



Annual Report

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Medical Council of New Zealand

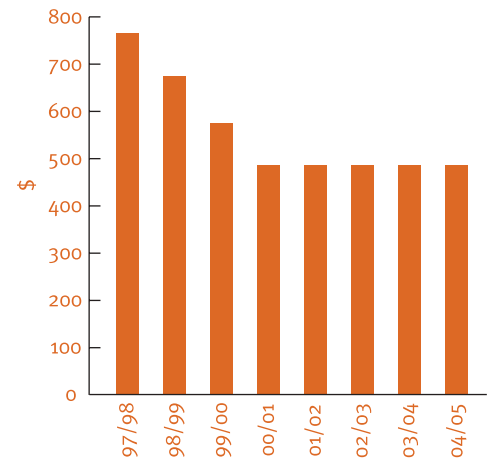
Protecting the public, promoting good medical practice  
Te tiaki i te iwi whānui me te whakatairanga pai i te mahi e pā ana ki te taha rongōa

## Facts at a glance

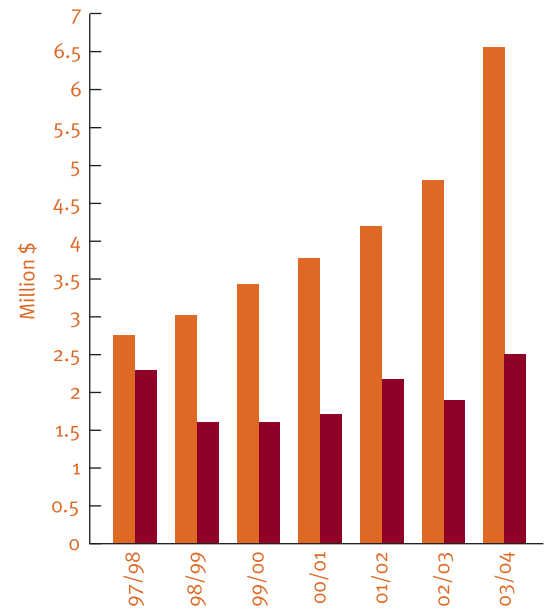
1 April 2003 – 30 June 2004

### Newly registered doctors

– Trained in New Zealand	316
– Trained overseas	1,463
– Temporary	976
Total practising doctors as at 30 June 2004	10,732
Doctors on vocational register	6,489
Candidates for NZREX clinical	229
Passes in NZREX clinical	104
Complaints assessment committees	24
Competence referrals	60
Competence reviews	23

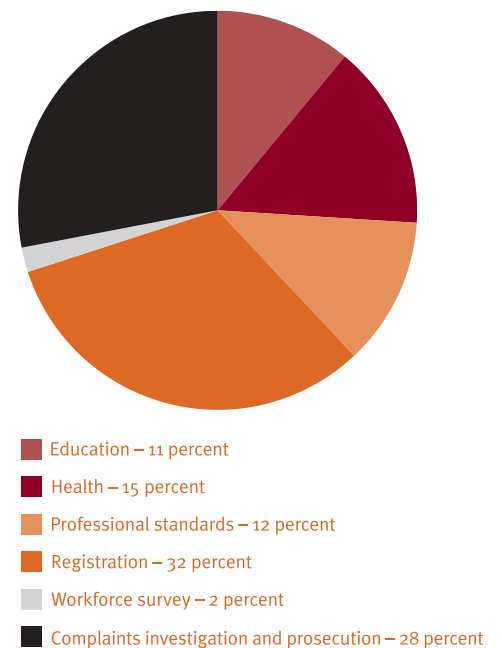


Annual practising certificate fee



■ General fund  
■ Complaints investigation and prosecution fund

### Summary of expenditure



Total expenditure \$9,157,960

# Contents

The Medical Council of New Zealand is pleased to submit this report for the 15 months ending 30 June 2004 to the Minister of Health. The report is presented in accordance with section 130 of the Medical Practitioners Act 1995 and incorporates the report of the Medical Practitioners Disciplinary Tribunal.

2	Members of the Council at 30 June 2004
4	President's foreword
5	Chief executive's introduction
7	Significant activities
8	Medical education
9	Registration of doctors
20	Professional standards
22	Complaints
23	Doctors' health
24	Medical workforce survey
25	Corporate governance
26	Council committees
27	Finance
28	Auditor's report
29	Financial statements
41	Council office
42	Report of the Medical Practitioners Disciplinary Tribunal

# Members of the Medical Council of New Zealand at 30 June 2004



**Professor John Campbell**  
MB ChB, DipObst, FRACP

Since 1980, Professor Campbell has been a consultant physician and physician in geriatric medicine. He became professor of geriatric medicine with the Otago District Health Board in 1984. In 1995, he became dean of Otago University's faculty of medicine. Professor Campbell joined Council in 2001 and is the current president. He has numerous professional affiliations and was a member of the National Advisory Committee on Health and Disability. Professor Campbell has convened or been a member of government committees on services for the elderly. He is a member of international journal advisory boards for *Age and Aging*, *Reviews in Clinical Gerontology* and holds other editorial board positions.



**Dr Barnett Bond**  
MB ChB, FRNZCGP

Dr Bond has worked in rural general practice for 23 years. He was part of a small group practice in the rural Waikato from 1977 to 1994 where he had a large obstetric practice and was a teacher in the Family Medicine Training Programme. In 1983 he did a year of anaesthetic training in the United Kingdom and then gave two sessions of general anaesthetics each week at the Pohlen Hospital in Matamata until 1994. He has done locums in a remote part of Newfoundland and in a small mission hospital in western Thailand. Dr Bond currently has a general practice on Waiheke Island.



**Dr Kate O'Connor**  
BHB, MB ChB, FRANZCR

Dr O'Connor graduated from Auckland University in 1995 and completed her vocational training in diagnostic radiology in 2002. As a house officer she worked in Waikato and Tauranga hospitals and as a registrar worked in all of the public hospitals in Auckland city. After finishing her training, she was a locum consultant at Middlemore Hospital for a short time before taking up a permanent position in Tauranga where she works in both public and private practice. Dr O'Connor is a life member of the New Zealand Resident Doctors Association and was on the national executive for six years, including two years as national president.



**Dr Joanna MacDonald**  
MB ChB, FRANZCP

Dr MacDonald graduated from Otago in 1978, was vocationally registered in psychiatry in 1986 and has worked in psychiatry in the public health system since then. She is a senior lecturer in the department of psychological medicine at the Wellington School of Medicine and Health Sciences and works clinically with the Porirua community mental health team. Dr MacDonald has extensive experience of examination in psychiatry. She spent six years on the Examination Committee of the Royal Australian and New Zealand College of Psychiatrists and a further seven years as an ex-officio member of the committee and chair of its case history subcommittee. She has chaired the Medical Council's Health Committee since 2002, and is a member of the Council's Examination Committee.



**Dr Deborah Read**  
MB ChB, Dip Com Health,  
MCCM (NZ), FAFPHM (RACP)

Dr Read is a public health physician with a special interest in environmental health. She currently works as a consultant for a number of public sector organisations and part time as a medical officer of health for Hutt Valley District Health Board. Her public health medicine career has included positions with the Wellington School of Medicine, the former Public Health Commission and Central Regional Health Authority, MidCentral Health and the Environmental Risk Management Authority (ERMA) New Zealand. Dr Read is an honorary research fellow at the Centre for Public Health Research, Massey University, and has been the recipient of a World Health Organisation fellowship in environmental health. Dr Read is chair of the Education Committee and deputy president of Council.



**Mrs Heather Thomson**

Mrs Thomson is in her second term as a public member of the Council. She has been a public member on many boards including the Cartwright Committee, the Public Health Commission, the Māori Health Commission and the Bay of Plenty District Health Board. Mrs Thomson lives in Whitianga Bay, 50 kilometres east of Opotiki, and her interest in health has been mainly in health management, the development of services for Māori, community and rural development. Her hapu is Ngati Paeakau, her iwi te Whanau a Apanui.



**Dr Philip Barham**

MB ChB, Dip Obst, MHP Ed, FRNZCGP, MRCPG

Dr Barham has been involved in educational and examination roles with the Council since the late 1980s and joined Council itself as an elected member in 2001. From 1962 to 1978 he ran a general practice in Dargaville, after which he became a foundation director of the Goodfellow Unit, an organisation he was involved with for 20 years. Since 1998 Dr Barham has been an assessor for advanced vocational education with the Royal New Zealand College of General Practitioners and a visiting lecturer/external examiner for the Auckland University masters programme.



**Ms Jean Hera**

NZ Certificate Science, Bachelor of Social Work (Hons), PhD, MANZASW

Ms Hera is a community health worker/coordinator at Palmerston North Women's Health Collective and provides professional supervision to social and community workers. Previously, she was a tutor in the social policy and social work department of Massey University, the department through which she completed her PhD. She is currently completing a postgraduate diploma in social service supervision at Massey.



**Dr Pippa MacKay**

MB ChB, Dip Obst, FRNZCGP

Dr MacKay was elected as a member of Council in 2003. After graduation, she spent most of the next six years working in England, achieving vocational training in general practice in both England and New Zealand. In 1987, Dr MacKay became a partner in general practice at the Ilam Medical Centre in Christchurch, where she still practises. In 1989, Dr MacKay was elected to the National Executive of the New Zealand Medical Association, and was chair of the association from 1999 until 2001. She was appointed first to the establishment board then to the board proper of the Southern Regional Health Authority from 1991-1996, at the same time holding an appointment as maternity mortality assessor. Dr MacKay resigned from Council in late June 2004.



**Ms Liz Hird**

LLB (Hons)

Ms Hird 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 chair of the Otaki Community Health Trust. Ms Hird is a member of the Otaki community Primary Health Organisation (PHO) steering committee and is also national legal adviser to Health Care Aotearoa (Inc), a network of community primary health providers and PHOs. In 2002 she was appointed a district inspector of mental health services for MidCentral District Health Board.



# President's Foreword

This report highlights the Council's activities for the past 15 months (1 April 2003 – 30 June 2004) and reflects a change in the Council's financial year, which will now be from 1 July through to 30 June.

The change has been made to help the Council's business and financial planning processes.

This period has seen the Council focus primarily on developing new policies and procedures to meet the Health Practitioners Competence Assurance Act 2003 (HPCAA) requirements which come into force in September 2004.

The HPCAA is modelled on the Medical Practitioners Act 1995 (MPA), but importantly it brings under its legislative umbrella 17 different health professions and a single disciplinary tribunal, giving consistency to legislation affecting these health professions. The legislation brings with it professional regulation and the necessary maintenance of standards for all health practitioners.

The Council has played a pivotal role in the formation of the Health Regulatory Authorities of New Zealand (HRANZ), an informal group made up of 15 registering authorities. HRANZ is a forum for discussion of matters of common interest.

Regular meetings were held throughout the year with key stakeholders, including the Minister of Health, Ministry of Health, Accident Compensation Corporation, Health and Disability Commissioner, colleges and branch advisory bodies, New Zealand Medical Association, Te ORA, District Health Boards New Zealand, Independent Practitioners' Association Council and the Overseas Doctors Association.

Over the period the Council has worked hard to make itself more accessible to the public, the profession and the media. Council members and the chief executive have held successful meetings with health advocates and community service groups throughout New Zealand, explaining the role and function of the Council.

The Council has a longstanding policy of not commenting on individual doctors. However, a doctor may sometimes make information public, or the doctor's patient or other people may make public comment. In such cases, the Council might comment if it is in the public interest. Whether any comment is made is decided on a case-by-case basis.

Council warmly welcomes Ms Liz Hird. We are very grateful for the work of Miss Carolynn Bull and Dr Pippa MacKay, both of whom finished on Council this year.

I would like to thank all staff and acknowledge their professionalism and commitment in all that they have achieved over the past 15 months.

John Campbell  
President

**“The Council has played a pivotal role in the formation of the Health Regulatory Authorities of New Zealand (HRANZ).”**

# Chief Executive's Introduction



Our focus over the past 15 months has been on ways of translating the HPCAA 2003 into practice.

We have actively consulted and worked with stakeholders on how changes brought about by the legislation will affect them. The new legislation has offered the Council the opportunity to change some of its existing processes, particularly in the areas of recertification and registration.

After consulting stakeholders, the Council will prescribe three high-level scopes of practice: general, vocational (which will be divided into specific scopes linked to defined branches of medicine) and special purpose. These scopes are comparable to the registration categories in the MPA. The Council has also taken this opportunity to review the policies for recertification of doctors, creating more recertification options for the profession.

## Health practitioners index (HPI)

The Council is one of three regulatory authorities on the steering group of the HPI project overseen by the Ministry of Health. The others are the Pharmacy Council of New Zealand and the Nursing Council of New Zealand.

The Council has been working to ensure that any non-public information it provides about doctors remains confidential and is used solely for the purpose for which it has been requested.

## Annual practising certificate fee unchanged for 2004/05

Because of reserves and in spite of extra costs for the HPCAA, the Council has again, through careful management, held the annual practising certificate (APC) fee at its current level of \$485 for the 2004/05 financial year. The APC fee has not changed for five years but small incremental increases may be needed in the future to meet the requirements of the HPCAA, including an increase in administration and operating costs.

## Medico-legal

As in previous years, doctors have challenged decisions made by Council in court. The Council sees these challenges as useful for ensuring its processes are being continually improved and are both fair and open.

Two decisions of interest were on the requirement to undergo a competence review and Council's refusal to grant a doctor vocational registration.

The first decision, in relation to Council requiring a doctor to undergo a competence review, was handed down by the District Court. The judge made some obiter comments about competence reviews:

A decision that a doctor undergoes a competence review must be based on some supportable reason: (a) the matter of concern must relate to public health and safety and (b) Council's decision must not be unreasonable in the circumstances.

While there is no statutory obligation to notify the doctor that a review is being considered, providing the doctor with an opportunity to comment demonstrates a laudable intention to provide an open and fair process. However, an opportunity to comment is unfair unless all of the material before Council is disclosed and able to be addressed by the doctor.

In the second court case, challenging Council's decision not to grant a doctor vocational registration, the court noted on appeal that when considering an application for vocational registration, Council must take into account all the material presented in support of that application (qualifications, training and experience). However, each of those requirements is cumulative and each must be met.

The court also re-emphasised that, since it did not find Council's decision wrong, there is a judicial reluctance to override the decision of the expert statutory body given its expressed power to make such decisions (ie, which qualifications are appropriate for vocational registration).

## Other

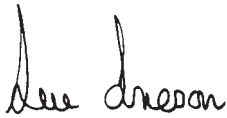
The Council invited former Council member Dr Tony Ruakere to be its kaumātua and to advise on cultural matters. Dr Ruakere helped at the Council's and the Confederation of Postgraduate Medical Education Councils' workshop for overseas trained doctors. His input in the area of cultural competence has been invaluable to the Council in moving this issue forward.

Work on the review of sexual boundaries was completed by the Council.

## The outlook

In the coming year the Council will initially focus its time and energy on the implementation of the HPCAA legislation and the changes arising from it, with the least possible disruption to the profession.

Finally, I would like to thank Council members and staff for their hard work and support.



Sue Ineson  
Chief Executive



The purpose of the Council is to ensure that medical practitioners are competent to practise medicine, in order to protect and promote public health and safety.

Our four strategic goals are:

- To implement mechanisms to ensure doctors are competent to practise.
- To enhance understanding of the Council and its role to implement the primary purpose of the Medical Practitioners Act 1995.
- To facilitate self-regulation of the profession in partnership with the public.
- To raise awareness about medical workforce issues.

## Significant activities

- 8 Medical education
- 9 Registration of doctors
- 20 Professional standards
- 22 Complaints
- 23 Doctors' health

# Medical education

Principal activities: accreditation of medical schools, assessing teaching and learning environments in hospitals, maintaining a network of intern supervisors, setting policy on probationary and pre-vocational years, considering applications for recognition and then reaccreditation as a vocational branch of medicine and approving recertification programmes.

Total cost: \$1,033,184

## Our focus on medical standards and safety of the public begins with the education of a doctor.

The Council has four major areas of responsibility:

- Accreditation of medical schools and medical school courses in conjunction with the Australian Medical Council.
- Education, training and supervision during a doctor's probationary year.
- Prevocational training.
- Vocational education, training, and accreditation and reaccreditation of branch advisory bodies and colleges.

The education committee membership is a mix of medical professionals and educators and includes two resident medical officers who provide the important perspective of recent graduates.

### **Hospital accreditation**

Fifteen hospitals throughout the country, including those in Tauranga, Gisborne, Wellington, Nelson and Wairau, were visited by Council members and staff as part of an ongoing accreditation process. Accreditation visits are critical to ensure hospitals provide a suitable learning environment for interns. We have had positive feedback from our accreditation visits.

### **Summer studentships**

Now in their twelfth year, the Council's summer studentships aim to raise medical students' awareness of the work of the Council and the qualities of doctors that contribute to the highest standards of medical ethics, conduct and care of patients. Four summer studentships were awarded, each worth \$5,000.

### **Other**

In August 2003, a workshop on overseas trained doctors' programmes was organised by the Council and the Confederation of Postgraduate Medical Education Councils. Information collected from the workshop is being used to develop ready-for-work programmes for doctors who have passed NZREX.

The Council has continued to reaccredit branch advisory bodies' vocational training and recertification programmes.

# Registration of doctors

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

Total cost: \$2,904,084

## Registration assures the public that a doctor has met an appropriate standard for medical practice.

Registration of doctors is the core business of the Council. Before granting registration, the Council seeks evidence that a doctor has the required knowledge, skills and experience.

Key registration statistics for the 15 month period (1 April 2003 – 30 June 2004) were:

- 1,463 overseas trained doctors were registered.
- 316 New Zealand graduates were registered.
- 976 overseas doctors were granted temporary registration.
- 592 doctors were granted vocational registration.
- On 30th June 2004, there were 13,379 doctors on the medical register, of whom 10,732 held a current practising certificate.

### **New Zealand registration examination—NZREX clinical**

New Zealand's health system requires all medical practitioners to meet practice standards defined by the Council. Legislation requires the Council to ensure all doctors are competent to practise.

Good communication is an integral part of successful medical practice. Because language barriers will impede a doctor's ability to successfully practise medicine, the ability to communicate effectively and understand English is a prerequisite to registration.

Some overseas trained doctors are eligible for registration in New Zealand on the basis that the medical education and registration systems in the countries they come from are very similar to those in New Zealand.

Others are eligible for registration on the basis that they have experience working in countries with similar health systems to New Zealand. Doctors who do not have recognised qualifications or experience can qualify for registration by passing first an English test, then medical knowledge (USMLE Steps 1 and 2) and clinical examinations (NZREX). There were 229 candidates for NZREX with 104 passes.

The Council has continued to be actively involved with registration bodies overseas to share ideas for future developments as well as to maintain contact. Over the past 15 months, Council members and staff have had active contact with organisations such as the International Association of Medical Regulatory Authorities, the Federation of State Medical Boards in the the United States of America, the Medical Council of Canada, the Educational Commission for Foreign Medical Graduates, the General Medical Council in the United Kingdom and Australian registration authorities.

**1. Summary of registration**

At 30 June 2004

	<b>2003</b>	<b>2004</b>
Interim	34	51
Probationary	724	729
General	11,578	11,974
Vocational	6,073	6,489
Temporary	758	625
Total practising	10,355	10,732
Suspended	3	4

Note: All doctors on the vocational register also have general registration.

**2. Registration activities**

1 April 2003 – 30 June 2004

<b>Probationary registration issued</b>		<b>Number</b>
Class 1	New Zealand graduates (interns)	305
Class 1	Overseas graduates (interns)	–
Class 2	Overseas graduates (NZREX passes)	79
Class 3	Overseas graduates (eligible for vocational registration)	46
Class 4	Overseas graduates (suitable for assessment – vocational registration)	73
Class 5	New Zealand and overseas graduates (re-registration following erasure)	2
Class 7	Rural service provision and vocational training	62
Class 8	Graduates of General Medical Council accredited medical schools	166
Class 9	Exception to policy	9
<b>General registration issued</b>		
	New Zealand graduates	6
	Overseas graduates	55
	Reinstatements	46
<b>Temporary certificates issued</b>		
Class 1	Visiting teacher	19
Class 2	Training and research	36
Class 3	Service provision	917
Class 4	Special purpose	4
	Extensions	797
<b>Interim registration issued</b>		10

<b>General registration after completion of probationary period</b>		
Class 1	New Zealand and overseas graduates (interns)	314
Class 2	Overseas graduates (NZREX passes)	84
Class 3	Overseas graduates (eligible for vocational registration)	42
Class 4	Overseas graduates (suitable for assessment – vocational registration)	56
Class 5	New Zealand and overseas graduates (re-registration following erasure)	–
Class 7	Rural service provision and vocational training	9
Class 8	Graduates of General Medical Council accredited medical schools	117
	Temporary eligible for probationary, completed 12 months' supervised practice	23
<b>Additions to vocational register</b>		592
<b>Amendments to register</b>		
	Change of address	2,990
	Change of name	68
	Additional qualifications	541
<b>Suspensions</b>		
	Suspended or interim suspension	1
	Revocation of suspension	–
<b>Conditions</b>		
	Imposed	53
	Revoked	13
<b>Removals</b>		
	Death	39
	Discipline order	4
	Failure to notify change of address	18
	Non-resident doctors	216
	At own request	78
<b>Annual practising certificates</b>		14,474 <sup>1</sup>
<b>Certificates of good standing</b>		1,868
<b>Certificates of registration</b>		345
<b>Confirmation of standing</b>		124
<b>Reprints of practising certificates</b>		77

1. The additional quarter to the financial year encompasses one complete extra APC cycle. This resulted in 2065 extra APCs .

### 3. New Zealand vocational register

1 April 2003 – 30 June 2004

Vocational branch	Vocational registration at 31/3/2003 <sup>1</sup>	Added 2003/04	Removed 2003/04	Net change	Vocational registration at 30/6/2004 <sup>1,2</sup>
Accident and medical practice	82	22	1	21	103
Anaesthetics	468	40	17	23	491
Breast medicine	4	–	–	–	4
Cardiothoracic surgery	28	3	4	-1	27
Clinical genetics	–	1	–	1	1
Dermatology	46	2	–	2	48
Diagnostic radiology	276	13	11	2	278
Emergency medicine	56	15	2	13	69
Family planning and reproductive health	24	–	–	–	24
General practice	2,324	234	48	186	2,510
General surgery	243	14	7	7	250
Intensive care medicine	45	7	–	7	52
Internal medicine	687	55	18	37	724
Medical administration	10	2	–	2	12
Musculoskeletal medicine	14	2	–	2	16
Neurosurgery	15	2	–	2	17
Obstetrics and gynaecology	254	23	4	19	273
Occupational medicine	38	4	1	3	41
Ophthalmology	119	4	1	3	122
Orthopaedic surgery	192	16	2	14	206
Otolaryngology head and neck surgery	90	2	–	2	92
Paediatric surgery	16	1	–	1	17
Paediatrics	221	20	2	18	239
Palliative medicine	27	1	–	1	28
Pathology	244	17	11	6	250
Plastic and reconstructive surgery	42	6	–	6	48
Psychological medicine or psychiatry	415	52	14	38	453
Public health medicine	163	15	11	4	167
Radiation oncology	43	9	3	6	49
Rehabilitation medicine	10	1	–	1	11
Sexual health medicine	16	1	–	1	17
Sports medicine	10	–	–	–	10
Urology	51	2	1	1	52
Vascular surgery	11	6	–	6	17
Venereology	9	–	2	-2	7
<b>Total</b>	<b>6,293</b>	<b>592</b>	<b>160</b>	<b>432</b>	<b>6,725</b>

1. Includes doctors who may currently be inactive (have no APC).

2. Includes 231 doctors with vocational registration in two branches and two doctors with vocational registration in three branches.

#### 4. Candidates sitting and passing NZREX clinical

1 April 2003 – 30 June 2004

Country	No. sitting	Attempts					No. of passes	Passes on attempts				
		1	2	3	4	5		1	2	3	4	5
Bangladesh	43	36	5	2	–	–	10	8	2	–	–	–
China	30	23	7	–	–	–	16	11	5	–	–	–
Croatia	1	1	–	–	–	–	1	1	–	–	–	–
Cuba	2	2	–	–	–	–	2	2	–	–	–	–
Egypt	14	12	2	–	–	–	6	5	1	–	–	–
Fiji	1	1	–	–	–	–	1	1	–	–	–	–
Germany	5	4	1	–	–	–	4	3	1	–	–	–
Ghana	1	1	–	–	–	–	–	–	–	–	–	–
India	46	30	12	2	–	2	18	9	6	2	–	1
Iran	2	1	1	–	–	–	–	–	–	–	–	–
Iraq	16	11	4	1	–	–	10	8	1	1	–	–
Japan	1	1	–	–	–	–	1	1	–	–	–	–
Jordan	1	–	–	1	–	–	–	–	–	–	–	–
Korea (Republic of)	2	1	1	–	–	–	1	–	1	–	–	–
Nepal	2	1	1	–	–	–	1	–	1	–	–	–
Netherlands	1	1	–	–	–	–	1	1	–	–	–	–
Pakistan	7	4	1	1	1	–	2	1	–	–	1	–
Philippines	10	8	2	–	–	–	7	5	2	–	–	–
Romania	3	1	1	1	–	–	2	1	–	1	–	–
Russia	11	7	1	2	–	1	6	5	–	1	–	–
Serbia	1	1	–	–	–	–	1	1	–	–	–	–
Singapore	1	1	–	–	–	–	1	1	–	–	–	–
South Africa	2	1	1	–	–	–	1	–	1	–	–	–
Sri Lanka	13	8	4	1	–	–	6	2	3	1	–	–
Sweden	2	1	1	–	–	–	–	–	–	–	–	–
Taiwan	3	2	1	–	–	–	1	1	–	–	–	–
Yugoslavia (Federal Republic of)	7	6	–	1	–	–	5	5	–	–	–	–
Zimbabwe	1	1	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>229</b>	<b>167</b>	<b>46</b>	<b>12</b>	<b>1</b>	<b>3</b>	<b>104</b>	<b>72</b>	<b>24</b>	<b>6</b>	<b>1</b>	<b>1</b>

Note: There were six sessions of the NZREX examinations held in the 15 month period ending 30 June 2004.

**5. Registration issued by country of primary qualification**

1 April 2003 – 30 June 2004

Country	Probationary									Temporary				
	Class 1	2	3	4	5	7	8	9	Total	Class 1	2	3	4	Total
Afghanistan	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Argentina	-	-	-	-	-	1	-	-	1	-	-	1	-	1
Australia	-	-	-	-	-	-	-	-	-	9	2	21	1	33
Bangladesh	-	16	-	-	-	3	-	-	19	-	-	-	-	-
Belgium	-	-	-	-	-	-	-	-	-	-	-	4	-	4
Brazil	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Canada	-	-	2	1	-	-	-	-	3	1	2	34	-	37
China	-	8	-	-	-	-	-	-	8	1	2	-	-	3
Croatia	-	1	-	-	-	-	-	-	1	-	-	-	-	-
Cuba	-	-	-	1	-	-	-	-	1	-	-	-	-	-
Czech Republic	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Dominican Republic	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Ecuador	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Egypt	-	1	-	1	-	1	-	-	3	-	-	3	-	3
England	-	-	11	9	-	-	121	-	141	2	4	367	-	373
Fiji	-	1	1	-	-	-	-	-	2	-	3	2	-	5
Former Yugoslav Republic of Macedonia (FYROM)	-	1	-	-	-	-	-	-	1	-	-	-	-	-
France	-	-	-	1	-	-	-	-	1	1	-	-	-	1
Germany	-	2	-	6	-	1	-	1	10	-	-	12	-	12
Ghana	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Hungary	-	-	-	1	-	-	-	-	1	-	-	3	-	3
India	-	13	2	12	-	4	-	1	32	-	4	22	-	26
Iraq	-	8	-	-	-	-	-	1	9	1	-	1	-	2
Ireland	-	-	1	2	-	4	2	-	9	-	-	36	-	36
Italy	-	-	-	2	-	-	-	-	2	-	-	1	-	1
Japan	-	1	-	1	-	-	-	-	2	1	3	-	3	7
Jordan	-	-	-	1	-	-	-	-	1	-	1	-	-	1
Korea (Republic of)	-	1	-	-	-	-	-	-	1	-	-	1	-	1
Lebanon	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Malaysia	-	-	1	-	-	-	-	-	1	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Myanmar	-	-	-	-	-	-	-	-	-	-	-	3	-	3
Nepal	-	1	-	-	-	-	-	-	1	-	-	-	-	-
Netherlands	-	-	1	1	-	1	-	-	3	-	-	13	-	13
New Zealand	305	-	-	-	1	-	-	2	308	-	-	2	-	2



Country	Probationary									Temporary				
	Class 1	2	3	4	5	7	8	9	Total	Class 1	2	3	4	Total
Northern Ireland	-	-	-	-	-	-	4	-	4	-	-	9	-	9
Pakistan	-	1	1	2	-	-	-	-	4	-	-	6	-	6
Papua New Guinea	-	-	-	-	-	-	-	1	1	-	-	-	-	-
Philippines	-	5	-	1	-	-	-	-	6	-	-	7	-	7
Poland	-	-	1	2	-	-	-	-	3	-	-	3	-	3
Romania	-	1	2	1	-	1	-	-	5	-	-	1	-	1
Russia	-	3	-	1	-	-	-	-	4	-	-	1	-	1
Scotland	-	-	3	2	1	-	33	-	39	-	1	89	-	90
Singapore	-	1	1	-	-	-	-	-	2	1	-	1	-	2
Slovakia	-	-	-	-	-	-	-	-	-	-	-	1	-	1
South Africa	-	-	12	12	-	44	-	2	70	-	-	100	-	100
Spain	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Sri Lanka	-	10	-	2	-	-	-	-	12	-	3	3	-	6
Sudan	-	-	-	-	-	-	-	-	-	-	-	2	-	2
Sweden	-	-	-	1	-	-	-	-	1	-	-	2	-	2
Switzerland	-	-	1	-	-	-	-	-	1	-	-	1	-	1
Tanzania	-	1	-	-	-	-	-	-	1	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-	1	-	-	1
Turkey	-	-	-	1	-	-	-	-	1	-	-	-	-	-
USA	-	-	4	4	-	-	-	-	8	2	9	117	-	128
Uruguay	-	-	-	-	-	-	-	1	1	-	-	-	-	-
Viet Nam	-	-	-	-	-	-	-	-	-	-	1	-	-	1
Wales	-	-	1	1	-	-	6	-	8	-	-	33	-	33
Yugoslavia (Federal Republic of)	-	3	-	-	-	-	-	-	3	-	-	-	-	-
Zimbabwe	-	-	1	4	-	2	-	-	7	-	-	5	-	5
<b>Total</b>	<b>305</b>	<b>79</b>	<b>46</b>	<b>73</b>	<b>2</b>	<b>62</b>	<b>166</b>	<b>9</b>	<b>742</b>	<b>19</b>	<b>36</b>	<b>917</b>	<b>4</b>	<b>976</b>

Note: During the year a number of doctors gained registration in one class of registration and then changed to another class.  
Probationary class 6 was discontinued in 2001.

**6. Vocational registration of doctors with an overseas primary qualification, by branch of medicine**

1 April 2003 – 30 June 2004

<b>Branch of medicine</b>	<b>Number</b>
Accident and medical practice	12
Anaesthetics	24
Cardiothoracic surgery	2
Clinical genetics	1
Dermatology	1
Diagnostic radiology	5
Emergency medicine	4
General practice	103
General surgery	6
Intensive care medicine	4
Internal medicine	26
Neurosurgery	2
Obstetrics and gynaecology	16
Occupational medicine	2
Ophthalmology	1
Orthopaedic surgery	4
Paediatric surgery	1
Paediatrics	12
Pathology	9
Plastic and reconstructive surgery	4
Psychological medicine or psychiatry	39
Public health medicine	3
Radiation oncology	3
Rehabilitation medicine	1
Urology	1
<b>Total</b>	<b>286</b>

## 7. Outcomes of applications for assessment of eligibility for vocational registration

1 April 2003 – 30 June 2004

Branch	Incomplete applications	Pending (at College/ Council)	Withdrawn/ lapsed	Vocational reg.	Vocational eligible	Vocational assessment	NZREX	Total
Accident and medical practice	–	–	–	–	–	–	–	–
Anaesthetics	–	1	3	7	8	7	2	28
Cardiothoracic surgery	–	2	–	–	–	–	–	2
Dermatology	–	1	–	–	–	–	1	2
Diagnostic radiology	1	1	1	–	3	2	–	8
Emergency medicine	–	–	1	2	1	2	–	6
General practice	1	–	3	–	3	2	1	10
General surgery	–	5	3	1	–	2	1	12
Intensive care medicine	–	–	–	–	–	1	1	2
Internal medicine	5	8	12	6	2	8	6	47
Neurosurgery	1	–	1	–	–	1	–	3
Obstetrics and gynaecology	1	–	2	6	1	4	3	17
Occupational medicine	–	–	–	–	–	–	–	–
Ophthalmology	–	1	–	–	1	1	2	5
Orthopaedic surgery	1	–	2	1	1	1	–	6
Otolaryngology head and neck surgery	–	–	3	–	1	–	1	5
Paediatric surgery	–	–	–	–	–	–	–	–
Paediatrics	–	–	4	1	3	6	1	15
Palliative medicine	1	–	–	–	–	–	–	1
Pathology	–	–	1	4	7	5	2	19
Plastic and reconstructive surgery	–	–	–	–	–	–	–	–
Psychological medicine or psychiatry	1	4	4	10	4	8	2	33
Public health medicine	–	1	1	–	–	1	–	3
Radiation oncology	–	–	–	1	1	–	–	2
Rehabilitation medicine	1	1	–	–	–	–	–	2
Sports medicine	–	–	–	–	–	–	–	–
Urology	–	–	1	–	–	–	–	1
Vascular surgery	–	1	–	–	–	–	–	1
<b>Total</b>	<b>13</b>	<b>26</b>	<b>42</b>	<b>39</b>	<b>36</b>	<b>51</b>	<b>23</b>	<b>230</b>
Percentages based on total number outcomes				26.2%	24.2%	34.2%	15.4%	100%

**8. Medical practitioners on the New Zealand medical register by country of primary qualification**  
As at 30 June 2004

Country	Interim	Probationary	General	Vocational	Temporary	Total	Number with practising certificates
England	9	93	429	742	217	1,490	1,216
South Africa	2	108	273	479	85	947	794
Scotland	–	24	140	221	58	443	350
Australia	4	–	245	167	14	430	295
India	4	34	170	164	28	400	324
Sri Lanka	1	12	109	146	15	283	206
Iraq	1	7	122	19	1	150	122
USA	2	8	7	59	69	145	106
Bangladesh	4	20	73	5	1	103	88
Ireland	–	11	21	44	15	91	73
Canada	1	3	19	41	21	85	64
Germany	–	12	25	36	8	81	70
Wales	–	4	25	25	18	72	55
China	2	8	21	38	2	71	57
Egypt	1	4	32	18	3	58	45
Fiji	–	2	19	30	7	58	54
Yugoslavia (Federal Republic of)	5	3	20	15	–	43	37
Pakistan	–	5	12	13	7	37	31
Northern Ireland	–	1	11	19	4	35	27
Philippines	1	6	16	6	6	35	31
Zimbabwe	–	5	5	13	6	29	26
Netherlands	–	3	5	11	5	24	22
Singapore	–	2	2	19	–	23	19
Russia	2	3	8	5	1	19	17
Poland	–	2	10	5	1	18	15
Myanmar	–	–	12	2	1	15	13
Romania	1	7	3	4	–	15	14
Croatia	–	1	11	–	–	12	12
Japan	–	3	1	1	6	11	11
Bulgaria	–	1	3	4	1	9	9
Hungary	–	1	3	2	3	9	8
Papua New Guinea	–	2	4	3	–	9	8
Czech Republic	–	–	3	3	1	7	6
Denmark	–	1	–	5	1	7	6
Former Yugoslav Republic of Macedonia (FYROM)	–	1	5	1	–	7	5

Country	Interim	Probationary	General	Vocational	Temporary	Total	Number with practising certificates
Malaysia	–	1	1	4	1	7	4
Switzerland	–	–	1	6	–	7	5
Bosnia and Herzegovina	–	–	5	1	–	6	6
Iran	–	–	2	4	–	6	6
Norway	–	–	4	2	–	6	6
Sweden	–	1	2	2	1	6	6
Ukraine	1	–	4	1	–	6	5
Other	2	13	23	32	18	88	73
New Zealand	8	317	3,579	4,072	–	7,976	6,385
<b>Total</b>	<b>51</b>	<b>729</b>	<b>5,485</b>	<b>6,489</b>	<b>625</b>	<b>13,379</b>	<b>10,732</b>

Note: There are 42 countries with fewer than six doctors represented by other.

# Professional standards

Principal activities: undertaking competence reviews of doctors and establishing competence programmes, developing policy on competence reviews, managing doctors who are subject to conditions arising from disciplinary action.

Total cost: \$1,093,087

## The Council's number one strategic goal is to implement mechanisms to ensure doctors are competent to practise.

The intent of a competence review is to help the doctor address significant deficiencies in his or her knowledge, skills or attitudes. The challenge is to ensure that this will lead to an improvement in their overall performance in the practice of medicine. This objective is consistent with the tenets of the Medical Practitioners Act and the professional accountability required of the doctor by the public.

The Council "may at any time ... review the competence to practise of any medical practitioners ... whether or not there is reason to believe the practitioner's competence may be deficient." In conducting the review, the Council has to consider whether the doctor has the skill and knowledge (competence), and whether the practitioner's practice of medicine meets an appropriate standard (performance). The form of the review is at the Council's discretion. If the review suggests deficient competence the Council may order a remedial education programme or conditions on the doctor's practice.

As part of ongoing training for those involved in the competence process, a workshop was held in Wellington in May for competence review committee (CRC) members and educational supervisors. Approximately 65 people attended, and a wide range of topics was discussed, including:

- legal issues
- implications of the HPCAA
- the role of lay members in the competence review
- how to review proceduralists.

One of the highlights of the workshop was a presentation by Dr Alison Reid, Medical Director of the New South Wales Medical Board (NSWMB). The NSWMB runs a similar programme to that in New Zealand, and reviewers were interested to hear of the New South Wales experience. The Council's competence advisory team (CAT) was formed in March 2003 to assist the professional standards team in competence related research and policy development. The team met during October 2003, where discussion centred around:

- assessment and remediation of communication failure
- development of a tool to assess adherence to professional boundaries.

CAT met again in May 2004, where issues discussed included:

- a pilot to periodically screen all doctors to improve performance
- assessment of proceduralists
- results of research undertaken on doctors who elect to retire or restrict their practice rather than undertake a competence review or competence programme.

## 9. Competence referrals

1 April 2003 – 30 June 2004

Source of concern	Number
Accident Compensation Corporation (ACC)	18
Complaints assessment committee	1
Employer	2
Health and Disability Commissioner (HDC)	18
Medical Council of New Zealand	5
Peer	7
Public	5
Other	4
<b>Total referrals</b>	<b>60</b>

Type of concern	Number
Boundaries	3
Clinical skills	39
Communication	20
Prescribing	10
Records	7
Surgical skills	10
Other	13

Note: One referral to a competence review may cover more than one category. 34 referrals had multiple concerns.

Outcomes of competence referrals (may relate to cases referred in the previous financial year)	Number
To competence review	23
No competence review	33
To competence programme	8
Referred to other committee eg, health	1

# Complaints

Principal activities: operation of complaints assessment committees (CACs) to consider complaints, policy on complaints assessment process.

Total cost of CACs: \$745,395

## Complaints assessment committees investigate complaints against doctors relating to treatment before 1 July 1996.

During the past 15 months the Council received notice of:

- 217 complaints about 261 doctors. The complaints received include 50 complaints notification received from the HDC the previous year.
- 31 complaints were referred to the Health and Disability Commissioner by the Council for follow up.
- 24 complaints were investigated by a CAC.

The CAC gathers information and clarifies the issues in the complaint. Its task is not to decide guilt, but to ensure any matters that raise serious issues about a doctor's conduct are referred to the Medical Practitioners Disciplinary Tribunal.

A workshop in November was held for CAC members involved in sexual boundary issues.

### 10. Schedule of complaints assessment committees

1 April 2003 – 30 June 2004

New complaints assessment committees appointed	24
<b>Categories of complaint sent to CAC</b>	
Communication	3
Conviction of an offence	4
Inappropriate sexual behaviour	2
Treatment	14
Rights	1



# 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: \$1,367,552

**The Council aims to protect patients by the appropriate management of doctors who, because of some mental or physical condition, may not be fit to practise.**

Doctors, like the general population, suffer from a range of afflictions including drug and alcohol abuse, psychiatric disorders and a wide range of physical disorders, all of which can hamper their performance. With treatment and monitoring, most can continue practising although some may withdraw for periods through mutual agreement with the health committee.

The Council continues to work closely with the Doctors' Health Advisory Service, providing financial and other support.

## 11. Health statistics

1 April 2003 – 30 June 2004

<b>New referrals</b>	
Received	95
No further action required	28
Monitoring programmes initiated	37
Further review required before APC issued	1
Follow-up report to be provided	15
Pending	–
Applications for registration considered and initial registration supported	14
<b>Carried over from previous years</b>	
Monitoring programme reactivated or continued from previous year	47
Low level monitoring or review	62
Further review required before APC issued	11
Cases closed	32
<b>Other actions taken</b>	
Conditions imposed on APC	1
Conditions imposed on registration	1

# Medical workforce survey (2002)

Total cost: \$164,383

The Council collects workforce data annually through the annual practising certificate (APC) application process. The data is used by the Ministry of Health and by the Health Workforce Advisory Committee to analyse workforce needs. The workforce survey was sent to doctors with probationary or general registration, an APC and a New Zealand address (this excludes temporary registrants).

Key facts from the survey were:

- The number of doctors in active employment decreased by one percent from 2001, to 8403.
- The mean age was 43 years and the median age was 42.
- The proportion of women doctors rose to 34 percent of the workforce; for specialists and general practitioners combined, the proportion of women was 29 percent.
- The proportion of overseas trained doctors was 33 percent; for specialists and general practitioners combined, the proportion of overseas trained doctors was 36 percent.
- The proportion of Māori doctors increased slightly to 2.7 percent. Māori continued to be markedly under represented when compared to the percentage in the population.
- One percent of doctors identified themselves as Pacific Island.
- General practitioner numbers decreased by four percent.
- The mean number of hours per week worked for all active doctors was 47. Mean hours were highest for doctors aged 24 years or younger at 59 hours per week.

A copy of the Council's report "The New Zealand Medical Workforce in 2002" can be found on the Council's website [www.mcnz.org.nz](http://www.mcnz.org.nz) under Publications and Guidance/Statistics.

The Council is working closely with government and other interest groups such as the Health Workforce Advisory Committee and the District Health Boards New Zealand workforce group on workforce issues. The Council recognises there is a shortage of doctors, particularly in some rural areas, but believes this should not compromise the Council's responsibility to public safety by ensuring doctors are competent to practise.

# Corporate governance

Role of the Medical Council: Members of the Council set the strategic direction of the organisation, monitor management performance and ensure the Council meets the requirements of the Medical Practitioners Act 1995. The Council is accountable to Parliament, the Minister of Health, the profession and the public for how well it performs its functions.

## **Council membership**

The Council aims to have members who represent:

- a range of ages, gender, 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 either:
  - broad health sector knowledge, or
  - experience in one of the main vocational areas of medical practice, or
  - experience in health service delivery in a variety of provincial and tertiary settings, or
  - experience in medical education and assessment.

The Council has documented the key competencies for members across a range of professional and personal attributes.

Members are bound by a code of conduct, approved in December 2002, which sets out their duties and responsibilities. The Council has an agreed policy on conflict of interest, updated in February 2003.

## **Council meetings**

During the past 15 months Council met 11 times, in addition to meetings of committees. Teleconferences were held to deal with some ordinary matters as well as some extraordinary business of the Council and committees.

## **Annual performance assessment**

Over the past four years, members have assessed their functioning as a Council across several indicators. This has resulted in improvements to agenda structure, refinement of delegation and new features such as stakeholder links at each meeting.

## **Committee structure**

The Council operates four standing committees: audit, examinations, health and education. The membership of these committees is on page 26. The Council receives the minutes of the committees at its formal meetings and in approving those minutes it confirms the decisions made. Delegation limits are established. The Health Committee has full delegated decision-making powers.

## Council committees at 30 June 2004

The Council appoints committees to deal with its principal activities. Each committee has a minimum of two Council members. Registration decisions must be taken by the whole Council, not delegated.

### Council standing committees as at 30 June 2004

**Professor John Campbell**  
President

**Dr Deborah Read**  
Deputy President

#### Health committee

**Dr Philip Barham**

**Dr Joanna MacDonald**  
Chairperson

**Dr Kate O'Connor**

**Mrs Heather Thomson**

#### Audit committee

**Dr Barnett Bond**  
Chairperson

**Professor John Campbell**

**Ms Liz Hird**

**Dr Pippa MacKay**

**Mrs Heather Thomson**

**NOTE 1:** The President is an ex-officio member of all committees. External members are recognised by Council as being desirable on some committees although a minimum of two Council members and at least one public member must sit on each committee. A Doctors' Health Advisory Service representative is co-opted to the Health Committee.

**NOTE 2:** Drs MacDonald and Read review vocational branch advice about vocational registration cases and advise Council.

#### Education committee

*Council members*

**Dr Philip Barham**

**Professor John Campbell**

**Ms Jean Hera**

**Ms Liz Hird**

**Dr Pippa MacKay**

**Dr Deborah Read**  
Chairperson

**Mrs Heather Thomson**

*Members appointed by Council*

**Dr Mike Ardagh**  
Vocational branch nominee

**Dr Deborah Clarke**  
Active consumer of education

**Dr John Doran**  
Intern supervisor

**Dr Lorna Martin**  
Nominee of appropriate College or branch advisory body – general practitioner

**Dr David Spriggs**  
Nominated by Council

**Dr Nicola Wilson**  
Active consumer of education

**One vacancy**  
Nominee of appropriate College or branch advisory body

#### Examinations committee

*Council members*

**Professor John Campbell**  
Chairperson

**Ms Jean Hera**

**Ms Liz Hird**

**Dr Joanna MacDonald**

*Members appointed by Council*

**Professor Pat Alley**  
Examinations Coordinator, Auckland

**Dr Bramwell Cook**  
Examinations Coordinator, Christchurch

**Professor Peter Ellis**  
University of Otago nominee

**Dr David McHaffie**  
Examinations Coordinator, Wellington

**Professor Graham Mortimer**  
Examinations Director

**Associate Professor Jim Reid**  
Examinations Coordinator, Dunedin

**Dr Peter Rothwell**  
Examinations Coordinator, Hamilton

**Professor Peter Stone**  
University of Auckland nominee

# Finance

- 28 Auditor's report
- 29 Statement of financial position
- 30 Consolidated statement of financial performance
- 31 Statement of movements in equity
- 32 Statement of cash flows
- 33 Notes to and forming part of the financial statements

# Miller Dean Audit



CHARTERED  
ACCOUNTANTS

**MEDICAL COUNCIL OF NEW ZEALAND**  
**AUDITORS' REPORT**  
**FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2004**

**To : Members of the Medical Council of New Zealand**

We were appointed auditors of the Medical Council of New Zealand in accordance with the Second Schedule of the Medical Practitioners Act 1995.

We have audited the attached financial statements which provide information about the past financial performance of the Council and its financial position as at 30 June 2004. This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

**Council's Responsibilities**

The Council is responsible for the preparation of financial statements which fairly reflect the Council's financial position as at 30 June 2004 and of its financial performance for the fifteen months ended on that date.

**Auditor's Responsibilities**

It is our responsibility to form an independent opinion on the financial statements presented by the Council and to report our opinion to you.

**Basis of Audit Opinion**

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements and whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with auditing standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud, or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In addition to our role as auditors we have assisted the Council with the preparation of the Statement of Cash Flows. Other than this, we have no other interests in the Medical Council of New Zealand.

**Unqualified Opinion**

We have obtained all the information and explanations we have required. In our opinion the attached financial statements fairly reflect the financial position of the Medical Council of New Zealand as at 30 June 2004 and the results of its operations and cash flows for the fifteen months ended on that date.

**Date Of Opinion**

Our audit was completed on 19 October 2004 and our unqualified opinion is expressed as at that date.

*Miller Dean Audit*

Level 5, 203-209 Willis Street, PO Box 11253, Wellington, New Zealand.  
Tel 0-4-385-0862 Fax 0-4-384-3381 Email: [audit@millerdean.co.nz](mailto:audit@millerdean.co.nz) [www.millerdean.co.nz](http://www.millerdean.co.nz)

John W. Little CA (PP), B.C.A. Lance T. Burgess CA (PP), B.C.A.

# Statement of financial position

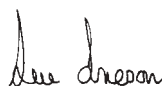
for the 15 month period ended 30 June 2004

	2004	2003
<b>Current assets</b>		
Petty cash	300	300
ANZ bank account	123,049	157,847
GST	54,110	–
Sundry debtors and payments made in advance (Note 7)	53,807	67,347
Interest accrued	358,501	439,513
Term deposits (Note 8)	9,426,395	10,931,870
<b>Total current assets</b>	<b>\$10,016,162</b>	<b>\$11,596,877</b>
Fixed assets (Note 9)	1,458,415	1,061,911
<b>Total assets</b>	<b>\$11,474,577</b>	<b>\$12,658,788</b>
<b>Current liabilities</b>		
Sundry creditors	538,812	657,124
Salaries and holiday pay accrued	206,161	157,360
GST	–	35,770
Payments received in advance	2,320,728	2,351,671
<b>Total current liabilities</b>	<b>\$3,065,701</b>	<b>\$3,201,925</b>
<b>Capital account</b>		
General fund	6,828,895	7,000,661
Complaints investigation and prosecution fund	1,898,855	2,629,889
Examination fund	(318,874)	(173,687)
	<b>\$8,408,876</b>	<b>\$9,456,863</b>
	<b>\$11,474,577</b>	<b>\$12,658,788</b>

The accompanying notes form part of these financial statements.



John Campbell  
President



Sue Ineson  
Chief Executive

## Consolidated statement of financial performance

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>Income</b>		
Fees received	6,989,906	5,328,964
Interest received	714,028	683,955
Other income	217,811	243,630
	<b>\$7,921,745</b>	<b>\$6,256,549</b>
<b>Expenditure</b>		
Audit fees	14,000	10,000
Other payments to auditors	–	1,600
Depreciation (Note 1a, 9)	707,343	471,025
Loss on disposal of assets	96,131	–
Fees paid to council members	646,953	408,714
Other administrative costs	7,225,086	5,628,647
Rent	280,219	129,410
	<b>\$8,969,732</b>	<b>\$6,649,396</b>
<b>Net deficit for period</b>	<b>(\$1,047,987)</b>	<b>(\$392,847)</b>

The accompanying notes form part of these financial statements.



## Statement of movements in equity

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>A) ACCUMULATED FUNDS AND RESERVES</b>		
Balance at 31 March 2003	9,456,863	9,849,710
Less: deficit	(1,047,987)	(392,847)
Balance at 30 June 2004	\$8,408,876	\$9,456,863
<b>B) ANALYSIS OF INDIVIDUAL FUNDS</b>		
<b>1) General fund</b>		
Balance at 31 March 2003	7,000,661	6,911,045
Add: surplus 2003	–	89,616
Less: deficit 2004	(171,766)	–
Balance at 30 June 2004	\$6,828,895	\$7,000,661
<b>2) Complaints investigation and prosecution fund</b>		
Balance at 31 March 2003	2,629,889	3,116,465
Less: deficit	(731,034)	(486,576)
Balance at 30 June 2004	\$1,898,855	\$2,629,889
<b>3) Examination fund</b>		
Balance at 31 March 2003	(173,687)	(177,800)
Add: surplus 2003	–	4,113
Less: deficit 2004	(145,187)	–
Balance at 30 June 2004	(\$318,874)	(\$173,687)

The accompanying notes form part of these financial statements.

## Statement of cash flows

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>Cash flow from statutory functions</b>		
Cash was provided from:		
Receipts pertaining to statutory functions	7,242,234	5,542,447
Cash was also distributed to:		
Payment for council fees and disbursements and Council office expenses	(8,379,052)	(5,986,864)
Net cash flow from statutory functions	(1,136,818)	(444,417)
<b>Cash flow from investing activities</b>		
Cash was provided from:		
Interest received	795,040	795,650
Sale of assets	667	-
Short term investments	1,505,475	116,087
	2,301,182	911,737
Cash was applied to:		
Purchase of assets	(1,199,162)	(517,288)
	(1,199,162)	(517,288)
Net cash flow from investing activities	1,102,020	394,449
Net increase/(decrease) in cash held	(34,798)	(49,968)
Opening cash brought forward	158,147	208,115
<b>Ending cash carried forward</b>	<b>\$123,349</b>	<b>\$158,147</b>
Represented by:		
Petty cash	300	300
ANZ bank account	123,049	157,847
	\$123,349	\$158,147

The accompanying notes form part of these financial statements.

# Notes to and forming part of the financial statements

for the 15 month period ended 30 June 2004

## 1. Statement of accounting policies

### Reporting entity

The Medical Council of New Zealand is a statutory body constituted under successive Medical Practitioners Acts, including the Medical Practitioners Act 1968 and, from 1 July 1996, the Medical Practitioners Act 1995.

### General accounting policies

These financial statements are a general purpose financial report as defined in the Institute of Chartered Accountants of New Zealand statement of concepts and have been prepared in accordance with generally accepted accounting practice as defined in that statement.

### 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 that materially affect the measurement and reporting of financial performance and financial position have been applied:

**a) Depreciation** – Assets 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 and software	33%pa

**b) Fixed assets** are shown at cost less accumulated depreciation (Note 9).

**c) Goods and services tax** – These financial statements have been prepared on a GST exclusive basis.

**d) Legal expenses and recovery** – Legal expenses have been accounted for on an accrual basis and include provisions for proceedings still pending. Recovery of legal expenses has been accounted for on a cash basis.

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

**f) Sundry debtors** – Sundry debtors are valued at the amount expected to be realised.

**g) 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. In previous years, the charge to the examination fund was set at a nominal amount of \$60,000.

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

### Changes in accounting policies

In the 2004 financial period, the Council adopted the policy of attributing overhead costs to the examination fund based on the proportion of staff engaged in that activity. Previously, a nominal amount of \$60,000 per annum was charged. The increase for the 2004 period was \$176,200. There have been no other material changes in accounting policies which have been applied on bases consistent with those used in the previous year.

## 2. General fund

### Statement of financial performance

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>REVENUE</b>		
Annual practising certificates and other fees	4,870,237	3,790,777
Administration fee – complaints investigation and prosecution fund (Note 1)	710,000	461,000
Administration fee – examination fund (Note 1)	251,200	60,000
Interest received	520,836	497,407
Workforce survey and other income	38,251	154,696
<b>Total revenue</b>	<b>\$6,390,524</b>	<b>\$4,963,880</b>
<b>ADMINISTRATION AND OPERATING EXPENSES</b>		
Communications	283,663	350,249
Election of members	–	39,687
Legal expenses and other consultancies	180,792	150,101
Administration and operating expenses	1,717,055	1,037,048
Staff costs including recruitment and training	2,607,694	1,870,558
<b>Total administration and operating expenses</b>	<b>\$4,789,204</b>	<b>\$3,447,643</b>
<b>COUNCIL AND COMMITTEE EXPENSES</b>		
Council		
– Fees and expenses	485,016	392,756
– Conference and liaison costs	252,121	154,572
Audit committee		
– Fees and expenses	7,253	7,182
Health committee		
– Fees and expenses	83,888	49,897
– Health reports, mentoring, Doctors' Health Advisory Service and other costs	167,969	115,658
Education committee		
– Fees and expenses	78,246	59,543
– Hospital visits, intern supervisor contracts and other costs	414,977	296,308
Professional standards		
– Competence reviews and other costs	265,609	260,708
Registration		
– Fees and expenses	3,855	4,675
– Workshops and other costs	14,152	10,606
– Examination review costs	–	74,716
<b>Total council and committee expenses</b>	<b>\$1,773,086</b>	<b>\$1,426,621</b>
<b>TOTAL EXPENDITURE</b>	<b>\$6,562,290</b>	<b>\$4,874,264</b>
<b>Net surplus/(deficit) for period</b>	<b>(\$171,766)</b>	<b>\$89,616</b>

### 3. Complaints investigation and prosecution fund

#### Statement of financial performance

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>REVENUE</b>		
Disciplinary levy received	1,491,884	1,162,065
Fines, costs and mentoring recovered	179,560	86,531
Interest received	193,192	186,548
<b>Total revenue</b>	<b>\$1,864,636</b>	<b>\$1,435,144</b>
<b>ADMINISTRATION AND OPERATING EXPENSES</b>		
Administration fee (Note 1)	710,000	461,000
General administration and operating expenses	41,710	127,150
<b>Total administration and operating expenses</b>	<b>\$751,710</b>	<b>\$588,150</b>
<b>COUNCIL AND TRIBUNAL EXPENSES</b>		
Complaints assessment costs		
– Fees	112,465	231,468
– Expenses	632,930	456,317
<b>Total complaints assessment costs</b>	<b>745,395</b>	<b>687,785</b>
<b>MEDICAL PRACTITIONERS DISCIPLINARY TRIBUNAL</b>		
– Administration and operating expenses	339,002	225,837
– Fees and other hearing expenses	759,563	419,948
<b>Total Medical Practitioners Disciplinary Tribunal costs</b>	<b>1,098,565</b>	<b>645,785</b>
<b>Total Council and Tribunal expenses</b>	<b>\$1,843,960</b>	<b>\$1,333,570</b>
<b>TOTAL EXPENDITURE</b>	<b>\$2,595,670</b>	<b>\$1,921,720</b>
<b>Net (deficit) for period</b>	<b>(\$731,034)</b>	<b>(\$486,576)</b>

#### 4. New Zealand registration examination fund

##### Statement of financial performance

for the 15 month period ended 30 June 2004

	15 months 2004	12 months 2003
<b>REVENUE</b>		
NZREX candidate fees	627,785	376,122
Other income	–	2,403
<b>Total revenue</b>	<b>\$627,785</b>	<b>\$378,525</b>
<b>ADMINISTRATION AND OPERATING EXPENSES</b>		
Administration fee (Note 1)	251,200	60,000
Centre costs	107,652	69,224
Examiners' fees and expenses	301,987	195,712
General administrative expenses	6,425	2,525
Honorarium, salaries and other staff costs	81,010	37,263
<b>Total administration and operating expenses</b>	<b>\$748,274</b>	<b>\$364,724</b>
<b>COMMITTEE EXPENSES</b>		
Committee fees and expenses	24,698	9,688
<b>Total committee expenses</b>	<b>\$24,698</b>	<b>\$9,688</b>
<b>TOTAL EXPENDITURE</b>	<b>\$772,972</b>	<b>\$374,412</b>
<b>Net surplus/(deficit) for period</b>	<b>(\$145,187)</b>	<b>\$4,113</b>

## 5. General fund

### Statement of financial performance by outputs for the 15 month period ended 30 June 2004

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

	15 months 2004	12 months 2003
TOTAL INCOME FOR YEAR	\$6,390,524	\$4,963,880
Less Expenditure		
<b>EDUCATION</b>		
Administration and operating costs	439,416	398,012
Council and committee costs	122,550	107,536
Hospital accreditation visits	72,229	66,046
Intern supervisor contract payments and meeting costs	286,742	226,862
Reaccreditation of vocational branches	19,261	–
Liaison and other costs	92,986	39,627
<b>Total education costs</b>	<b>\$1,033,184</b>	<b>\$838,083</b>
<b>HEALTH</b>		
Administration and operating costs	968,738	635,056
Council and committee costs	182,342	121,886
Doctors' Health Advisory Service contract	70,004	43,773
Doctors treating doctors health initiative	–	13,115
Independent medical assessments	82,193	46,038
Mentoring costs	11,827	9,370
Liaison and other costs	52,448	21,172
<b>Total health costs</b>	<b>\$1,367,552</b>	<b>\$890,410</b>
<b>PROFESSIONAL STANDARDS</b>		
Administration and operating costs	714,329	591,186
Council and committee costs	73,840	71,989
Competence review costs	211,519	207,898
Research	17,825	41,485
Liaison and other costs	75,574	60,410
<b>Total professional standards costs</b>	<b>\$1,093,087</b>	<b>\$972,968</b>
<b>REGISTRATION</b>		
Administration and operating costs	2,522,895	1,717,136
Council and committee costs	264,758	200,644
Examination review costs	–	74,716
Liaison and other costs	116,431	59,088
<b>Total registration costs</b>	<b>\$2,904,084</b>	<b>\$2,051,584</b>
<b>WORKFORCE SURVEY</b>		
Administration and operating costs	143,826	106,253
Council and committee costs	14,768	11,998
Liaison and other costs	5,789	2,968
<b>Total workforce survey costs</b>	<b>\$164,383</b>	<b>\$121,219</b>
TOTAL EXPENDITURE	\$6,562,290	\$4,874,264
<b>Net surplus/(deficit) for period</b>	<b>(\$171,766)</b>	<b>\$89,616</b>

## 6. Taxation

On 20 December 1996 the Court of Appeal found the Council to be exempt from income tax.

## 7. Payments in advance and debtors

	2004	2003
Outstanding contribution to Workforce survey	–	43,222
Other debtors	34,027	21,328
Payments in advance	19,780	2,797
	\$53,807	\$67,347

## 8. Term deposits

	2004	2003
ANZ	2,205,898	2,121,649
ASB	1,342,374	1,185,646
BNZ	1,678,340	1,609,108
Hong Kong Bank	605,670	988,441
National Bank	1,858,867	2,503,475
Taranaki Savings Bank	402,364	739,166
Westpac Trust	1,332,882	1,784,385
<b>Total investments</b>	<b>\$9,426,395</b>	<b>\$10,931,870</b>

## 9. Fixed assets

	Cost 30/6/04	Depreciation for period 30/6/04	Accumulated depreciation 30/6/04	Book value 30/6/04	Cost 31/3/03	Depreciation for year 31/3/03	Accumulated depreciation 31/3/03	Book value 31/3/03
Computer hardware and software	2,381,987	599,257	1,505,941	876,047	1,772,238	399,356	926,017	846,221
Furniture and fittings	234,094	24,049	103,283	130,811	169,724	16,121	99,209	70,515
Office alterations	445,524	51,978	51,978	393,546	258,615	25,507	175,968	82,647
Office equipment	198,977	32,059	163,166	35,811	205,025	30,041	142,498	62,527
Website	22,200	–	–	22,200	–	–	–	–
	3,282,782	707,343	1,824,368	1,458,415	2,405,602	471,025	1,343,692	1,061,910

## 10. Change of balance date

The Council has changed to a 30 June balance date. The operating period for 2004 was therefore 15 months compared with 12 months for 2003.



## 11. Related parties

Council members are paid fees for attending to Council and committee business. There were no other related party transactions.

## 12. Foreign currencies

Foreign currency transactions have been recorded at the rate of exchange applicable on the day of completion. There were no settlements due at balance date.

## 13. Reconciliation of net surplus with the net cash flow from statutory functions for the 15 month period ended 30 June 2004

<b>Surplus/(Deficit) for year</b>	<b>2004</b>	<b>2003</b>
General fund	(171,766)	89,616
Complaints investigation and prosecution fund	(731,034)	(486,576)
Examination fund	(145,187)	4,113
	<hr/>	<hr/>
	(1,047,987)	(392,847)
Add non-cash items – depreciation and asset write-off	803,474	471,025
	<hr/>	<hr/>
	(244,513)	78,178
Add movements in working capital items		
(Increase)/decrease in debtors and prepayments	13,540	(19,054)
Increase/(decrease) in receipts in advance	(30,943)	91,672
Increase/(decrease) in creditors and GST	(160,874)	88,742
	<hr/>	<hr/>
	(178,277)	161,360
	<hr/>	<hr/>
	(422,790)	239,538
Less items classified as investing activity-interest	(714,028)	(683,955)
	<hr/>	<hr/>
Net cash flow from statutory functions	(\$1,136,818)	(\$444,417)

## 14. Contingent liabilities

There are no known material contingent liabilities at balance date (nil as at 31 March 2003).

## 15. Events occurring after balance date

There were no adjustable or non-adjustable events (as defined in the applicable financial reporting standard) between balance date and the date of completion of the financial statements.

## 16. Commitments – operating leases

Lease commitments under non-cancellable operating leases:

	<b>2004</b>	<b>2003</b>
Not more than one year	231,848	222,257
Later than one year and not later than two years	231,848	231,848
Later than two years and not later than five years	695,544	695,544
	<b>\$1,159,240</b>	<b>\$1,149,649</b>

## Commitments – capital expenditure

There were no material capital commitments at balance date (\$480,000 at 31 March 2003).

## 17. Financial instruments

Financial instruments that 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. Debtors are shown at a fair value. The estimated fair values of the financial instruments are:

	<b>2004</b>	<b>2003</b>
Receivables	88,137	64,550
Bank balances	9,549,444	11,089,717
Payables	(744,973)	(850,254)

# Office of the Council at 30 June 2004

**Ms Sue Ineson**  
Chief Executive

**Ms Tania Turefrey**  
Registrar

**Mrs Barbara Eagle**  
PA to Chief Executive

## Registration

**Ms Joan Crawford**  
Registration Manager

**Ms Karen Gardner**  
Assistant Registration Manager

**Mr Andrew Cullen**  
Registration Administrator

**Ms Gabrielle Elliot**  
Registration Administrator

**Ms Jenner Madgwick**  
Registration Administrator

**Ms Nisha Patel**  
Registration Administrator

**Ms Heather Pettigrew**  
Registration Administrator

**Ms Sarah Szabo**  
Registration Administrator

**Ms Gyllian Turner**  
Registration Administrator

**Mr Luke Baddington**  
APC Coordinator

**Mrs Raewyn Ogilvie**  
APC Administrator

## Standards

**Ms Sue Colvin**  
Standards Manager

**Mr John Harbord**  
Education Coordinator

**Ms Bronwyn Kirkwood**  
Examinations Coordinator

**Ms Debbie North**  
Complaints Coordinator

**Ms Rachel Heslop**  
Professional Standards Coordinator

**Ms Annette Heward**  
Professional Standards Administrator

## Health

**Ms Lynne Urquhart**  
Health Manager

**Mrs Diana Chester**  
Health Administrator

**Mrs Viv Coppins**  
Health Administrator

**Ms Jo Hawken-Incledon**  
Health Administrator

## Corporate services

**Mr Tony Hanna**  
Corporate Manager

**Mr Bill Taylor**  
Information Systems Coordinator

**Ms Diane Latham**  
Database Analyst

**Ms Louise Rockliff**  
Information Systems Analyst

**Mrs Dot Harvey**  
Senior Secretary

**Mrs Betty Wright**  
Office and Records Administrator

**Mrs Sharon Mason**  
Receptionist

## Finance

**Mr John de Wever**  
Financial Controller

**Ms Moyra Hall**  
Finance Officer

## Advisor group

**Dr Ian St George**  
Medical Adviser

**Mrs Jane Lui**  
Quality Assurance Manager

**Vacant**  
Policy Analyst

**Mr George Symmes**  
Communications Adviser

## Solicitors

Buddle Findlay

P O Box 2694  
Wellington

## Bankers

ANZ Banking Group (New Zealand) Ltd

Victoria Street branch  
Wellington

## Auditors

Miller Dean Audit

P O Box 11 253  
Wellington

Medical Council of New Zealand

Level 13  
Mid City Tower  
139 – 143 Willis St  
P O Box 11 649  
Wellington  
Telephone 64 4 384-7635, 0800 286 801  
Facsimile 64 4 385-8902  
mcnz@mcnz.org.nz  
www.mcnz.org.nz



# Report of the Medical Practitioners Disciplinary Tribunal

The Medical Practitioners Disciplinary Tribunal is a statutory body constituted under section 8 of the Medical Practitioners Act 1995. The Tribunal and its membership are entirely separate from the Medical Council of New Zealand.

The Medical Council of New Zealand provides administrative services and funding for the Tribunal through the disciplinary levy collected from all registered practitioners each year. Hence the activities of the Tribunal are reported in this annual report.

## Members and officers of the Tribunal at 30 June 2004

Dr D B Collins, QC  
(Chair)

Miss S M Moran  
(Senior deputy chair)

Ms P Kapua  
(Deputy chair)

## Panel of medical practitioners

Dr F E Bennett

Dr I D S Civil, MBE

Dr J C Cullen

Dr L Ding

Dr G S Douglas

Dr R J Fenwicke

Dr R S J Gellatly

Professor W R Gillett

Dr J W Gleisner

Dr L R Henneveld

Dr M E C Honeyman

Dr A R G Humphrey

Dr R W Jones

Dr B D King

Dr M G Laney

Dr C P Malpass

Dr U Manukulasuriya

Dr F M McGrath

Dr J M McKenzie

Associate Professor  
Dame N J Restieaux

Dr A A Ruakere

Dr A D Stewart

Dr J L Virtue

Dr L F Wilson

## Panel of public members

(One is appointed by the chair for  
each hearing)

Mr P Budden

Ms S Cole

Mrs J Courtney

Mr G Searancke

Mrs H White

## Office of the Tribunal

Ms G J Fraser  
Secretary

Mrs D M Haswell  
Administrative assistant

Ms K Davies  
Hearing officer

Level 13  
Mid City Tower  
139 – 143 Willis St  
Wellington  
P O Box 24 463, Manners Street  
Telephone 64 4 802-4830  
Facsimile 64 4 802-4831  
mpdt@mpdt.org.nz  
www.mpdt.org.nz

During the period under review the Tribunal received 24 charges relating to 24 doctors; 10 from the Director of Proceedings and 14 from Complaints Assessment Committees. In the previous year, eight charges relating to eight doctors were received.

During the 15 month period, the Tribunal sat to hear 19 charges relating to 19 doctors over a combined number of 64 days. Of these 19 charges, three were charges received in the previous year 2002/03 and 16 in the current year.

The Tribunal has one outstanding charge received in 2001/02 that cannot be heard until High Court proceedings have been completed.

### Charges heard by the Medical Practitioners Disciplinary Tribunal

1 April 2003 – 30 June 2004

<b>Nature of charges</b>	
Disgraceful conduct	3
Professional misconduct	13
Conduct unbecoming a medical practitioner and that conduct reflects adversely on the practitioner's fitness to practise medicine	1
Convictions	5
Charges in the alternative	2
<b>Total</b>	<b>24</b>

<b>Source</b>	
Prosecution of charges brought by complaints assessment committee	5
Prosecution of charges brought by director of proceedings	9
Charges brought by complaints assessment committee yet to be heard	5
Charges brought by director of proceedings yet to be heard	1
Charges brought by director of proceedings yet to be completed	2
Charges brought by complaints assessment committee withdrawn	2
<b>Total</b>	<b>24</b>

<b>Outcome of hearings</b>	
Guilty – disgraceful conduct	1
Guilty – professional misconduct	6
Guilty – conduct unbecoming a medical practitioner and that conduct reflects adversely on the practitioner's fitness to practise medicine	–
Guilty of conviction	2
Withdrawn	2
Not guilty	4
Struck out	1
Yet to be completed	2
Yet to be heard	6
<b>Total</b>	<b>24</b>

Further information relating to these statistics can be found on the Tribunal's website [www.mpdt.org.nz](http://www.mpdt.org.nz)





