising certificates and certificates of good standing, developing registration policy

Total cost: $4,988,788

All doctors who practise medicine in New Zealand must be registered by the Council and hold a practising certificate. Registration ensures that a doctor is fit to practise medicine and that the doctor has met the required standards of competence to practise safely. Registered doctors must comply with the Council's continuing professional development requirements each year to maintain their registration.

Eligibility for doctors seeking registration in general and special purpose scopes of practice is provided within 20 working days of receiving a completed application. Eligibility for registration within a vocational scope of practice is provided after consultation with the relevant College or medical association and takes on average 6 months.

1.

SCOPES OF PRACTICE – SUMMARY OF REGISTRATION STATUS

As at 30 June 2012

Provisional general	3,274
General	7,890
Provisional vocational	227
Vocational	9,385
Special purpose	246
TOTAL ON MEDICAL REGISTER	**21,022**
Total practising	13,874
Suspended	10

NOTE: Doctors holding more than one registration status concurrently have been counted once for this table.

2.

APPLICATIONS FOR REGISTRATION

1 July 2011–30 June 2012

	HPCAA Section	Number	Outcomes		
			Registered	Registered with conditions	Not registered
Total	15	–		–	[1]
Reasons for non-registration					
Communication including English language requirements	16 a and b	–	–	–	–
Conviction by any court for 3 months or longer	16 c	–	–	–	–
Mental or physical condition	16 d	–	–	–	–
Professional disciplinary procedure in New Zealand or overseas, otherwise under investigation	16 e,f,g	–	–	–	–
Other – danger to health and safety	16 h	–	–	–	–

[1] Includes those occasions when Council resolved to decline an application to change scope because requirements had not yet been met

3.

APPLICATIONS FOR PRACTISING CERTIFICATES (PCs)

1 July 2011–30 June 2012

	HPCAA Section	Number	Outcomes			
			PC	PC with conditions	Interim	No PC
Total		13,881	13,059	–	–	822 [1]
Reasons for non-issue of a PC						
Competence	27 (1) a	–	–	–	–	–
Failed to comply with a condition	27 (1) b	–	–	–	–	–
Not completed required competence programme satisfactorily	27 (1) c	–	–	–	–	–
Recency of practice	27 (1) d	–	–	–	–	–
Mental or physical condition	27 (1) e	–	–	–	–	–
Not lawfully practising within 3 years	27 (1) f	–	–	–	–	–
False or misleading application	27 (3)	–	–	–	–	2

[1] Notified as not practising in New Zealand, rather than declined

4.

REGISTRATION ACTIVITIES

1 July 2011–30 June 2012

Provisional general/vocational issued	
New Zealand graduates (interns)	379
Australian graduates (interns)	5
Passed NZREX	52
Graduate of competent authority accredited medical school	526
Worked in comparable health system	258
New Zealand and overseas graduates reregistration (following erasure)	–
Transitional	–
Non-approved postgraduate qualification – vocational assessment	109
Non-approved postgraduate qualification – vocational eligible	65
Approved postgraduate qualification – vocational eligible	2
Special scope issued	
Visiting expert	43
Research	–
Postgraduate training or experience	40
Locum tenens in specialist post	171
Emergency or other unpredictable short-term situation	–
Teleradiology	3
General scope after completion of supervised period	
New Zealand/Australian graduates (interns)	333
Passed NZREX Clinical	46
Graduate of competent authority accredited medical school	269
Worked in comparable health system	89
Transitional	1
Vocational scope after completion of supervised period	
Non-approved postgraduate qualification – vocational assessment	32
Non-approved postgraduate qualification – vocational eligible	51
Approved postgraduate qualification – vocational eligible	4
Approved BAB training programme	–

Continued...

General scope issued	
New Zealand graduates	5
Overseas graduates	46
Reinstatements	19
Vocational scope issued	
Approved postgraduate qualification	440
Suspensions	
Suspended or interim suspension scope	7
Revocation of suspension scope	–
Conditions	
Imposed	268
Revoked	255
Cancellations under the HPCAA	
Death – s 143	44
Discipline order – s 101(1)(a)	–
False, misleading, or not entitled – s 146	–
Revision of register – s 144(5)	41
At own request – s 142	209

5.

DOCTORS REGISTERED IN VOCATIONAL SCOPES

1 July 2011–30 June 2012

Vocational scope	Vocational registration at 30/6/2011[1]	Added 2011/2012	Removed 2011/2012	Net change	Vocational scope at 30/6/2012[1,2]
Accident and medical practice	141	5	2	3	144
Anaesthesia	730	47	3	44	774
Cardiothoracic surgery	33	1	-	1	34
Clinical genetics	10	1	-	1	11
Dermatology	62	4	1	3	65
Diagnostic and interventional radiology	399	47	1	46	445
Emergency medicine	187	19	-	19	206
Family planning and reproductive health	30	1	-	1	31
General practice	3239	207	19	188	3427
General surgery	322	12	4	8	330
Intensive care medicine	72	10	1	9	81
Internal medicine	985	71	7	64	1049
Medical administration	24	2	-	2	26
Musculoskeletal medicine	24	-	-	-	24
Neurosurgery	22	-	-	-	22
Obstetrics and gynaecology	327	13	3	10	337
Occupational medicine	58	4	2	2	60
Ophthalmology	152	7	2	5	157
Oral and maxillofacial surgery	18	1	-	1	19
Orthopaedic surgery	277	17	2	15	292
Otolaryngology, head and neck surgery	116	8	-	8	124

Continued...

Vocational scope	Vocational registration at 30/6/2011[1]	Added 2011/2012	Removed 2011/2012	Net change	Vocational scope at 30/6/2012[1,2]
Paediatric surgery	19	2	1	1	20
Paediatrics	372	19	1	18	390
Palliative medicine	48	4	-	4	52
Pathology	323	14	-	14	337
Plastic and reconstructive surgery	66	3	-	3	69
Psychiatry	656	35	4	31	687
Public health medicine	209	10	6	4	213
Radiation oncology	71	3	-	3	74
Rehabilitation medicine	22	2	-	2	24
Rural hospital medicine	39	14	-	14	53
Sexual health medicine	22	-	1	-1	21
Sports medicine	24	-	-	-	24
Urology	63	7	1	6	69
Vascular surgery	32	2	-	2	34
TOTAL	**9,194**	**592**	**61**	**531**	**9,725**

NOTES: [1] Includes doctors who may currently be inactive (have no practising certificate).
[2] Includes 305 doctors with registration in two vocational scopes and two doctors with registration in three vocational scopes.

6.

REGISTRATIONS ISSUED, BY COUNTRY OF PRIMARY QUALIFICATION

1 July 2011–30 June 2012

Country	Provisional general	Provisional vocational	Special purpose	Total
England	353	36	33	422
United States of America	99	45	82	226
Scotland	79	13	9	101
Ireland	51	6	2	59
India	19	18	20	57
Germany	29	15	4	48
Wales	41	-	1	42
Canada	18	4	15	37
South Africa	9	16	11	36
Australia	6	0	26	32
Sweden	15	2	2	19
Netherlands	13	1	2	16
Pakistan	8	2	5	15
Fiji	2	-	10	12
Sri Lanka	4	-	7	11
Poland	10	-	-	10
Other[1]	85	16	26	127
New Zealand	379	1	2	382
Total	**1,220**	**175**	**257**	**1,652**

NOTES: [1] Other represents 47 countries which had fewer than 10 registrations in the reporting period.

7.

VOCATIONAL SCOPES GRANTED TO DOCTORS, BY VOCATIONAL SCOPE PRACTICE

1 July 2011–30 June 2012

Vocational scope	Overseas	New Zealand	Total
Accident and medical practice	2	3	5
Anaesthesia	20	27	47
Cardiothoracic surgery	-	1	1
Clinical genetics	-	1	1
Dermatology	3	1	4
Diagnostic and interventional radiology	13	34	47
Emergency medicine	6	13	19
Family planning and reproductive health	1	-	1
General practice	91	116	207
General surgery	7	5	12
Intensive care medicine	3	7	10
Internal medicine	27	44	71
Medical administration	2	-	2
Obstetrics and gynaecology	3	10	13
Occupational medicine	3	1	4
Ophthalmology	4	3	7
Oral and maxillofacial surgery	1	-	1
Orthopaedic surgery	12	5	17
Otolaryngology, head and neck surgery	2	6	8
Paediatric surgery	-	2	2
Paediatrics	12	7	19
Palliative medicine	-	4	4
Pathology	5	9	14
Plastic and reconstructive surgery	2	1	3
Psychiatry	8	27	35
Public health medicine	7	3	10
Radiation oncology	2	1	3
Rehabilitation medicine	1	1	2
Rural hospital medicine	6	8	14
Urology	2	5	7
Vascular surgery	-	2	2
Total	**245**	**347**	**592**

8.

OUTCOMES OF VOCATIONAL ASSESSMENTS

1 July 2011–30 June 2012

Branch	Incomplete applications	Pending (at College/ Council)	Withdrawn/ lapsed	Vocational scope	Vocational eligible	Vocational assessment	NZREX	Total
Anaesthesia	3	17	-	-	4	12	-	36
Cardiothoracic surgery	1	-	-	-	1	-	-	2
Clinical genetics	1	-	-	-	2	-	-	3
Dermatology	-	2	-	-	-	-	-	2
Diagnostic and interventional radiology	3	15	-	-	2	6	-	26
Emergency medicine	2	13	-	1	1	11	-	28
General practice	2	9	-	-	-	5	-	16
General surgery	3	5	2	-	-	1	1	12
Intensive care medicine	-	1	-	-	-	1	-	2
Internal medicine	10	29	-	-	10	10	1	60
Medical administration	1	-	-	-	-	-	-	1
Neurosurgery	1	-	-	-	-	3	-	4
Obstetrics and gynaecology	6	6	2	-	5	3	1	23
Occupational medicine	1	4	-	-	-	-	-	5
Ophthalmology	1	7	-	-	-	1	-	9
Orthopaedic Surgery	2	4	-	-	-	3	-	9
Otolaryngology head and neck surgery	2	2	-	-	2	2	1	9
Paediatric surgery	-	-	-	-	-	1	-	1
Paediatrics	1	6	-	-	2	6	-	15
Palliative medicine	-	3	-	-	-	-	-	3
Pathology	1	4	-	-	2	3	-	10
Plastic and reconstructive surgery	1	1	-	-	-	1	-	3
Psychiatry	11	30	-	-	8	14	1	64
Public health medicine	2	-	-	-	-	1	-	3
Radiation oncology	-	-	-	-	-	2	-	2
Rehabilitation medicine	-	-	-	-	-	1	-	1
Urology	-	2	-	-	-	1	-	3
Vascular surgery	-	-	-	-	-	3	-	3
TOTAL	**55**	**160**	**4**	**1**	**39**	**91**	**5**	**355**
Percentages based on total number of outcomes				0.7%	28.7%	66.9%	3.7%	

9.

DOCTORS ON THE NEW ZEALAND MEDICAL REGISTER, BY COUNTRY OF PRIMARY QUALIFICATION

As at 30 June 2012

Country	Provisional general	General	Provisional vocational	Vocational	Special purpose	Total	Number with practising certificates
England	1029	1062	30	1135	22	**3278**	1836
South Africa	74	310	22	700	6	**1112**	773
Scotland	267	332	10	321	4	**934**	531
United States of America	462	80	65	181	92	**880**	321
Australia	10	528	2	287	6	**833**	347
India	82	249	17	314	29	**691**	446
Ireland	176	128	7	60	3	**374**	146
Sri Lanka	11	88	1	182	18	**300**	161
Germany	97	73	22	91	3	**286**	183
Wales	101	90	-	47	1	**239**	100
Canada	111	29	3	55	10	**208**	73
Iraq	8	76	1	83	-	**168**	106
Netherlands	69	22	4	25	1	**121**	64
Bangladesh	9	49	1	58	-	**117**	66
Pakistan	24	51	1	26	4	**106**	72
China	9	32	-	53	-	**94**	71
Sweden	62	8	10	10	-	**90**	22
Egypt	11	34	1	41	1	**88**	50
Fiji	4	14	-	44	21	**83**	72
Northern Ireland	25	26	-	24	1	**76**	36
Philippines	8	24	2	22	4	**60**	37
Russia	12	23	1	17	2	**55**	46
Poland	16	16	1	11	-	**44**	27
Zimbabwe	1	7	5	30	1	**44**	39
Yugoslavia; Federal Republic of	1	17	1	23	-	**42**	24
Nigeria	14	14	1	5	-	**34**	20
Singapore	6	7	-	21	-	**34**	23
Belgium	12	7	3	6	-	**28**	13
Romania	5	9	-	12	-	**26**	19
Denmark	11	8	-	5	-	**24**	6
Italy	7	9	1	7	-	**24**	16
Myanmar	2	9	-	13	-	**24**	14

Continued...

Country	Provisional general	General	Provisional vocational	Vocational	Special purpose	Total	Number with practising certificates
Austria	16	5	1	-	-	**22**	8
Hungary	5	8	2	5	-	**20**	12
Switzerland	9	4	-	7	-	**20**	10
Czech Republic	6	6	-	5	-	**17**	13
France	6	5	-	5	1	**17**	12
Ukraine	3	11	1	2	-	**17**	15
Croatia	1	6	-	9	-	**16**	10
Spain	5	2	1	7	-	**15**	12
Bulgaria	1	5	-	8	-	**14**	11
Malaysia	1	6	1	5	1	**14**	11
Iran	1	5	1	4	-	**11**	7
Zambia	1	7	-	3	-	**11**	8
Finland	4	4	1	1	-	**10**	5
Israel	3	3	-	1	3	**10**	2
Mexico	4	-	-	5	1	**10**	3
Norway	2	1	1	6	-	**10**	7
Papua New Guinea	1	-	-	9	-	**10**	9
Other[1]	52	63	6	62	11	194	121
New Zealand	417	4,318	-	5,332	-	**10,067**	7,838
TOTAL	**3,274**	**7,890**	**227**	**9,385**	**246**	**21,022**	**13,874**

[1] 'Other' represents 58 countries with fewer than 10 registered doctors.

COMPETENCE, FITNESS TO PRACTISE, AND QUALITY ASSURANCE

Professional standards

Principal activities: undertaking performance assessments and establishing educational programmes, developing policy on performance assessments, monitoring doctors who are subject to conditions arising from disciplinary action

Total cost: $1,625,654

THE COUNCIL SEEKS TO IMPLEMENT MECHANISMS TO ENSURE DOCTORS ARE COMPETENT TO PRACTISE.

The Council referred 46 doctors to the performance assessment process (see Table 10). Doctors were referred to the Council, primarily by the Health and Disability Commissioner (HDC), because of concerns about clinical skills, record keeping, communication, or prescribing.

10.

COMPETENCE REFERRALS

1 July 2011–30 June 2012

Source	HPCAA Section	Number
Health practitioner (Under RA)	34 (1)	10
Health and Disability Commissioner	34 (2)	16
Employer	34 (3)	12
Other		8
Total		**46**

11.

OUTCOMES OF COMPETENCE REFERRALS

1 July 2011–30 June 2012

Outcomes	HPCAA Section	Existing	New	Closed
No further action		-	4	14
Initial inquiries (Total number)	36	13	32	42
Notification of risk of harm to public	35	-	3	–
Competence review	36	5	10	21
Orders concerning competence	38	8	17	7
Interim suspension/conditions	39	-	5	-
Competence programme	40	8	7	7
Recertification programme	41	1	9	3
Unsatisfactory results of competence or recertification programme	43	1	3	Not applicable

DOCTORS' HEALTH

Principal activities: considering the cases of doctors with possible health conditions, establishing treatment and monitoring programmes for doctors whose health conditions affect their fitness to practise, promoting doctors' health.

Total cost: $1,955,163

The Council aims to protect patients by appropriately managing doctors who may not be fit to practise because of a mental or physical condition.

Doctors, like the general population, can suffer from various afflictions, including drug and alcohol dependence, psychiatric problems, and a wide range of physical disorders, any of which can affect their performance.

More detailed information about the support and assistance doctors can receive whilst their health problem is being resolved was added to our new website.

12.

NOTIFICATIONS OF INABILITY TO PERFORM REQUIRED FUNCTIONS DUE TO MENTAL OR PHYSICAL (HEALTH) CONDITION

1 July 2011–30 June 2012

Source	HPCAA Section	Number			
		Existing	New	Closed	Still active
Health service	45 (1) a	-	1	-	-
Health practitioner	45 (1) b	-	44[1]	2	42
Employer	45 (1) c	-	16	1	15
Medical officer of health	45 (1) d	-	-	-	-
Any person	45 (3)	-	15	13	2
Person involved with education	45 (5)	-	1		1

[1]38 of the 44 were self-referred

13.

OUTCOMES OF HEALTH NOTIFICATIONS

1 July 2011–30 June 2012

Outcomes	HPCAA Section	Number
No further action	17	17
Order medical examination	49(1)	49[2]
Interim suspension	7	6[3]
Conditions	-	-
Restrictions imposed	See note 4	-
Total		**72**

[2] 53 assessments agreed voluntarily, with 6 pending. In addition 45 reports were obtained from treating clinicians for 29 doctors

[3] 5 achieved through voluntary agreement

[4] any requisite monitoring and restrictions for 61 doctors still active achieved through informal agreement, without use of statutory provisions of HPCAA.

COMPLAINTS AND DISCIPLINE

Principal activity: operating professional conduct committees (PCCs) – to consider complaints and policy on the complaints assessment.

Total cost of PCCs: $559,100

Complaints about doctors can be made to either the Council or the Health and Disability Commissioner (HDC), but all complaints must be referred to the HDC for his consideration. The HDC may refer complaints back to the Council. The Council must then promptly assess the complaint and consider what action, if any, should be taken, including possibly referring the complaint to a PCC. The HDC must notify the Council of any investigation under the Health and Disability Commissioner Act 1994 that directly involves a doctor.

14.

COMPLAINTS FROM VARIOUS SOURCES AND OUTCOMES

1 July 2011–30 June 2012

Source	Number	Outcome			
		No further action	Referred to professional conduct committee	Referred to Health and Disability Commissioner	Other
Consumers	34	12	2	-	20
Health and Disability Commissioner	58	9	2	Not applicable	47
Registered health practitioner (under RA)	4	1	2	-	1
Other health practitioner	10	1	2	-	7
Court's notice of conviction	3	2	-	-	1
Employer	1	-	-	-	1
Other	24	4	1	-	19

EXAMINATIONS

Principal activity: ensuring that international medical graduates who wish to be registered in New Zealand are safe to practise medicine.

Total cost: $399,585

NEW ZEALAND REGISTRATION EXAMINATION – NZREX CLINICAL

New Zealand's health system requires all doctors to meet practice standards defined by the Council.

Doctors that qualified outside New Zealand and Australia must pass the Council's medical registration exam, NZREX Clinical, if they wish to be registered in New Zealand and do not satisfy the criteria for other registration pathways. This examination is set at the level of a recent New Zealand graduate.

NZREX Clinical is a 16-station objective-structured clinical examination (OSCE) that tests various competencies including history, clinical examination, investigating management, clinical reasoning, communication, and professionalism.

The prerequisites for applying to sit NZREX Clinical are:

- a medical degree listed in the AVICENNA Directory of Medical Schools
- meeting the Council's English language policy
- within the last 5 years have passed United States Medical Licensing Examination (USMLE) Steps 1 and 2 (Clinical Knowledge) or have passed the Australian Medical Council multi-choice examination.

15.

CANDIDATES SITTING AND PASSING NZREX CLINICAL

1 July 2011–30 June 2012

	Number sitting	Attempts					Number of passes	Passes on attempts			
Country		**1**	**2**	**3**	**4**	**5**		**1**	**2**	**3**	**4**
Antigua and Barbuda	1	1	-	-	-	-	1	1	-	-	-
Argentina	1	1	-	-	-	-	1	1	-	-	-
Austria	1	1	-	-	-	-	1	1	-	-	-
Bangladesh	1	1	-	-	-	-	1	1	-	-	-
Brazil	1	1	-	-	-	-	-	-	-	-	-
China	5	5	-	-	-	-	5	5	-	-	-
Colombia	1	1	-	-	-	-	1	1	-	-	-
Egypt	1	1	-	-	-	-	-	-	-	-	-
Fiji	2	1	-	-	-	1	1	1	-	-	-
Grenada	1	-	1	-	-	-	-	-	-	-	-
Hungary	1	1	-	-	-	-	-	-	-	-	-
India	21	17	3	1	-	-	15	13	1	1	-
Iraq	7	7	-	-	-	-	6	6	-	-	-
Jordan	1	1	-	-	-	-	1	1	-	-	-
Kazakhstan	2	2	-	-	-	-	2	2	-	-	-
Malaysia	4	1	2	1	-	-	2	-	1	1	-
Mauritius	2	1	1	-	-	-	2	1	1	-	-
Nepal	3	2	1	-	-	-	2	1	1	-	-
Netherlands	1	1	-	-	-	-	1	1	-	-	-
Netherlands Antilles	1	-	1	-	-	-	-	-	-	-	-
Pakistan	15	11	3	1	-	-	4	3	-	1	-
Philippines	4	3	1	-	-	-	2	1	1	-	-
Romania	3	2	1	-	-	-	2	1	1	-	-
Russia	12	5	5	2	-	-	8	3	3	2	-
Samoa	1	1	-	-	-	-	1	1	-	-	-
Saudi Arabia	1	1	-	-	-	-	1	1	-	-	-
Seychelles	1	1	-	-	-	-	1	1	-	-	-
South Africa	2	2	-	-	-	-	2	2	-	-	-
Sri Lanka	8	6	2	-	-	-	5	3	2	-	-
Sudan	1	1	-	-	-	-	1	1	-	-	-
Ukraine	5	3	2	-	-	-	4	2	2	-	-
TOTAL	**111**	**82**	**23**	**5**	**-**	**1**	**73**	**55**	**13**	**5**	**-**

TRIBUNALS

Principal activities: Disciplinary proceedings brought against doctors are heard and determined by the both the Medical Practitioners Disciplinary Tribunal (Medical Practitioners Act 1995) and the Health Practitioners Disciplinary Tribunal (Health Practitioners Competence Assurance Act 2003).

Medical Practitioners Disciplinary Tribunal

1 July 2011–30 June 2012

Total cost: $650

The Medical Practitioners Disciplinary Tribunal (MPDT) completed hearing its final charge, received before the establishment of the Health Practitioners Disciplinary Tribunal, in the 2009/10 year. However, appeals from the Tribunal's decision are still ongoing.

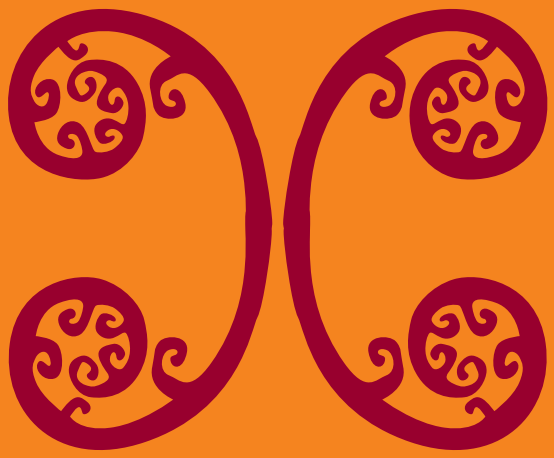
Although appeals continue, the MPDT has now ceased to function as it is not a party to these appeals.

MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

Total cost: $145,945

During the year the Health Practitioners Disciplinary Tribunal (HPDT) received four charges relating to four doctors. These charges were received from a professional conduct committee.

The HPDT sat during the year to hear five charges relating to five doctors over 8 days. Two of these charges were received in 2010/2011. One further charge received in 2010/2011 was stayed before the hearing. All but one of the four charges received during 2011/2012 have been heard.



MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

1 July 2011–30 June 2012

Nature of charges	
Professional misconduct 2010/2011	2
Professional misconduct 2010/2011 – stayed	1
Conviction 2010/2011	1
Professional misconduct 2011/2012	3
Total	**7**
Source	
Prosecution of charges brought by the director of proceedings 2010/2011	1
Prosecution of charges brought by professional conduct committee 2010/2011	1
Charge brought by professional conduct committee 2010/2011 stayed before hearing	1
Prosecution of charges brought by professional conduct committee 2011/2012	3
Charges brought by professional conduct committee yet to be heard	1
Total	**7**
Outcome of hearings	
Guilty - professional misconduct 2010/2011	1
Guilty – conviction 2010/2012	1
Stayed 2010/2011	1
Guilty – professional misconduct 2011/2012	3
Yet to be heard 2011/2012	1
Total	**7**

Further information about these statistics can be found on the Tribunal's website www.hpdt.org.nz or www.mpdt.org.nz

MEDICAL WORKFORCE SURVEY

Each year the Council collects workforce data through the practising certificate process. The data is used by the New Zealand Health Information Service to analyse workforce needs.

Total cost: $93,324

16.

FACTS AT A GLANCE[1]

FACTS AT A GLANCE	2011	2010	2009	2008	2007	2006
Size of the workforce	14,333	13,883	13,408	12,949	12,643	12,283
Doctors per 100,000 population	325	317	310	303	299	297
Proportion of IMGs (%)	41.5	41.1	40.6	38.9	38.4	39.9
Proportion of women (%)	40	40	40	39	38	37
Average age of workforce	45	45	45	45	45	44
Average weekly workload (hours)	43.7	43.9	44.2	44.7	44.8	45.3
Average proportion of new IMGs retained after 1 year	52.7	51.7	50.8	50.0	48.4	48.1

[1] These figures are taken directly from Council's report, *The New Zealand Medical Workforce in 2011*. More detailed information about these figures and how they were calculated can be found in the report which is available from our website at www.mcnz.org.nz.

CORPORATE GOVERNANCE

Role of Council: members of Council set the strategic direction of the organisation, monitor management performance, and ensure the Council meets the requirements of the Health Practitioners Competence Assurance Act 2003.

The Council is accountable for its performance to Parliament, the Minister of Health, the medical profession, and the public.

COUNCIL MEMBERSHIP

The Council aims to have members who represent:

- a range of age, gender, and ethnic groups
- a broad mix of the medical profession, New Zealand society as a whole, and people with a wide general knowledge and breadth of vision, and who also have one of the following:
  - broad health sector knowledge
  - experience in one of the main vocational scopes of practice
  - experience in health service delivery in a variety of provincial and tertiary settings
  - experience in medical education and assessment.

COUNCIL COMMITTEE STRUCTURE

The Council operates three standing committees: Audit, Health and Education. Members of these committees are listed on page 44. The Council receives committee meeting minutes at its formal meetings and, in approving those minutes, confirms the decisions made. Delegation limits are established.

LINKING WITH STAKEHOLDERS

We have continued to be actively involved with registration bodies overseas. We share ideas for future developments and maintain contact with organisations including:

- Australian registration boards
- the International Association of Medical Regulatory Authorities
- the Federation of State Medical Boards and the Educational Commission for Foreign Medical Graduates (United States of America)
- the Medical Council of Canada
- the General Medical Council (United Kingdom).

As in previous years, the Council has had regular meetings with key stakeholders to discuss matters of mutual interest. Those stakeholders include:

- the Accident Compensation Corporation
- medical colleges and associations
- chief medical advisers of DHBs
- the Council of Medical Colleges
- District Health Boards New Zealand
- the Health and Disability Commissioner
- the Independent Practitioners Association Council of New Zealand
- the Medical Protection Society
- the Minister of Health
- the Ministry of Health
- the New Zealand Medical Association
- members of the profession, medical students, and community groups.

COUNCIL COMMITTEES

COUNCIL STANDING COMMITTEES AT 30 JUNE 2012

AUDIT COMMITTEE

Ms Liz Hird (Chairperson)
Dr John Adams (ex-offico)
Mr Andrew Connolly
Dr Jonathan Fox
Ms Joy Quigley
Mr Roy Tiffen (co-opted member)

EDUCATION COMMITTEE – COUNCIL MEMBERS

Professor John Nacey (Chairperson)
Dr John Adams (ex-officio)
Dr Andrew Connolly
Dr Alan Fraser
Ms Liz Hird
Ms Joy Quigley

MEMBERS APPOINTED BY COUNCIL

Professor Peter Ellis
Medical Council of New Zealand representative of Medical Schools Accreditation Committee

Professor Cindy M Farquhar
Nominee of appropriate College or branch advisory body – The Royal Australian and New Zealand College of Obstetricians and Gynaecologists

Dr Alice M Febery
Active consumer of medical education

Dr Liza J Lack
Nominee of appropriate College or branch advisory body – The Royal New Zealand College of General Practitioners

Dr Alex J Lee
Active consumer of medical education

Dr John H Thwaites
Intern Supervisor

Dr Sally Ure
Nominee of appropriate College or branch advisory body – The Australian and New Zealand College of Anaesthetists

HEALTH COMMITTEE

Dr Jonathan Fox (Chairperson)
Dr John Adams (ex-offico)
Dr Allen Fraser
Professor Richard Sainsbury
Mr Jacob Te Kurapa

COUNCIL OFFICE

OFFICE OF THE COUNCIL AT 30 JUNE 2012

Chief Executive	Philip Pigou
Registrar	David Dunbar
Senior Legal Adviser	Alison Mills
Legal Adviser	Pauline-Jean Luyten
Executive Assistant	Dot Harvey
Strategic Programme Manager	Joan Crawford
Project Coordinator	Adeline Cumings
Project Coordinator	Kuvandrin Poonan

ADVISER GROUP

Communications Manager	George Symmes (p/t)
IT Project Manager	John McCawe
Medical Adviser	Dr Steven Lillis (p/t)
Senior Policy Adviser and Researcher	Michael Thorn

BUSINESS SERVICES

Business Services Manager	Valencia van Dyk
ICT Team Leader	Bill Taylor
Senior Information Systems Analyst	Andrew Cullen
Systems Analyst	Nathan Hopkins
Business Analyst	Diane Latham
Business Process Analyst	Leanne Shuttleworth
Office Administrator	Constance Hall
Office Administrator	Ngakita Blackburn
Office Administrator	Sam Doyle (p/t)
Receptionist/Office Administrator	Trudy Clarke
Human Resources Adviser	Danielle Eagle (p/t)

FINANCE

Finance Manager	David Low
Finance Officer	Atish Pathak
Finance Officer	Marika Puleitu

HEALTH

Health Manager	Lynne Urquhart
Health Administrator	Viv Coppins
Health Case Manager	Helen Arbuckle
Health Case Manager	Jo Hawken
Health Case Manager	Caroline Jones
Health Case Manager	Eva Petro

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL FOR MEDICAL PRACTITIONERS

HPDT Manager	Gay Fraser
Executive Officer	Debra Gainey
Legal Officer	Kim Davies (p/t)
Personal Assistant to Executive Officer	Deborah Harrison

REGISTRATION

Registration Manager	Valencia van Dyk
Registration Team Leader	Helen Vercoelen
APC Coordinator	Bronwyn Courtney
APC Coordinator	Sharon Mason (p/t)
APC Audit Administrator	Elaine Pettigrew

Registration Team Leader – General and special purpose	Amanda Golding
Senior Registration Coordinator	Gyllian Turner
Registration Coordinator – General and special purpose	Anastasia Appleyard
Registration Coordinator – General and special purpose	Jason Frick
Registration Coordinator – General and special purpose	Devan Menon
Registration Coordinator – General and special purpose	Luke Merson
Registration Coordinator – General and special purpose	Heather Roblin
Registration Coordinator – General and special purpose	Simon Spence
Registration Coordinator – General and special purpose	Madeline West
Registration Team Leader – Vocational and locum tenens	Laura Lumley
Registration Coordinator – Vocational and locum tenens	Hadyn Calderwood
Registration Coordinator – Vocational and locum tenens	Sandra Clark
Registration Coordinator – Vocational and locum tenens	Evelyn Fox
Registration Coordinator – Vocational and locum tenens	Imojini Kotelawala
Registration Coordinator – Vocational and locum tenens	Chrissy Takai

PROFESSIONAL STANDARDS

Professional Standards Manager	Susan Yorke
Professional Standards Team Leader	Sidonie
Professional Standards Coordinator	Gina Giannios
Professional Standards Coordinator	Angela Pigott
Professional Standards Coordinator	Nikita Takai
Professional Standards Coordinator	Charlotte Wakelin
Professional Standards Coordinator	Anna Yardley

CONTACT DETAILS

SOLICITORS

Bell Gully
PO Box 1291
Wellington 6140

Buddle Findlay
PO Box 2694
Wellington 6140

BANKERS

ANZ Banking Group (New Zealand) Ltd
18–32 Manners Street
Wellington 6011

AUDITORS

PKF Martin Jarvie
PO Box 1208
Wellington 6140

Office of the Auditor-General
Private Box 3928
Wellington 6140

MEDICAL COUNCIL OF NEW ZEALAND

Level 13
139 Willis Street
PO Box 11649
Wellington 6142

Phone: 64 4 384 7635, 0800 286 801

Email: mcnz@mcnz.org.nz
www.mcnz.org.nz

APPENDICES - FINANCE

PKF Martin Jarvie
Chartered Accountants

PKF
Accountants &
Business Advisers

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF THE MEDICAL COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

The Auditor-General is the auditor of the Medical Council of New Zealand (the Council). The Auditor-General has appointed me, Robert Elms, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Council on her behalf.

We have audited the financial statements of the Council on pages 1 to 17, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Council on pages 1 to 17:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
  - financial position as at 30 June 2012; and
  - financial performance and cash flows for the year ended on that date.

Uncertainty about the delivery of office functions in future

Without modifying our opinion, we draw your attention to the disclosure on page 8 regarding a proposal for combining the secretariat and office functions of the Council with other health-related regulatory authorities. We considered the disclosure to be adequate.

Our audit was completed on 16 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control 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 Council's internal control.

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PKF
Accountants &
Business Advisers

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's financial position, financial performance and cash flows.

The Council is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements set out in Professional and Ethical Standard 2, issued by the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Council.

Robert Elms
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand

MEDICAL COUNCIL OF NEW ZEALAND
Statement of financial position
as at 30 June 2012

	Notes	2012	2011
Current assets			
Petty cash		1,327	1,157
Bank accounts		2,237,419	318,246
GST	8	5,462	106,777
Receivables	8	325,881	420,153
Interest accrued		22,259	43,649
Investments	9	1,250,000	3,325,576
Total current assets		$3,842,348	$4,215,558
Term assets			
Receivables	8	14,080	10,960
Property, plant and equipment	10	385,657	561,523
Intangibles	11	3,518,329	3,167,964
Total term assets		$3,918,066	$3,740,447
Current liabilities			
Sundry creditors		362,326	637,010
Employee entitlements		391,086	370,704
Payments received in advance		482,723	333,911
Total current liabilities		$1,236,135	$1,341,625
Term liabilities			
Employee entitlements		96,407	84,876
TOTAL NET ASSETS		**$6,427,872**	**$6,529,504**
CAPITAL ACCOUNT			
General Fund		6,050,162	6,089,202
Complaints Investigation and Prosecution Fund		104,567	149,599
Examination Fund		273,143	290,703
Total capital account		**$6,427,872**	**$6,529,504**

Authorised for issue for and on behalf of the Council.

John Adams
Chairperson
Dated: 16/10/2012

Philip Pigou
Chief Executive
Dated: 16/10/2012

MEDICAL COUNCIL OF NEW ZEALAND
Statement of comprehensive income
for the year ended 30 June 2012

	Notes	2012	2011
Income			
Fees received		9,338,324	9,108,518
Interest received		145,796	209,130
Other income	7	812,955	1,298,400
		$10,297,075	$10,616,048
Expenditure			
Employee benefits		4,880,140	4,730,752
Legal prosecutor		234,739	730,844
Depreciation and amortisation	10, 11	607,522	581,259
Fees paid to members of Council and standing committees		597,009	537,750
Medsys service level agreement		57,676	446,128
Debt collection costs and debt impairment expense	8	69,718	428,163
Rent		392,757	393,547
Intern supervisors payments		290,597	265,902
Health Practitioners Disciplinary Tribunal fees		89,280	241,885
Vocational registration expenses		334,644	228,907
Legal costs Beliefs statement		0	209,006
Reports and health assessments		169,539	176,071
Credit card fees and commissions		175,961	161,379
Professional Conduct Committees fees		177,570	136,322
Other Legal & advisors		3,785	127,115
Advice and consultancy		82,850	111,108
Repairs and maintenance office equipment		171,813	108,426
Legal assessors		52,219	101,829
Archives		76,471	80,242
Information brochures and notices		11,177	76,025
Staff survey		0	52,080
Coles Medical practice in New Zealand - edit and reprint		0	41,530
Audit fees		30,223	27,931
Council Election		60,110	0
Other administrative costs		1,832,907	1,910,934
		$10,398,707	$11,905,135
Net surplus / (deficit) for year		($101,632)	($1,289,087)
Other comprehensive income		0	0
Total comprehensive income		**($101,632)**	**($1,289,087)**

MEDICAL COUNCIL OF NEW ZEALAND
Statement of movements in equity
for the year ended 30 June 2012

	Notes	2012	2011
A) ACCUMULATED FUNDS AND RESERVES			
Balance brought forward		6,529,504	7,818,591
Total comprehensive income		(101,632)	(1,289,087)
Closing balance		$6,427,872	$6,529,504
B) ANALYSIS OF INDIVIDUAL FUNDS			
1) General Fund			
Balance brought forward		6,089,202	6,757,043
Total comprehensive income	2	(39,040)	(667,841)
Closing balance		$6,050,162	$6,089,202
2) Complaints Investigation and Prosecution Fund			
Balance brought forward		149,599	718,286
Total comprehensive income	3	(45,032)	(568,687)
Closing balance		$104,567	$149,599
3) New Zealand Registration Examination Fund			
Balance brought forward		290,703	343,262
Total comprehensive income	4	(17,560)	(52,559)
Closing balance		$273,143	$290,703

MEDICAL COUNCIL OF NEW ZEALAND
Statement of cash flows
for the year ended 30 June 2012

	Notes	2012	2011
Cash flows from operating activities			
Cash was provided from:			
Receipts pertaining to statutory functions		10,333,574	10,393,706
Cash was distributed to:			
Council fees, disbursements and office expenses		(9,874,973)	(11,370,926)
Net cash flows from operating activities	13	458,601	(977,220)
Cash flows from investing activities			
Cash was provided from:			
Interest received		167,186	243,652
Short-term investments		3,325,576	9,140,738
		3,492,762	9,384,390
Cash was applied to:			
Purchase of assets		(782,020)	(340,232)
Short-term investments		(1,250,000)	(8,698,531)
		(2,032,020)	(9,038,763)
Net cash flows from investing activities		1,460,742	345,627
Net increase / (decrease) in cash and cash equivalents		**1,919,343**	**(631,593)**
Opening cash brought forward		319,403	950,996
Ending cash carried forward		$2,238,746	$319,403
Represented by:			
Petty cash		1,327	1,157
ANZ bank account		2,237,419	318,246
		$2,238,746	$319,403

MEDICAL COUNCIL OF NEW ZEALAND
Notes to and forming part of the financial statements
For the year ended 30 June 2012

1. Statement of accounting policies

Reporting entity

The Medical Council of New Zealand ('Council') is a statutory body constituted under the Health Practitioners Competence Assurance Act 2003.

i. **Statement of compliance**
The financial statements have been prepared in accordance with the New Zealand equivalent to the International Financial Reporting Standards (NZ IFRS) and in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP).

The Council is a public benefit entity.

ii. **Basis of preparation**
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

General accounting policies

These financial statements are a general purpose financial report as defined in the New Zealand Institute of Chartered Accountants NZ Framework and have been prepared in accordance with NZ IFRS.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Council.

Specific accounting policies

The following specific accounting policies which materially affect the measurement and reporting of financial performance and financial position have been applied:

(a) **Revenue** – Practising certificate (PC) revenue is recognised in full upon the commencement of the practising year to which it relates.

(b) **Depreciation** – Property, plant and equipment have been depreciated on a straight line basis at the following rates:

Furniture and fittings	10%pa
Office alterations	10%pa
Office equipment	20%pa
Computer hardware	33%pa

(c) **Property, plant and equipment** – is shown at cost less accumulated depreciation (Note 9).

(d) **Goods and services tax** – These financial statements have been prepared on a GST exclusive basis except for receivables and sundry creditors which include GST.

(e) **Fines and costs recovered** – Fines and recovery of legal costs have been accounted for on an accrual basis from the date of judgement.

(f) **Income tax** – The Council is not subject to income tax (Note 6).

(g) **Receivables** – Receivables are valued at the amount expected to be realised.

(h) **Administration charge** – This is a levy on the Complaints Investigation and Prosecution Fund and the Examination Fund to meet overhead costs incurred by the General Fund. The charge is based on the proportion of staff engaged in the activity.

(i) **Interest received** – Interest owing at balance date has been accrued.

(j) **Payments received in advance** – Doctors who have received their training overseas and who are seeking registration in New Zealand pay a fee for documentation review and an interview process with the appropriate College. Once the process is complete the money is either paid to the College or refunded to the doctor if the application does not proceed or an interview is not required.

(k) **Salaries, holiday pay accrual, long service leave and sick leave** – An accrual is made for any salaries relating to the subsequent financial period. Holiday pay owing at balance date is valued at the applicable salary rate applying at the date of valuation. Long service leave is valued at the salary rate applicable at valuation date and discounted on an actuarial basis recognising the probability that the employee will reach entitlement as well as discounting for expected inflation and expected salary increases. Sick leave is valued at the current salary rate at valuation date and based on the historical usage in excess of the annual entitlement.

(l) **Leases** – The Council leases the property occupied at 139–143 Willis Street. The value of the lease is recognised in the statement of commitments at the current negotiated value of the annual lease.

(m) **Intangible assets** – Intangible assets comprise software development costs, intellectual property costs and software licences. The external costs for the development of registration software is capitalised and disclosed as an intangible asset in the statement of financial position. All internal staff costs associated with this development are expensed in the statement of financial performance.

Intangible assets have a finite useful life and are amortised on a straight line basis at 10% and 33% per annum.

(n) **Provisions** – A provision is made for the amount of accounts receivable that are expected not to be received. This provision is created by reviewing all outstanding amounts at the end of the year and assessing the likelihood of payment. Where a payment plan is in place, amounts scheduled to be recovered after 5 years are provided in full and other balances are provided for after assessment of the likelihood of collection.

(o) **Impairment** – Asset carrying values are reviewed at the end of each year to determine whether there is any indication that the assets have suffered an impairment loss or increase in fair value. If any such indication exists, the fair value of the asset is estimated in order to determine the extent of the impairment loss or gain.

(p) **Statement of cash flows**
'Cash' refers to amounts held in banks, net of bank overdraft. It also includes short term deposits held as part of day-to-day cash management.

'Operating activities' are amounts received for the supply of services by the Council, and payments made to employees and suppliers necessary to support those services. Operating activities also include any transactions or events that are not investing or financing activities.

'Investing activities' are the acquisition, holding and disposal of property, plant and equipment and investments.

'Investments' include securities not falling within the definition of cash.

'Financing activities' are the receipt and repayment of the principal on borrowings.

Changes in accounting policies

There have been no changes in accounting policies and these accounting policies have been applied on bases consistent with those used in the previous year.

Critical accounting estimates and assumptions

In preparing these financial statements, the Council has made estimates and assumptions concerning the future.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are:

Estimating the useful lives and residual values of intangible assets
At each balance date, Council reviews the useful lives and residual values of intangible assets. Assessing the appropriateness of useful life estimates requires Council to consider the expected period of use of the asset by Council.

An incorrect estimate of the useful life affect the depreciable amount of an asset, therefore affecting the amortisation expense recognised in the surplus or deficit and the asset's carrying amount. Council minimises the risk of this estimation uncertainty by an asset replacement program.

Council has not made any changes to past assumptions concerning useful lives.

Estimating the doubtful debt provision
At each balance date each debtor is reviewed and an assessment is made on the likelihood of collection of the amount owed. Where this assessment indicates that impairment exists, a further assessment is made of the amount of that impairment and a provision is created. Any receivable that is uncollectible is written off against the provision. An impairment will be assessed to exist where there has been no payment received,

no payment schedule has been entered into, an existing payment programme is breached or information is received that would indicate the likelihood of collection is diminished.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council, are:

- NZ IFRS9 – Financial instruments. This specifies how an entity should classify and measure financial assets. NZ IFRS9 is intended to replace NZ IAS39. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when as equivalent standard to NZ IFRS9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board ('XRB'). Under this Accounting Standards Framework, the Medical Council is likely to elect to be a Tier 2 reporting entity and it will be required to apply Public Benefit Accounting Standards adopting the Reduced Disclosure Regime ('PAS RDR'). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Medical Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS RDR are still under development, the Medical Council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Uncertainty about the delivery of office functions in future

In February 2011, Health Workforce New Zealand, on behalf of the Minister of Health (the Minister), issued a consultation document proposing a single shared secretariat and office function for all 16 health-related regulatory authorities.

Following consultation, the 16 health-related regulatory authorities were given the opportunity to submit proposals for a single shared administrative secretariat. All of the health-related regulatory authorities have agreed to set up a steering committee to work on the development of a business cases to progress towards shared administrative secretariat functions.

The proposals, if they proceeded, would likely have a significant effect on the Medical Council. We have not quantified the possible effect.

Until a decision is made, there is uncertainty about the form in which our office functions will be delivered in future.

2.
General Fund
Statement of financial performance
for the year ended 30 June 2012

	Notes	2012	2011
REVENUE			
Annual practising certificates and other fees	1(a)	7,460,584	7,498,387
Administration fee - Complaints Investigation and Prosecutior	1(h)	739,318	474,562
Administration fee - Examination Fund	1(h)	187,334	224,646
Interest received		117,574	155,016
Workforce survey and other income		582,471	284,339
Total revenue		$9,087,281	$8,636,950
ADMINISTRATION AND OPERATING EXPENSES			
Communications		79,455	259,219
Council election		60,110	0
Legal expenses and other consultancies		83,626	324,209
Debt impairment expense relating to unpaid charges		8,795	0
Administration and operating expenses		2,390,024	2,985,719
Staff costs including recruitment and training		4,606,974	3,928,469
Total administration and operating expenses		$7,228,984	$7,497,616
COUNCIL AND COMMITTEE EXPENSES			
Council			
- Fees and expenses		587,844	502,572
- Conference and liaison costs		20,496	55,940
- Strategic directions		103,162	135,322
Audit committee			
- Fees and expenses (including internal audit)		25,497	56,513
Health committee			
- Fees and expenses		44,155	43,734
- Independent assessment reports, Doctors' Health Advisory Service,		169,539	195,103
Issues committee			
- Fees and expenses		0	0
- Issues initiatives		0	0
Education committee			
- Fees and expenses		69,862	83,516
- Hospital visits, intern supervisor contracts and other costs		373,797	407,170
Professional standards			
- Performance assessments and other costs		385,293	250,455
Registration			
- Workshops and other costs		117,692	76,850
Total Council and committee expenses		**$1,897,337**	**$1,807,175**
TOTAL EXPENDITURE		**$9,126,321**	**$9,304,791**
Net surplus/(deficit) for year and total comprehensive income		**($39,040)**	**($667,841)**

3.
Complaints Investigation and Prosecution Fund
Statement of financial performance
for the year ended 30 June 2012

	Notes	2012	2011
REVENUE			
Disciplinary levy received	1(a)	1,507,668	1,471,156
Fines and costs recovered		161,440	694,822
Interest received		20,829	35,589
Other revenue		64,484	88,399
Total revenue		$1,754,421	$2,289,966
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1(h)	739,318	474,562
Debt impairment expense relating to unpaid penalties and costs		60,923	428,163
General administration and operating expenses		293,517	323,687
Total administration and operating expenses		$1,093,758	$1,226,412
COUNCIL AND TRIBUNAL EXPENSES			
Complaints assessment committee costs			
- Fees		0	0
- Expenses		0	20,915
Total complaints assessment committee costs		0	20,915
Professional conduct committee costs			
- Fees		177,570	136,322
- Expenses		381,530	1,034,978
Total professional conduct committee costs		559,100	1,171,300
Medical Practitioners Disciplinary Tribunal			
- Fees and other hearing expenses		650	5,281
Total Medical Practitioners Disciplinary Tribunal costs		650	5,281
Health Practitioners Disciplinary Tribunal			
- Administration fee		56,665	192,860
- Fees and other hearing expenses		89,280	241,885
Total Health Practitioners Disciplinary Tribunal costs		145,945	434,745
Total Council and Tribunal expenses		$705,695	$1,632,241
TOTAL EXPENDITURE		**$1,799,453**	**$2,858,653**
Net surplus/(deficit) for year and total comprehensive income		($45,032)	($568,687)

4.
New Zealand Registration Examination Fund
Statement of financial performance
for the year ended 30 June 2012

	Notes	2012	2011
REVENUE			
NZREX candidate fees	1(j)	370,072	366,739
Interest received		7,393	18,525
Other income		4,560	3,076
Total revenue		$382,025	$388,340
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1(h)	187,334	224,646
Centre costs		67,333	71,919
Examiners' fees and expenses		63,392	61,104
Honorarium, staff costs and other administrative expenses		81,526	83,230
Examination review costs		0	0
Total administration and operating expenses		$399,585	$440,899
Net surplus/(deficit) for year and total comprehensive income		($17,560)	($52,559)

5.

These output categories represent the main activities of the General Fund and are discussed in detail in the text of the annual report.

General Fund
Statement of financial performance by Outputs
for the year ended 30 June 2012

	Notes	2012	2011
TOTAL INCOME FOR YEAR	1	$9,078,486	$8,636,950
Less expenditure			
EDUCATION			
Administration and operating costs		7,461	71,447
Council and committee costs		73,339	83,516
Hospital accreditation visits		53,799	48,232
Intern supervisor contract payments and meeting costs		290,597	294,149
Accreditation of vocational branches' medical schools and colleges		29,401	12,537
Liaison and other costs		0	52,252
Total education costs		$454,597	$562,133
HEALTH			
Administration and operating costs		1,574,058	1,537,654
Council and committee costs		175,572	142,991
Independent medical assessments		150,492	176,071
Liaison and other costs		55,041	81,275
Total health costs		$1,955,163	$1,937,991
PROFESSIONAL STANDARDS			
Administration and operating costs		1,133,137	1,355,563
Council and committee costs		89,148	102,887
Performance assessment costs		385,293	242,616
Liaison and other costs		18,076	43,094
Total professional standards costs		$1,625,654	$1,744,160
REGISTRATION			
Administration and operating costs		4,482,437	4,518,662
Council and committee costs		376,022	338,975
Liaison and other costs		130,329	110,829
Total registration costs		$4,988,788	$4,968,466
WORKFORCE SURVEY			
Administration and operating costs		85,527	85,370
Council and committee costs		7,797	6,671
Liaison and other costs		0	0
Total workforce survey costs		$93,324	$92,041
TOTAL EXPENDITURE		**$9,117,526**	**$9,304,791**
Net (deficit) for year and total comprehensive income		**($39,040)**	**($667,841)**

6. Taxation

The Medical Council is registered as a charity with the Charities Commission and accordingly its transactions for a charitable purpose are exempted from income tax.

7. Other Income

	2012	2011
Sale intellectual property	0	150,000
Workforce NZ	46,200	46,100
Vocational registration fees	355,212	227,764
Prevocation forum	58,402	0
Other General	122,657	88,239
Fines and Costs	225,924	694,822
Other Disciplinary	0	88,399
Other Exam	4,560	3,076
	$812,955	**$1,298,400**

8. Receivables

	2012	2011
Debtors	1,036,919	1,025,730
Provision for impairment	(772,257)	(663,443)
GST	5,462	106,777
	270,124	469,064
Payments in advance	36,203	68,827
Total debtors and other receivables	**306,327**	**537,890**

Fair Value

The carrying value of debtors and other receivables approximates their fair value.

Impairment

The ageing profile of receivables at year end is detailed below:

	2012			2011		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	24,134	0	24,134	300,731	(64,334)	236,398
Past due 1-30 days	10,190	0	10,190	340,480	(205,318)	135,162
Past due 31-60 days	6,933	0	6,933	10,046	(4,066)	5,980
Past due 61-90days	75,779	(71,630)	4,149	22,259	(2,500)	19,759
Past due >90 days	925,345	(700,627)	224,718	458,991	(387,226)	71,765
Total	**1,042,381**	**(772,257)**	**270,124**	**1,132,507**	**(663,443)**	**469,064**

The provision for impairment has been calculated on a review of all debtor balances.

9. Investments

	2012	2011
ASB - Matures 14 Dec 2012 4.55%	500,000	1,325,576
TSB - Matures 20 Aug 2012 4.55%	250,000	1,000,000
TSB - Matures 11 Sep 2012 4.35%	500,000	
Westpac	0	1,000,000
	$1,250,000	**$3,325,576**
Current	1,250,000	3,325,576
Term	0	0
	$1,250,000	**$3,325,576**

10. Property, plant and equipment

	Computer Hardware	Furniture and Fittings	Office Alterations	Office Equipment	Artwork	TOTAL
Cost						
Balance at 1 July 2010	472,181	310,800	653,907	241,510	0	1,678,398
Additions	133,501	8,395	41,502	11,907	7,138	202,443
Disposals	(338)	(7,138)	0	0	0	(7,476)
Balance at 30 June 2011	605,344	312,057	695,409	253,417	7,138	1,873,365
Balance at 1 July 2011	605,344	312,057	695,409	253,417	7,138	1,873,365
Additions	6,322	4,230	4,336	8,553	0	23,441
Disposals	0	0	0	0	0	0
Balance at 30 June 2012	611,666	316,287	699,745	261,970	7,138	1,896,806
Accumulated depreciation and impairment losses						
Balance at 1 July 2010	343,312	213,874	393,450	172,817	0	1,123,453
Depreciation expense	78,554	19,509	67,466	24,094	0	189,623
Impairment losses	0	0	0	0	0	0
Disposals	(9)	(1,224)	0	0	0	(1,233)
Balance at 30 June 2011	421,857	232,159	460,916	196,911	0	1,311,843
Balance at 1 July 2011	421,857	232,159	460,916	196,911	0	1,311,843
Depreciation expense	90,699	19,286	69,686	19,636	0	199,307
Impairment losses	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Balance at 30 June 2012	512,556	251,445	530,602	216,547	0	1,511,150
Carrying amounts						
At 1 July 2010	128,869	96,926	260,457	68,693	0	554,945
At 30 June and 1 July 2011	183,487	79,898	234,493	56,506	7,138	561,522
At 30 June 2012	99,110	64,842	169,143	45,423	7,138	385,656

11. Intangible assets

	Intangibles
Cost	
Balance at 1 July 2010	3,630,911
Additions	144,927
Disposals	0
Balance at 30 June 2011	3,775,838
Balance at 1 July 2011	3,775,838
Additions	758,579
Disposals	0
Balance at 30 June 2011	4,534,417
Accumulated amortisation and impairment losses	
Balance at 1 July 2010	216,237
Amortisation expense	391,636
Impairment losses	0
Disposals	0
Balance at 30 June 2011	607,873
Balance at 1 July 2011	607,873
Amortisation expense	408,215
Impairment losses	0
Disposals	0
Balance at 30 June 2012	1,016,088
Carrying amounts	
At 1 July 2010	3,414,674
At 30 June and 1 July 2011	3,167,965
At 30 June 2011	3,518,329

Included in Intangible assets is the cost of acquiring Intellectual Property rights in relation to the registration software. These costs are incidental to the construction of the registration software and have not been separately identified so it is not possible to measure their separate carrying value.

12. Related party transactions

Key management personnel compensation

	2012	2011
Salaries and other short-term employee benefits	$1,312,454	$1,186,475
Post-employment benefits	$0	$0
Other long-term benefits	$34,868	$25,583
Termination benefits	$0	$0
Total key management personnel compensation	**$1,347,322**	**$1,212,058**

Key management personnel include the Chief Executive and the other 8 members (2011: 8) of Council's management team.

There were no other related party transactions.

13. Reconciliation of net surplus with the net cash flow from operating activities

	2012	2011
Surplus / (deficit) for year	(101,632)	(1,289,087)
Add non-cash items:		
Depreciation and amortisation	607,522	581,262
Over depreciated disposed fixed assets	0	(901)
Employee entitlements	31,913	72,304
	639,435	652,665
Add movements in working capital items:		
(Increase) / decrease in receivables and GST	192,466	(104,854)
Increase / (decrease) in receipts in advance	148,812	178,266
Increase / (decrease) in sundry creditors	(274,686)	(205,080)
	66,592	(131,668)
	604,395	(768,090)
Less items classified as investing activity – interest	(145,796)	(209,130)
Net cash flows from operating activities	**$458,599**	**($977,220)**

14. Statement of contingent liabilities

There are no known contingent liabilities (2011: Nil).

15. Statement of commitments

Lease commitments under non-cancellable operating leases;

	2012	2011
Less than one year	$394,383	$394,383
Between 1 and 5 years	$723,038	$1,117,421
Greater than 5 years	0	0
	$1,117,421	**$1,511,804**

16. Financial instruments

Credit Risk

Financial instruments which potentially subject the Council to credit risk consist principally of bank balances and accounts receivable. The Council places investments with recognised banking institutions within an approved reserves and investment policy to limit exposure to concentrations of credit risk.

The Council's maximum credit risk exposure for each class of financial instrument is represented by the total carrying amount of bank accounts, receivables and investments.

Liquidity Risk
This is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Council manages liquidity risk by monitoring forecast and actual cash flow requirements and investment maturities.

Market Risk
The Council is exposed to interest rate risk as interest rate movements will affect the returns generated from investments and related cash flows. At year end the interest rates on term deposits ranged from 4.35% to 4.55% (2011: 5.35% to 5.50%).

The estimated fair values of the financial instruments are as follows:

	2012	2011
Receivables	$367,682	$537,890
Bank balances	$3,487,419	$3,643,822
Sundry creditors	**($845,049)**	**($970,921)**

For financial instruments held at balance date, the Council has no exposure to market risk that give rise to an impact on surplus or deficit.

17. Council members' fees and allowances

Council members receive a daily fee for attending meetings and an hourly rate for any preparatory work for any Council or Committee meeting.

In addition a communications allowance has been approved to cover incidental costs of an internet connection, telephones calls and postage/courier charges.

	2012	2011
Attendance allowance:		
Daily	$896	$856
Hourly	$112	$107
Communication allowance:		
Quarterly	$300	$300
Total fees and allowances paid to members of Council	**$599,148**	**$491,895**

18. Capital management

The Council's capital is its equity, which comprises retained surpluses. Equity is represented by net assets.

Council's equity is largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing Council's equity is to ensure that the Council effectively achieves its objectives and purpose whilst remaining a going concern.

NOTES