Medical Council of New Zealand
Te Kaunihera Rata o Aotearoa

2014 ANNUAL REPORT

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 2014 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.

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FACTS AT A GLANCE

1 July 2013 to 30 June 2014

Doctors registered (1 July 2013 to 30 June 2014)	1,503
– Trained in New Zealand	397
– International medical graduates	1,106
Total practising doctors at 30 June 2014	14,381
Doctors registered with vocational scopes	10,424
Candidates who sat NZREX Clinical	102
Candidates who passed NZREX Clinical	52
Referrals to professional conduct committees	20
Referrals to competence	41
Education programme ordered after a reference assessment	8
Referrals to health	64

CHAIRPERSON'S REPORT

COUNCIL MEMBER CHANGES

In February 2014 I had the great privilege of being elected chairperson of the Medical Council of New Zealand, replacing Dr John Adams.

Dr Adams was appointed a Council member in 2008 and participated as a member of the Council's Health Committee and chairperson of the Education Committee. He was elected chairperson in February 2010. Dr Adam's passion for the development of the New Zealand Curriculum Framework and medical education in general, are his ongoing legacy to the Council.

Also in February 2014, Council elected Ms Laura Mueller, a layperson as the Council's new deputy chairperson. Ms Mueller was appointed to the Medical Council in October 2009 and is a member of the Council's Complaints Triage Committee, the Education and Health Committees, as well as being the Council's liaison member on its Consumer Advisory Group.

In May 2014, Mr Jacob Te Kurapa resigned from Council for personal reasons.

I would like to thank all existing and retired Council members for the contribution they have made to the work of the Council.

CONSULTATION ON PROPOSED INCREASE IN PRACTISING CERTIFICATE FEE

The Council in June 2014 consulted with the profession and stakeholders on a proposal to increase the practising certificate fee (PC). As a result of this consultation, and in light of an improved financial position Council, was able to significantly reduce the final increase in the PC.

The proposed increase takes effect from 1 September 2014.

GENERAL CONSULTATION

I have adopted the view that there are important issues that should be brought rapidly to the attention of the profession – a recent example was an explanatory note regarding informed consent. There will undoubtedly be other issues in future. I believe the ability of feedback from the profession to influence Council decision-making is a key component of a successful Council and I hope more doctors will express their views on the important matters we bring to the profession's attention.

SINGLE SECRETARIAT FOR ALL HEALTH REGULATORY AUTHORITIES

In early 2011, Health Workforce New Zealand (HWNZ) began consultation on a proposal for a single secretariat for all health responsible authorities (RAs). This consultation and the deliberations around it since have been the subject of both debate and speculation as to what the end result would be.

Several concerns were expressed by the Council including the need to:

- retain its own governance, to ensure independence of regulation for the medical profession
- retain its strategic and policy development capability
- retain the knowledge and skills to set standards of clinical competence, cultural competence and ethical conduct for the medical profession
- manage the levels of risks to public safety that are specific to the profession, including the management of health, competence and conduct concerns.

Council was also concerned about the loss of direct financial control believing it would result in loss of autonomy and reduced flexibility of its operations and core regulatory functions.

In addition, there was a very high level of concern about the use of RA reserves to fund the transition when it became evident that the Council would contribute the most to the transition costs. The Council would also lose the revenue from investment income once reserves were transferred to the proposed shared service organisation (SSO).

The RAs then agreed to a proposal for further consideration being developed by a steering group with an independent Chair, Professor Ron Paterson. The steering group engaged Price Waterhouse Cooper to help develop a full proposal and business case, funded by HWNZ. The proposal included review of the full range of RA functions, including the administrative support of the regulatory functions under the HPCAA. When this proposal was presented to theboards and councils of the RAs, it was not supported by the Council.

The Council did, however, support greater collaboration across RAs and was comfortable to further consider the concept of an SSO, limited to corporate services or 'back office functions'.

Our view was that if a shared secretariat was to be created, a model that provided for shared corporate services (information technology, human resources, administration, legal and finance) and left the regulatory functions under direct Council control, would the most effective option.

Council staff have in the past, and continue to, offer advice to other regulatory bodies on communications, human resources and policy issues. They also willingly share knowledge, policies and resources on regulatory matters.

ARTICLES

I would like to thank *New Zealand Doctor* for offering us the opportunity to comment on issues of interest to the profession, as well as providing us with a column to raise awareness of issues directly with the profession.

THANKS

I would like to extend the Council's thanks to the many vocational education and advisory bodies and other organisations for helping us keep in touch with their members.

I would also like to thank Council members for bringing an independent view that ensures vigorous and robust debate from both a medical and public perspective. Finally, I would also like to thank Philip Pigou and all Council staff for their professionalism in meeting the demands placed on them.

Mr Andrew Connolly
Chairperson

AUDIT COMMITTEE REPORT

The Audit Committee is a standing Committee of the Council.

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
- 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 judgements
- conduct special investigations as required by Council.

COST MANAGEMENT

A major focus of the Committee has been the monitoring of the budget and looking to find cost savings throughout the organisation. Many items that had been included in the draft 2014/15 budget have been cut to reduce expenditure. This close scrutiny of expenditure will continue.

INTERNAL AUDIT ACTIVITY

There was one non-programmed audit undertaken by KPMG, in response to privacy incidents that occurred within the Council.

The review included two components; an investigation into how the privacy incidents were managed, and an assessment of the maturity of the Council's processes for managing personal information.

The audit report noted that the Council managed the privacy incidents well, and exceeded its obligations when responding to these incidents. It also made several recommendations to improve the management of personal information within the Council.

REGISTER OF INTERESTS

Following a recommendation from Staples Rodway, the Council's auditor, a 'register of interest' is now maintained and presented to the Council at least every 2 months to ensure that Council members are aware of potential related party transactions.

RISK MANAGEMENT

The management team has continued to develop and implement a comprehensive risk management framework. Every quarter the top 15 risks in the Council's risk register are reviewed by both the management team and Audit Committee to ensure they are managed appropriately.

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

Dr Peter Robinson
Chairperson
Audit Committee

EDUCATION COMMITTEE REPORT

PREVOCATIONAL TRAINING REQUIREMENTS FOR DOCTORS IN NEW ZEALAND

Much of the Committee's work this year has been focused on the implementation of the prevocational training requirements.

The New Zealand Curriculum Framework for Prevocational Medical Training (NZCF) was released in March 2014 and lists the learning outcomes to be substantively attained by the end of postgraduate year 1 (PGY1) and postgraduate year 2 (PGY2). The NZCF builds on the prior learning, experience, competencies, attitudes and behaviours acquired during medical school, particularly the 6th year which is referred to as the trainee intern year.

The implementation of the NZCF will ensure that there are clear expectations for all involved in prevocational training with specific goals in each intern's professional development plan (PDP), linked to the NZCF allowing for a clear and common understanding of what needs to be achieved and assessed. It will allow for more effective vertical integration at both ends of the continuum of education and training. This includes the transition between medical school and PGY1, and also between the prevocational years and vocational training.

One of the major advancements is the requirement for trainees to gain community experience. This is to prepare doctors for the changing models of care and the projected increase in the incidence of age-related and chronic conditions that will result in a greater share of medical services needing to be provided in the community. It is Council's intention to require trainees to complete at least one clinical attachment over PGY1 and PGY2 in a community based setting. A staged transition will commence in November 2015 and continue through to November 2020, when it is expected that all interns will be provided community based experience. The community setting is designed to give interns a view of how medicine is and can be delivered outside the hospital setting.

Community experience is an educational experience in a Council accredited attachment led by a community focused specialist which involves the learning in caring for the patient and their illness in the context of the community and their family.

A governance decision-making framework, made up of eight work streams, each with a dedicated working group and clearly defined project scope has provided the direction and guidance for each of the initiatives that make up the programme of changes being put in place. A transitional approach is being taken to making the changes, with the first being phased in at the commencement of the intern year in November 2014 and further changes taking effect November 2015.

Some of the other changes include:

- Implementation of an e-portfolio containing a record of learning for each intern, which will assist with tracking each intern's progress, scheduled for implementation in November 2014.
- A programme of training for supervisors, commenced in August 2014.

ACCREDITATION OF TRAINING PROVIDERS

Every 3 years Council representatives visit all New Zealand hospitals accredited for training of interns and doctors who have sat and passed NZREX to meet with the hospital education team to review their programmes. This is to ensure that interns and NZREX doctors receive appropriate education, training and supervision and that the training providers meet Council standards. Council appoints prevocational educational supervisors for the interns and reviews the training programmes for these new doctors.

During the year accreditation visits were made to:

- Gisborne Hospital
- Hutt Hospital
- Kenepuru Hospital
- Rotorua Hospital
- Taranaki Base Hospital
- Tauranga Hospital
- Wairarapa Hospital
- Wellington Regional Hospital
- Whakatane Hospital
- Whangarei Hospital

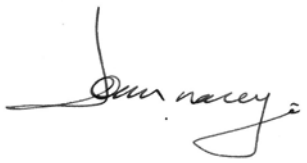
Council has postponed accreditation visits to training providers for the 2014–2015 year. The reason for this decision is that there are a number of changes being made to prevocational training which will be phased in from November 2014. The changes include the implementation of new standards for accreditation of training providers, which will commence from July 2015, therefore it would be more appropriate for the training providers scheduled for accreditation visits during the 2014 – 2015 year to be deferred and assessed against the new standards during 2015.

PROFESSOR PAT ALLEY AWARDED 2013 CPMEC CLINICAL EDUCATOR OF THE YEAR AWARD

Well known Auckland surgeon, Professor Pat Alley became the first New Zealander to be awarded the Confederation of Postgraduate Medical Education Councils (CPMEC) Clinical Educator of the Year Award in November 2013.

The award was in recognition of the contribution Professor Alley has made to medical education and the wellbeing of the profession over four decades.

I would like to thank all Council and Education Committee members for the contribution they have made in taking the the New Zealand Curriculum Framework forward this year. Likewise, I would like to acknowledge the contribution of the Council's strategic programme manager, Joan Crawford, and her team for driving this project.



Professor John Nacey
Chairperson
Education Committee

DR RICHARD ACLAND (RICK)

MEMBERS OF THE MEDICAL COUNCIL

DR RICHARD ACLAND (RICK)

MB ChB 1975 Otago, FFARACS 1982, FANZCA 1992, FAFRM (RACP) 2003

Dr Acland was elected to Council by the profession and appointed to Council in June 2006.

Dr Acland commenced anaesthesia and pain management practice in Auckland in 1983. He is a consultant in rehabilitation; specifically in spinal cord impairment, chronic pain and neuromodulation. He was elected to the Medical Council in 2006.

Dr Acland is a member of the Council's Audit Committee.

DR JOHN ADAMS

MB ChB 1976 Otago, M 1984 F 1986 RANZCP

Dr Adams was appointed to Council in 2008.

Dr Adams is a psychiatrist, and currently Associate Dean of Student Affairs in the Dunedin School of Medicine and Faculty of Medicine, University of Otago. He has recently completed 10 years as the Dean of the Dunedin School of Medicine, having been appointed 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.

Apart from his duties monitoring the academic progress and pastoral care of the undergraduate medical students in Dunedin, Dr Adams teaches in the professional development programme in the undergraduate course in Dunedin. He maintains clinical practice with one of the Southern District Health Board community mental health teams. He is a trustee for the Ashburn Hall Charitable Trust.

Dr Adams resigned from Council in February 2014. Since joining the Council, Dr Adams has participated as a member of the Health Committee and chairperson of the Education Committee. Elected chairperson in 2010, Dr Adams was ex-officio on all Council committees.

DR JOHN ADAMS

MR ANDREW CONNOLLY

MEMBERS OF THE MEDICAL COUNCIL

MR ANDREW CONNOLLY

MB ChB 1987 Auckland, FRACS 1994

Appointed to Council in November 2009, Mr Connolly was elected deputy chairperson of Council in February 2012 and chairperson in February 2014.

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

Trained in Auckland, Mr Connolly 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 national committees, including the New Zealand Guidelines Group for the screening of patients with an increased risk of colorectal cancer.

He has previously held the role of Presiding Member of the Lotteries Health Research Distribution Committee, and recently chaired a Ministerial review of the impact of the elective waiting times policy, and was a member of the review panel of the New Zealand Cancer Registry.

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. He has a passion for military history, particularly World War 1.

DR JONATHAN FOX

MB BS 1974 Lond, MRCS Eng LRCP Lond 1974, MRCGP 1981, FRNZCGP 1998

Dr Fox was elected to Council by the profession and appointed to Council in June 2009.

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 their 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 a member of the Council's Audit and Education Committees; and was also on the Health Committee until he resigned in October 2013.

DR JONATHAN FOX

DR ALLEN FRASER

MEMBERS OF THE MEDICAL COUNCIL

DR ALLEN FRASER

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

Dr Fraser was appointed to Council in August 2008.

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 chairperson of the RANZCP's New Zealand Committee for 4½ years. He was a union leader (President of the Association of Salaried Medical Specialists for 4 years and is 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 chairperson of the Council's Health Committee.

MS SUSAN HUGHES QC

BA, LLB, GDip. Bus Studs, MMgt

Appointed in May 2013 as a Council lay member, Ms Hughes was a partner in the New Plymouth law firm of Govett Quilliam for 18 years, leaving in 2006 to commence practice at the independent Bar.

She was appointed Queen's Counsel in 2007 and continues her practice in New Plymouth.

Her practice is a broad-based litigation practice spanning diverse jurisdictions of the Courts.

Ms Hughes has held a number of Government appointments over the years. Most recently she was a Director of the Civil Aviation Authority and the Aviation Security Service from 2004 to 2011.

Ms Hughes has now practised law for more than 30 years; such practice has honed her interest in matters of process and the effective resolution of disputes.

MS SUSAN HUGHES QC

MS LAURA MUELLER

MEMBERS OF THE MEDICAL COUNCIL

MS LAURA MUELLER

BA Psych (Calif) 1992, Juris Doctor (Calif) 1996

Appointed to Council in October 2009, Ms Mueller, is a lay member of the Council, and was elected the Council's deputy chairperson in February 2014.

Ms Mueller 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 has served on the Disputes Tribunal's National Education Committee for more than 7 years. She has served as treasurer on the Disputes Tribunal's Referees Association Executive and is a mentor for new Referees.

Ms Mueller is a member of the Council's Complaints Triage Team, Education and Health Committees, as well as being the Council's liaison member on the Council's Consumer Advisory Group.

PROFESSOR JOHN NACEY

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

Professor Nacey was appointed to Council in March 2010.

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 acts as referee for several major international journals and has chaired the recent Government Prostate Cancer Taskforce. 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.

PROFESSOR JOHN NACEY

MS JOY QUIGLEY JP

MEMBERS OF THE MEDICAL COUNCIL

MS JOY QUIGLEY JP

QSO (2008)

Ms Quigley was appointed to Council as a lay member in 2011.

Ms Quigley served as a National Member of Parliament from 1990 to 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 Queen's 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; and an alternative lay person member on the Council's Health Committee.

DR PETER ROBINSON LVO

MB ChB 1972 Otago, MSc London 1982, MCCM NZ 1986, DipDHM 1988, FAFPHM (RACP) 1994, FRACMA 1994, FAFOEM (RACP) 2004, FFFLM (RCP) 2006, FNZCPHM 2008

Dr Robinson was elected to Council by the profession and appointed to Council in June 2012.

Dr Robinson is a graduate of the University of Otago, and subsequently worked in varied positions while always maintaining clinical practice in the fields of public health and occupational medicine, including Research Fellow US Navy Experimental Diving Unit, Director-General of New Zealand Defence Medical Services, Corporate Medical Advisor for ACC, Convenor Civil Aviation, Regional Director of Training for the Royal Australasian Faculty of Public Medicine, Medico-Legal Advisor MPS, Executive Director New Zealand College of Public Health Medicine.

In 1978 Dr Robinson was made a Lieutenant of the Royal Victorian Order (LVO) for services to the Royal family.

Presently, Dr Robinson is the Chief Medical Officer/Advisor for a number of insurance providers including Medicus, on the list of experts used by lawyers instructed by claimants in injury and illness-related claims, provides fitness-for-work assessments including for soldiers returning from Afghanistan, Medical Advisor to the New Zealand Police and Maritime New Zealand. He is the RSA appointment to the War Pensions Appeal Board and has recently been appointed the Chief Clinical Advisor heading the new Clinical Services Directorate at ACC.

Dr Robinson is a member of the Council's Audit and Health Committees.

DR PETER ROBINSON LVO

PROFESSOR RICHARD (DICK) SAINSBURY

MEMBERS OF THE MEDICAL COUNCIL

PROFESSOR RICHARD (DICK) SAINSBURY

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

Professor Sainsbury was elected to Council by the profession and appointed to Council in June 2009.

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 and is a board member of the New Zealand Artificial Limb Service.

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

MR JACOB TE KURAPA JP

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 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. He is also a Justice of the Peace.

Mr Te Kurapa is a Ministerial appointee to the National Ethics Advisory Committee (NEAC), and a former member of the Health Practitioners Disciplinary Tribunal.

In 2013, Mr Te Kurapa was re-appointed to the Bay of Plenty District Health Board. Mr Te Kurapa also serves on the Lakes District Health Board's Disability Services Advisory Committee and the Community Public Health Advisory Committee.

Mr Te Kurapa is also assisting with the Ministry of Health's Prostate Cancer Working Group.

He was the Chairperson of the Council's Audit Committee and a Council member until his resignation in May 2014.

MR JACOB TE KURAPA JP

REDUCTION IN THE NUMBER OF NEW ZEALAND REGISTRATION EXAMINATIONS (NZREX CLINICAL)

Council reduced the number of New Zealand Registration Examinations (NZREX Clinical) from four to three exams for 2014.

Council made this decision because of the limited number of internship positions available for NZREX candidates. We advised those thinking about applying to sit the NZREX Clinical to gather sufficient information on their employment prospects before submitting an application.

INTERNATIONAL PHYSICIAN ASSESSMENT COALITION (IPAC) CONFERENCE

In September 2013, we hosted the IPAC conference in Queenstown where 80 clinical leaders, medical regulators, and academics from the United Kingdom, Canada, New Zealand, Australia and the United States of America attended.

The theme of the conference was *'Closing the loop: Best practice for doctor assessment: Evaluating the effectiveness of models for assessment of doctors' performance.'* We were privileged to have Dr Julian Archer, Director of the Collaboration for the Advancement of Medical Education Research & Assessment at Plymouth University Peninsula Schools of Medicine and Dentistry in the United Kingdom as our keynote speaker; and Professor Ron Paterson, a New Zealand Parliamentary Ombudsman and former Health and Disability Commissioner, as a guest speaker.

MEDICAL COUNCIL MOVES OFFICE

In late December 2013, the Council moved offices as a result of an engineering report that indicated that in a major earthquake there may be issues with the building the Council occupied.

It is a tribute to the commitment of the Council staff that our office was back up and running within 3 weeks (including the usual office closure period between Christmas and New Year) enabling minimal disruption to the profession and other stakeholders.

NEW DEFINITIONS FOR CLINICAL AND NON-CLINICAL PRACTICE

In September 2013, Council approved new definitions for clinical and non-clinical practice.

The new definitions were put in place to simplify the approach to recertification requirements for doctors whose non-clinical practice of medicine poses little risk

OUR FIVE STRATEGIC GOALS ARE:

1. Optimise mechanisms to ensure doctors are competent and fit to practise.
2. Improve Council's relationship and partnership with the public, the profession, and stakeholders to further Council's primary purpose – to protect the health and safety of the public.
3. Promote good regulation of the medical profession by providing standards of clinical competence, cultural competence and ethical conduct and ensuring that the standards reflect the expectations of the public, the profession and stakeholders.
4. Improve medical regulatory and workforce outcomes in New Zealand by the registration of doctors who are competent and fit to practise and their successful 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 practice standards for their practice.

to the health and safety of the public. The old definitions were used as a surrogate for this risk, for example, doctors who were in non-clinical practice were assumed to represent a low risk. Because the definitions were being used in this way, the definitions were complicated, not mutually exclusive and caused confusion.

The new definitions are simple and aligned with common understanding of the terms 'clinical' and 'non-clinical'.

CONSUMER ADVISORY GROUP

Council's Consumer Advisory Group (CAG), made up of Pacific, disability, health and iwi consumer advisers continues to provide valuable feedback and suggestions to Council on issues such as Council's consultation papers on advertising, cultural competence, as well as its *Statements on medical certification* and *A doctor's duty to help in an emergency.*

CAG members also provided valuable feedback from a health consumer's perspective on our *Principles for the assessment and management of complaints and notifications.*

NEW PUBLICATIONS

Cole's Medical practice in New Zealand

Edited by Dr Ian St George, a Wellington general practitioner, the 12th edition of Cole's looks at a wide variety of subjects and issues that impact on the profession. Examples are Māori and Pacific health, end of life issues, the use of interpreters and credentialling.

New Zealand Curriculum Framework for Prevocational Medical Training (NZCF)

The NZCF outlines the learning outcomes to be attained in both postgraduate years 1 (PGY1) and postgraduate year 2 (PGY2).

Statement on medical certification

Council updated standards for doctors writing medical certificates.

The new standards state medical certificates should provide the necessary information required by the receiving agency and consented to by the patient. The 'necessary information' should usually be limited to information about the doctor's clinical opinion on safe activities/restrictions and timeframes.

Statement on telehealth

This statement acknowledges that most doctors already use some form of information and communications technology when providing care, and that this has become an integral part of medicine. It provides advice on providing care, as well as providing care to a patient located outside New Zealand. It also addresses internet prescribing.

Statement on the use of the internet and electronic communication

The statement provides guidance on how to manage the expectations of patients who obtain detailed information about their condition from the internet. It also discusses the use of email to communicate with patients.

My thanks go to Dr John Adams and Mr Andrew Connolly, all Council members and staff for their support and professionalism this year.

Philip Pigou
Chief Executive

REGISTRAR'S REPORT

MEMORANDUM OF UNDERSTANDING (MOU)

As noted in the Chief Executive's report, the MoU signed between the Council and the New Zealand Private Surgical Hospitals Association will enable more timely exchange of information between the participating private surgical hospitals (hospitals) and the Council.

For example, hospitals will check the Council's online register annually to confirm that all credentialled doctors hold a current practising certificate, and to determine whether the doctors have any restrictions on practice. For its part, the Council will be better able to ensure that any steps it might take with respect to a doctor's competence or fitness to practise, can be undertaken with the hospital's knowledge and with a shared focus on patient safety.

OUTCOME ON PROPOSED AMENDMENTS TO THE ACTIVE CLINICAL PRACTICE REQUIREMENTS

In February 2012, Council approved a wide review of the comparable health system pathway to registration in a provisional general scope of practice. A number of changes were subsequently consulted on, and changes made to the scope of practice as a result. The final stage of consultation with stakeholders was to propose to change the active clinical practice requirements of this scope, and of the special purpose (locum tenens) scope, so as to require:

- provisional general (comparable health system) applicants to have 33 months (a reduction from 36 months) out of the last 48 months (for at least 30 hours per week) of active clinical practice prior to application
- special purpose (locum tenens) applicants to have 22 months (a reduction from 24 months) out of the last 36 months (for at least 20 hours per week) of active clinical practice prior to application.

Consultation was undertaken with medical colleges, district health boards and recruitment agencies and was available on the Council's website for public comment. Consultation concluded in mid-May 2013, with 12 submissions received. Most of the responses were in favour of the change.

In September 2013, Council resolved to approve the changes to the prescribed qualifications for the comparable health system and locum tenens scopes of practice.

SCOPES OF PRACTICE AND PRESCRIBED QUALIFICATIONS

Under the Health Practitioners Competence Assurance Act 2003, the Council is required to define the separate areas of medicine and specialties that make up the practice of medicine in New Zealand. The Council's role is to identify for each of these areas (known as 'scopes of practice' or 'scopes') the aspects of the practice of medicine covered by each scope.

In October 2013, following consultation with the profession and stakeholders in a Supplement to the New Zealand Gazette published the current complete list of the scopes of practice within which doctors may practise medicine in New Zealand.

David Dunbar
Registrar

REGISTRATION OF DOCTORS AND PRACTISING CERTIFICATES

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

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 recertification requirements each year to maintain their registration (including continuing professional development).

Confirmation of 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 vocational education and advisory body and takes on average 6 months.

TABLE 1: SCOPES OF PRACTICE – SUMMARY OF REGISTRATION STATUS

At 30 June 2014

Provisional general	3,764
General	8,464
Provisional vocational	261
Vocational	10,424
Special purpose	247
Total on register	23,160
Total practising	14,381
Suspended	17

Note: Doctors holding more than one scope of practice concurrently have been counted once for this table.

TABLE 2: APPLICATIONS FOR REGISTRATION

1 July 2013 to 30 June 2014

	HPCAA Section	Number	Outcomes		
			Registered	Registered with conditions	Not registered
Total	-	4	-	-	4
Reasons for non-registration					
Communication including English language requirements	16 a and b	1	-	-	1
Conviction by any court for 3 months or longer	16 c	-	-	-	-
Mental or physical condition	16 d	1	-	-	1
Professional disciplinary procedure in New Zealand or overseas, otherwise under investigation	16 e, f, g	1	-	-	1
Other – danger to health and safety	16 h	1	-	-	1

TABLE 3: APPLICATIONS FOR PRACTISING CERTIFICATES (PCS)

1 July 2013 to 30 June 2014

	HPCAA Section	Number	Outcomes			
			PC	PC with conditions	Interim	No PC
Total		**14,311**	**13,630**	**-**	**-**	**681**
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		-	-	-	-

TABLE 4: REGISTRATION ACTIVITIES

1 July 2013 to 30 June 2014

	Number
Provisional general/vocational issued	
New Zealand graduates (interns)	397
Australian graduates (interns)	4
Passed NZREX	30
Graduate of competent authority accredited medical school	491
Worked in comparable health system	211
New Zealand and international medical graduates reregistration (following erasure)	-
Transitional	-
Non-approved postgraduate qualification – vocational assessment	88
Non-approved postgraduate qualification – vocational eligible	82
Special scope issued	
Visiting expert	24
Research	-
Postgraduate training or experience	36
Locum tenens in specialist post	138
Emergency or other unpredictable short-term situation	-
Teleradiology	3
General scope after completion of supervised period	
New Zealand/Australian graduates (interns)	374
Passed NZREX Clinical	51
Graduate of competent authority accredited medical school	337
Worked in comparable health system	117
Transitional	1
Vocational scope after completion of supervised period	
Non-approved postgraduate qualification – vocational assessment	70
Non-approved postgraduate qualification – vocational eligible	53
Branch Advisory Body (BAB) training programme	1
General scope issued	
New Zealand graduates	8
Overseas graduates	58
Restorations	18
Vocational scope issued	
Approved postgraduate qualification	567
Suspensions	
Suspended or interim suspension	11
Revocation of suspension	3

Conditions	
Imposed	137
Revoked	96
Cancellations under the HPCAA	
Death – s 143	29
Discipline order – s 101 1a	1
False, misleading, or not entitled – s 146	1
Revision of register – s 144 5	57
At own request – s 142	199

TABLE 5: DOCTORS REGISTERED IN VOCATIONAL SCOPES

1 July 2013 to 30 June 2014

Vocational scope	Vocational registration at 30/6/2013[1]	Added 2013/2014	Removed 2013/2014	Net change	Vocational scope at 30/6/2014[1,2]
Anaesthesia	809	63	5	58	867
Cardiothoracic surgery	35	-	1	-1	34
Clinical genetics	13	1	-	1	14
Dermatology	69	1	1	-	69
Diagnostic & interventional radiology	483	47	4	43	526
Emergency medicine	233	29	-	29	262
Family planning & reproductive health	31	1	-	1	32
General practice	3,576	257	21	236	3,812
General surgery	340	20	6	14	354
Intensive care medicine	85	8	1	7	92
Internal medicine	1,103	87	9	78	1,181
Medical administration	29	5	1	4	33
Musculoskeletal medicine	23	-	-	-	23
Neurosurgery	23	2	-	2	25
Obstetrics & gynaecology	350	20	4	16	366
Occupational medicine	59	6	1	5	64
Ophthalmology	157	9	1	8	165
Oral & maxillofacial surgery	19	1	-	1	20
Orthopaedic surgery	308	13	1	12	320
Otolaryngology head & neck surgery	123	8	1	7	130
Paediatric surgery	20	1	-	1	21
Paediatrics	392	34	-	34	426
Pain medicine	4	15	-	15	19
Palliative medicine	58	6	1	5	63
Pathology	342	17	2	15	357
Plastic & reconstructive surgery	72	5	-	5	77
Psychiatry	724	42	9	33	757
Public health medicine	210	11	3	8	218
Radiation oncology	73	2	-	2	75
Rehabilitation medicine	23	2	-	2	25
Rural hospital medicine	71	17	-	17	88
Sexual health medicine	20	1	-	1	21
Sports medicine	26	2	-	2	28
Urgent care	148	14	2	12	160
Urology	70	6	1	5	75
Vascular surgery	37	2	1	1	38
Total	**10,158**	**755**	**76**	**679**	**10,837**

Notes:

1 Includes doctors who may currently be inactive (have no practising certificate)

2 Includes 396 doctors with registration in two vocational scopes and six doctors with registration in three vocational scopes

TABLE 6: REGISTRATIONS ISSUED, BY COUNTRY OF PRIMARY QUALIFICATION

1 July 2013 to 30 June 2014

	Provisional general	Provisional vocational	Special purpose	Total
England	311	43	25	379
United States of America	88	43	84	215
Ireland	75	7	-	82
Scotland	55	8	3	66
India	18	21	11	50
Wales	37	-	3	40
Canada	20	3	10	33
Germany	17	6	4	27
Netherlands	18	4	2	24
South Africa	5	5	9	19
Australia	4	1	12	17
Northern Ireland	13	-	1	14
Pakistan	9	3	2	14
Sri Lanka	1	3	6	10
Sweden	5	2	-	7
Other[1]	60	20	29	109
New Zealand	397	-	-	397
Total	**1,133**	**169**	**201**	**1,503**

[1] Other represents 52 countries which had fewer than 7 registrations in the reporting period.

TABLE 7: VOCATIONAL SCOPES GRANTED TO DOCTORS, BY VOCATIONAL SCOPE OF PRACTICE

1 July 2013 to 30 June 2014

Vocational scope	Overseas	New Zealand	Total
Anaesthesia	39	24	63
Clinical genetics	1	-	1
Dermatology	-	1	1
Diagnostic & interventional radiology	32	15	47
Emergency medicine	20	9	29
Family planning & reproductive health	-	1	1
General practice	157	100	257
General surgery	8	12	20
Intensive care medicine	4	4	8
Internal medicine	52	35	87
Medical administration	3	2	5
Neurosurgery	2	-	2
Obstetrics & gynaecology	11	9	20
Occupational medicine	2	4	6
Ophthalmology	4	5	9
Oral & maxillofacial surgery	-	1	1
Orthopaedic surgery	5	8	13
Otolaryngology head & neck surgery	4	4	8
Paediatric surgery	1	-	1
Paediatrics	15	19	34
Pain medicine	5	10	15
Palliative medicine	4	2	6
Pathology	8	9	17
Plastic & reconstructive surgery	2	3	5
Psychiatry	33	9	42
Public health medicine	4	7	11
Radiation oncology	1	1	2
Rehabilitation medicine	-	2	2
Rural hospital medicine	9	8	17
Sexual health medicine	-	1	1
Sports medicine	-	2	2
Urgent care	7	7	14
Urology	2	4	6
Vascular surgery	1	1	2
Total	**436**	**319**	**755**

TABLE 8: OUTCOMES OF APPLICATIONS FOR VOCATIONAL REGISTRATION ASSESSMENTS

1 July 2013 to 30 June 2014

Branch	Incomplete applications	Pending	Withdrawn /lapsed	Vocational eligible	Vocational assessment	NZREX	Total
Anaesthesia	19	4	4	19	10	1	57
Cardiothoracic surgery	-	-	-	-	1	-	1
Dermatology	2	2	-	1	-	-	5
Diagnostic & interventional radiology	12	3	8	22	9	-	54
Emergency medicine	6	10	7	6	15	1	45
General practice	11	1	1	-	7	-	20
General surgery	7	5	1	1	1	-	15
Intensive care medicine	-	-	-	-	3	-	3
Internal medicine	20	7	6	25	15	2	75
Medical administration	1	-	-	-	-	-	1
Neurosurgery	2	1	-	2	-	-	5
Obstetrics & gynaecology	6	9	9	11	2	2	39
Occupational medicine	1	-	2	1	-	-	4
Ophthalmology	2		3	3	2	1	11
Oral & maxillofacial surgery	-	1	-	1	-	-	2
Orthopaedic surgery	1	2	1	2	1	-	7
Otolaryngology head & neck surgery	-	3	-	4	-	1	8
Paediatric surgery	-	-	-	-	1	-	1
Paediatrics	3		1	4	5	1	14
Palliative medicine	2	3	1	3	-	-	9
Pathology	2	-	1	1	1	1	6
Plastic & reconstructive surgery	3	-	1	-	-	-	4
Psychiatry	29	8	6	14	12	1	70
Public health medicine	-	-	-	2	-	-	2
Radiation oncology	1	1	4	1	-	-	7
Rehabilitation medicine	-	-	-	1	-	-	1
Urology	1	-	-	-	-	1	2
Vascular surgery	-	-	-	-	1	-	1
Total	**131**	**60**	**56**	**124**	**86**	**12**	**469**
Percentages based on total number of outcomes				56%	39 %	5%	

TABLE 9: DOCTORS ON THE NEW ZEALAND MEDICAL REGISTER, BY COUNTRY OF PRIMARY QUALIFICATION

As at 30 June 2014

Country	Provisional general	General	Provisional vocational	Vocational	Special purpose	Total	Number with practising certificates
England	1,269	1,269	34	1,286	24	**3,882**	1,904
South Africa	68	245	14	766	12	**1,105**	734
United States of America	563	101	77	250	111	**1,102**	357
Scotland	293	365	9	369	3	**1,039**	512
Australia	10	580	2	352	3	**947**	391
India	80	245	25	377	16	**743**	471
Ireland	221	187	7	78	1	**494**	196
Germany	90	81	23	123	2	**319**	177
Wales	131	111	-	55	3	**300**	113
Sri Lanka	9	83	2	180	11	**285**	140
Canada	132	25	5	67	12	**241**	72
Iraq	6	72	1	97	1	**177**	103
Netherlands	88	27	9	38	-	**162**	83
Pakistan	22	62	3	33	2	**122**	76
Bangladesh	7	41	1	70	-	**119**	54
Sweden	65	14	9	14	-	**102**	11
China	5	39	-	56	-	**100**	73
Egypt	9	27	2	52	-	**90**	50
Northern Ireland	36	28	-	25	1	**90**	41
Fiji	1	17	-	45	14	**77**	64
Philippines	5	27	3	26	-	**61**	38
Russia	7	30	1	18	-	**56**	43
Poland	13	23	2	12	-	**50**	30
Zimbabwe	2	6	3	33	1	**45**	37
Yugoslavia; Federal Republic of	3	16	1	24	-	**44**	26
Nigeria	15	16	2	7	3	**43**	19
Singapore	8	10		21	1	**40**	18
Belgium	16	10	2	9	-	**37**	19
Romania	6	13	1	14	1	**35**	23
Italy	10	8	3	12	-	**33**	18
Denmark	15	11	2	5	-	**33**	9
Austria	19	6	1	1	-	**27**	9
Myanmar	2	9	-	13	1	**25**	14
Hungary	6	6	1	11	-	**24**	16
Czech Republic	7	10	-	5	-	**22**	14
Switzerland	9	3	1	8	1	**22**	7

Ukraine	2	14	1	4	-	**21**	18
Spain	4	4	2	9	1	**20**	15
Malaysia	2	6	-	7	2	**17**	14
Croatia	1	6	-	9	1	**17**	11
France	4	6	2	5	-	**17**	11
Bulgaria	1	6	-	8	-	**15**	12
Zambia	1	6	1	5	-	**13**	9
Finland	6	5	1	1	-	**13**	8
Iran	1	6	1	4	1	**13**	7
Mexico	4	1		6	1	**12**	4
Colombia	1	3	2	3	2	**11**	7
Sudan	3	5	-	2	-	**10**	9
Papua New Guinea	1	-	-	9	-	**10**	8
Norway	2	-	-	8	-	**10**	7
Brazil	2	4	1	3	-	**10**	6
Nepal	4	3	-	2	1	**10**	5
Dominica	7	1	-	-	2	**10**	4
Israel	1	4	-	2	3	**10**	4
Other[1]	45	64	4	73	9	**195**	119
New Zealand	424	4,497	-	5,712	-	**10,633**	8,141
Total	**3,764**	**8,464**	**261**	**10,424**	**247**	**23,160**	**14,381**

[1] Other represents 56 countries with fewer than 10 registered doctors.

PROFESSIONAL STANDARDS

Principal activities: receiving referrals of concerns, administering the complaints triage committee, undertaking performance assessments, establishing individual education programmes, maintaining assessment tools, developing policy on performance assessment, setting up professional conduct committees, monitoring doctors who are subject to conditions arising from competence and conduct concerns and disciplinary action.

TABLE 10: SOURCE OF ALL NEW REFERRALS - THESE MAY RELATE TO A DOCTOR'S COMPETENCE AND/OR CONDUCT

1 July 2013 to 30 June 2014

Source of referral	Number
ACC	15
College (VEAB)	1
Complainant	31
Courts	2
Employer	15
HDC	80
MCNZ	2
MCNZ — Health	4
Media	3
Medical Officer of Health	1
Medicines Control	2
Ministry of Health	3
Not recorded	15
Other health agency	3
Other health professional	19
Peer	8
Police	2
Public	1
Self referral	7
Specialist colleague	5

Complaints about doctors by consumers can be made either to 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 or may undertake a preliminary or full investigation before advising the Council of the outcome of those processes.

PERFORMANCE

The Council seeks to implement mechanisms to ensure doctors are competent to practise. When receiving referrals that relate to a doctor's competence to practise, the Council does not investigate specific incidents (that is the HDC's role) but considers whether the circumstances raise questions about whether the doctor's competence may be deficient.

The table below shows the number of cases considered by Council during the year that related to a doctor's competence to practise and Council's decisions as to how those cases should be addressed. The table shows the number of Council's processes during the year rather than the number of individual doctors. Many doctors will have been the subject of more than one decision or process because the numbers reflect processes during the year. The numbers include processes that commenced before the year commencing 1 July 2013 and processes that continued after 30 June 2014 and illustrates the volume of Council's work during the year in this area.

The table does not include cases that were determined by Council's complaints triage committee and which were not considered fully by Council (other than in a summary report)

TABLE 11: NUMBER OF COUNCIL PROCESSES

1 July 2013 to 30 June 2014

No further action or educational letter on first consideration.	22
Recertification programme ordered on first consideration	6
Referral to a Performance Assessment Committee (PAC)	41
Education Programme after a PAC	8
Recertification programme ordered after a PAC.	7
Doctor found competent by PAC therefore no further action	11
Education or Recertification Programme completed satisfactorily	8
Follow up PAC after completion of Education Programme	3
Order for interim suspension made	1
Order for conditions on practice imposed	7
Other actions	16

CONDUCT

Where the Council receives information that raises one or more questions about the appropriateness of the conduct or the safety of the practice of a doctor it may refer any or all of those questions to a professional conduct committee (PCC).

Table 12 shows the number of cases considered by Council during the year that related to a doctor's conduct and Council's decisions as to how those cases should be addressed. The table shows the number of Council's processes during the year rather than the number of individual doctors. Many doctors will have been the subject of more than one decision or process because the numbers reflect processes during the year. The numbers include processes that commenced before the year commencing 1 July 2013 and processes that continued after 30 June 2014 and illustrates the volume of Council's work in this area.

Council is prevented by statute from referring a doctor to a professional conduct committee while the HDC is conducting an investigation in relation to a consumer complaint. Council may however make an order for interim suspension or impose conditions on the doctor's practice if it considers that the doctor poses a risk of harm to the public.

Where a doctor is convicted of any offence punishable by imprisonment for a term of 3 months or longer or of an offence under certain specified Acts, the doctor is automatically referred to a professional conduct committee.

TABLE 12: NUMBER OF CASES CONSIDERED THAT RELATE TO A DOCTOR'S CONDUCT AND COUNCIL'S DECISIONS AS TO HOW THESE CASES SHOULD BE ADDRESSED

1 July 2013 to 30 June 2014

No further action or educational letter on first consideration.	27
Referral to professional conduct committee (PCC)	20
Order made imposing conditions on doctor's practice	3
Order made for interim suspension	3
PCC recommended no further action	11
PCC recommended counselling or mentoring	2
PCC determined charge be brought in the HPDT	6
Referral to Health Committee before or after a PCC	8
Other considerations (mainly applications to remove conditions	5
Number of doctors referred straight to a PCC after receiving a conviction.	9

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.

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.

TABLE 13: NOTIFICATIONS OF INABILITY TO PERFORM REQUIRED FUNCTIONS DUE TO MENTAL OR PHYSICAL (HEALTH) CONDITION

1 July 2013 to 30 June 2014

Source	**HPCAA**				
		Existing	**New**	**Closed**	**Still active**
Health service	45 (1) a	-	-	-	-
Health practitioner	45 (1) b	-	31[1]	10	21
Employer	45 (1) c	-	21	4	17
Medical Officer of Health	45 (1) d	-	-	-	-
Any person	45 (3)	-	12	4	8
Person involved with education	45 (5)	-	-	-	-
Total		**-**	**64**	**18**	**46**

[1]22 of the 31 were self referred

TABLE 14: OUTCOMES OF HEALTH NOTIFICATIONS

1 July 2013 to 30 June 2014

Outcomes	HPCAA	Number[1]
No further action		10
Order medical examination	49 (1)	80[2]
Interim suspension	48 (1) (a)	3[3]
Conditions	48 (1) (b)	–
Restrictions imposed	50 (3) or (4)	See note[4]

[1] There may be more than one outcome

[2] 26 assessments agreed voluntarily and 54 reports from treating clinicians, occupational physicians or other testing

[3] Achieved through voluntary agreement

[4] Requisite monitoring for 46 doctors still active achieved through informal agreement, without use of statutory provisions of the HPCAA

EXAMINATIONS

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

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 World 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.

TABLE 15: CANDIDATES SITTING AND PASSING NZREX CLINICAL

1 July 2013 to 30 June 2014

	Number sitting	Attempts					Number of passes	Passes on attempts				
COUNTRY		**1**	**2**	**3**	**4**	**5**		**1**	**2**	**3**	**4**	**5**
Armenia	1	1	-	-	-	-	-	-	-	-	-	-
Belgium	1	1	-	-	-	-	1	1	-	-	-	-
Brazil	1	1	-	-	-	-	-	-	-	-	-	-
China	9	8	1	-	-	-	5	4	1	-	-	-
Denmark	1	1	-	-	-	-	1	1	-	-	-	-
Dominica	2	2	-	-	-	-	-	-	-	-	-	-
Dominican Republic	1	1	-	-	-	-	1	1	-	-	-	-
Egypt	2	1	1	-	-	-	1	-	-	-	-	-
Fiji	2	2	-	-	-	-	1	1	-	-	-	-
France	1	1	-	-	-	-	1	1	-	-	-	-
Former Yugoslav Republic of Macedonia (FYROM)	1	1	-	-	-	-	1	1	-	-	-	-
Germany	1	1	-	-	-	-	1	1	-	-	-	-
India	26	16	8	2	-	-	11	7	4	-	-	-
Iran	3	2	1	-	-	-	2	1	1	-	-	-
Iraq	1	1	-	-	-	-	1	1	-	-	-	-
Japan	1	1	-	-	-	-	-	-	-	-	-	-
Korea (Republic of)	1	1	-	-	-	-	-	-	-	-	-	-
Libya	1	1	-	-	-	-	1	1	-	-	-	-
Lithuania	2	2	-	-	-	-	1	1	-	-	-	-
Malaysia	4	3	1	-	-	-	2	1	1	-	-	-
Myanmar	1	1	-	-	-	-	1	1	-	-	-	-
Oman	1	1	-	-	-	-	-	-	-	-	-	-
Pakistan	7	2	4	1	-	-	2	1	-	1	-	-
Philippines	4	2	1	1	-	-	3	1	1	1	-	-
Poland	1	1	-	-	-	-	1	1	-	-	-	-
Russia	9	5	2	2	-	-	4	3	-	1	-	-
Samoa	2	2	-	-	-	-	1	1	-	-	-	-
Singapore	1	-	-	-	-	-	-	-	-	-	-	-
South Africa	2	2	-	-	-	-	1	1	-	-	-	-
Sri Lanka	2	2	-	-	-	-	2	2	-	-	-	-
St Kitts & Nevis	1	1	-	-	-	-	0	0	-	-	-	-
Trinidad & Tobago	1	1	-	-	-	-	1	1	-	-	-	-
Ukraine	4	2	1	1	-	-	1	1	-	-	-	-
United Arab Emirates	1	1	-	-	-	-	1	1	-	-	-	-
Zimbabwe	3	3	-	-	-	-	3	3	-	-	-	-
Total	**102**	**74**	**21**	**7**	**-**	**-**	**52**	**40**	**9**	**3**	**-**	**-**

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

MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

During the year the Health Practitioners disciplinary Tribunal (HPDT) received thirteen charges relating to eleven doctors. Nine of these charges were received from a professional conduct committee and four were received from the Director of Proceedings.

The HPDT sat during the year to hear fourteen charges relating to twelve doctors over 24 days. Two of the fourteen charges were received in 2012/2013. The other twelve charges were received in 2013/2014. All but one of the thirteen charges received during 2013/2014 have been heard.

MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

1 July 2013 to 30 June 2014

Nature of charges	
Professional misconduct 2012/2013	2
Conviction 2013/2014	5
Professional misconduct 2013/2014	8
Total	**15**

Source	
Prosecution of charges brought by the director of proceedings 2012/2013	2
Prosecution of charges brought by professional conduct committee 2013/2014	8
Prosecution of charges brought by director of proceedings 2013/2014	4
Charges brought by professional conduct committee yet to be heard	1
Total	**15**

Outcome of hearings	
Guilty — professional misconduct 2012/2013	2
Guilty – conviction 2013/2014	4
Guilty – professional misconduct 2013/2014	6
Not guilty – professional misconduct 2013/2014	2
Yet to be heard 2013/2014	1
Total	**15**

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

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 35. 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)
- the Irish Medical Council.

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 officers 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, other regulatory authorities, medical students, and community groups.

COUNCIL COMMITTEES

COUNCIL STANDING COMMITTEES AT 30 JUNE 2014

CHAIRPERSON

Mr Andrew Connolly

DEPUTY CHAIRPERSON

Ms Laura Mueller

AUDIT COMMITTEE

Mr Andrew Connolly (ex-offico)[1]
Dr Jonathan Fox
Dr Ric Acland
Dr Peter Robinson (Chairperson)
Ms Joy Quigley
Mr Roy Tiffen (co-opted member)

EDUCATION COMMITTEE MEMBERS - COUNCIL MEMBERS

Mr Andrew Connolly (ex-offico)[1]
Dr Jonathan Fox (Deputy Chairperson)
Professor John Nacey (Chairperson)
Ms Laura Mueller
Ms Joy Quigley JP
Ms Susan Hughes QC

EDUCATION COMMITTEE MEMBERS - NON-COUNCIL MEMBERS

Dr Liza Lack
Nominee of appropriate College or Vocational Education and Advisory Body (VEAB) – The Royal New Zealand College of General Practitioner

Dr Alice Febery
Active consumer of education

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

Professor Cindy Farquhar
Nominee of appropriate College or VEAB - The Royal Australian and New Zealand College of Obstetricians and Gynaecologists

Resident medical officer representative
Dr Martin Mikaere

Resident medical officer representative
Dr Kate Rea

Dr Greg Russell
Nominee of appropriate College or VEAB – Urgent Care

Dr Sally Ure
Nominee of appropriate College or VEAB – ANZCA

Dr John Thwaites
Intern supervisor representative

HEALTH COMMITTEE

Dr Allen Fraser (Chairperson)

Mr Andrew Connolly (ex-offico)[1]

Dr Richard Sainsbury

Ms Laura Mueller

Dr Peter Robinson

ALTERNATIVE LAYPERSON

Ms Joy Quigley

[1] The Chairperson is an ex-officio member of all committees. External members of committees are recognised by Council as being desirable on some Committees although a minimum of two Council members and at least one lay person must sit on each committee.

OFFICE OF THE COUNCIL AT 30 JUNE 2014

Chief Executive	Philip Pigou
Registrar	David Dunbar
Senior Legal Adviser	Alison Mills
Legal Adviser	Ellie Wilson
Executive Assistant	Dot Harvey
Strategic Programme Manager	Joan Crawford
Project Coordinator	Andrea Flynn

ADVISER GROUP

Communications Manager	George Symmes (p/t)
Medical Adviser	Dr Steven Lillis (p/t)
Medical Adviser	Dr Kevin Morris (p/t)
Senior Policy Adviser and Researcher	Michael Thorn

CORPORATE SERVICES

Corporate Services Manager	Peter Searle
ICT Team Leader	Bill Taylor
Senior Information Systems Analyst	Andrew Cullen
Information Systems Analyst	Ray van der Veen
Information Systems Analyst	Alecia Thomson (p/t)
Business Analyst	Diane Latham
Business Analyst	Carolyn Berry (p/t)
Senior Office Administrator	Dianne Newport
Office Administrator	Casey Dalton
Office Administrator	Jenny Porter
Office Administrator	Leanne Nightingale (p/t)
Assistant Administrator	Sam Nightingale (Temp p/t)
Human Resources Adviser	Shannon Michl (p/t)

FINANCE

Finance Officer	Atish Pathak
Finance Officer	Marika Puleitu (p/t)
Finance Officer	Raewyn Travers (Temp)
Assistant Accountant	Jim Peebles (p/t)

HEALTH

Health Manager	Lynne Urquhart
Health Administrator	Viv Coppins
Health Case Manager	Helen Arbuckle
Health Case Manager	Constance Hall
Health Case Manager	Victoria Harrison
Health Case Manager	Jo Hawken
Health Case Manager	Garth Wyatt

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

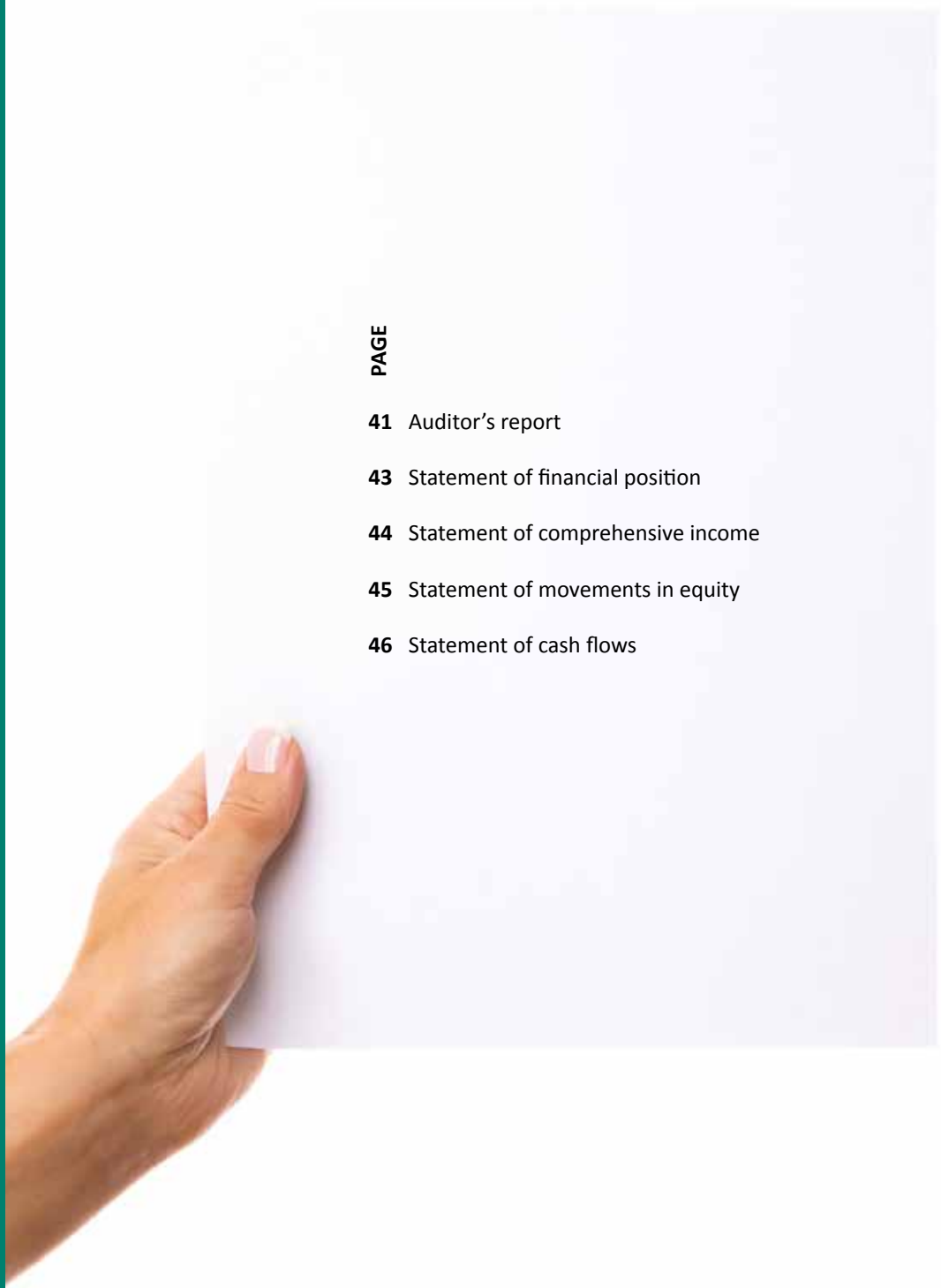
REGISTRATION

Registration Manager	Valencia van Dyk
Senior Registration Coordinator	Gyllian Turner
Registration Team Leader – General	Kylie Johnston
Registration Coordinator – General	Trudy Clarke
Registration Coordinator – General	Prakash Joseph
Registration Coordinator – General	Patrick McKane
Registration Coordinator – General	Devan Menon
Registration Coordinator – General	Madeline West
Registration Coordinator – General	Ashleigh Warren
Registration Team Leader – Vocational	Laura Lumley
Registration Coordinator – Vocational	Sandra Tam
Registration Coordinator – Vocational	Sandra Clark
Registration Coordinator – Vocational	Imojini Kotelawala
Registration Coordinator – Vocational	Geetha Raghunath
Registration Coordinator – Vocational	Daniel Smith
Practising Certificate Team Leader	Helen Vercoelen
Practising Certificate Coordinator	Bronwyn Courtney
Practising Certificate Coordinator	Sharon Mason (p/t)
Practising Certificate Audit	Elaine Pettigrew

PROFESSIONAL STANDARDS

Professional Standards Manager	Susan Yorke
Senior Professional Standards Coordinator	Charlotte Provan
Professional Standards Coordinator	Gina Giannios
Professional Standards Coordinator	Krystiarna Jarnet
Professional Standards Coordinator	Angela Pigott
Professional Standards Coordinator	Heather Roblin
Professional Standards Coordinator	Simon Spence
Professional Standards Coordinator	Nikita Takai
Professional Standards Coordinator	Anna Palmer-Oldcorn

APPENDICES - FINANCE



PAGE

AUDITOR'S REPORT 2014

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New Zealand

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6140
New Zealand

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Facsimile 64 4 473 4720
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staplesrodway
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF MEDICAL COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Staples Rodway Wellington, 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 43 to 59, that comprise the statement of financial position as at 30 June 2014, 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 43 to 59:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
  - financial position as at 30 June 2014; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 7 October 2014. 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, in our judgement, are likely to influence readers' 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 preparation of the Council's 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.

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. Also we did not evaluate the security and controls over the electronic publication 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 is also responsible for the publication of the financial statements, whether in printed or electronic form.

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 of the External Reporting Board.

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

Robert Elms
Staples Rodway Wellington
On behalf of the Auditor-General
Wellington, New Zealand

MEDICAL COUNCIL OF NEW ZEALAND
Statement of financial position
as at 30 June 2014

	Notes	2014	2013
Current assets			
Petty cash		600	1,293
Bank accounts		450,183	823,467
GST	7	319,400	165,142
Receivables	7	268,929	342,609
Interest accrued		77,303	106,807
Investments	8	3,500,000	3,750,000
Total current assets		$4,616,415	$5,189,318
Term assets			
Receivables	7	19,371	4,160
Property, plant and equipment	9	588,834	334,608
Intangibles	10	3,865,922	3,407,062
Total term assets		$4,474,127	$3,745,830
Current liabilities			
Sundry creditors		1,142,312	574,989
Employee entitlements		351,568	339,044
Payments received in advance		202,783	459,775
Total current liabilities		$1,696,663	$1,373,808
Term liabilities			
Employee entitlements		66,345	87,467
TOTAL NET ASSETS		**$7,327,534**	**$7,473,873**
CAPITAL ACCOUNT			
General Fund		5,094,935	5,628,601
Complaints Investigation and Prosecution Fund		1,744,217	1,454,055
Examination Fund		488,381	391,217
Total capital account		**$7,327,534**	**$7,473,873**

Authorised for issue for and on behalf of the Council.

Andrew Connolly
Chairperson
Dated: 7/10/14

Philip Pigou
Chief Executive
Dated: 7/10/14

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts

MEDICAL COUNCIL OF NEW ZEALAND
Statement of comprehensive income
for the year ended 30 June 2014

	Notes	2014	2013
Income			
Fees received		9,755,844	9,619,715
Interest received		197,670	176,199
Additional Disciplinary Levy (2012/13)		0	960,303
Vocational registration income		1,019,133	192,882
Other income	6	374,778	360,376
		$11,347,425	$11,309,475
Expenditure			
Employee benefits		5,227,318	4,968,269
Legal prosecutor		80,594	131,224
Depreciation and amortisation	9, 10,11	661,103	642,367
Loss on disposal of assets	9, 10,11	98,501	0
Fees paid to members of Council and standing committees		585,439	576,745
Medsys service level agreement		56,037	154,892
Debt collection costs and debt impairment expense		62,259	77,591
Rent		855,945	400,544
Intern supervisors payments		315,413	352,245
Health Practitioners Disciplinary Tribunal fees		173,303	128,025
Vocational registration expenses		849,675	184,278
Reports and health assessments		125,246	141,455
Credit card fees and commissions		8,039	29,454
Professional Conduct Committees fees		173,451	141,610
Other Legal & advisors		313	2,043
Advice and consultancy		83,027	220,856
Repairs and maintenance office equipment		98,020	113,322
Archives		65,430	59,591
Information brochures and notices		5,094	43,058
Audit fees		28,796	32,851
Other administrative costs		1,940,761	1,863,053
		$11,493,764	$10,263,474
Net surplus / (deficit) for year		($146,339)	$1,046,001
Other comprehensive income		0	0
Total comprehensive income		($146,339)	$1,046,001

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

MEDICAL COUNCIL OF NEW ZEALAND
Statement of movements in equity
for the year ended 30 June 2014

	Notes	2014	2013
A) ACCUMULATED FUNDS AND RESERVES			
Balance brought forward		7,473,873	6,427,872
Total comprehensive income		(146,339)	1,046,001
Closing balance		$7,327,534	$7,473,873
B) ANALYSIS OF INDIVIDUAL FUNDS			
1) General Fund			
Balance brought forward		5,628,601	6,050,162
Total comprehensive income	2	(533,666)	(421,561)
Closing balance		$5,094,935	$5,628,601
2) Complaints Investigation and Prosecution Fund			
Balance brought forward		1,454,055	104,567
Total comprehensive income	3	290,163	1,349,488
Closing balance		$1,744,217	$1,454,055
3) New Zealand Registration Examination Fund			
Balance brought forward		391,217	273,143
Total comprehensive income	4	97,164	118,074
Closing balance		$488,381	$391,217

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

MEDICAL COUNCIL OF NEW ZEALAND
Statement of cash flows
for the year ended 30 June 2014

	Notes	2014	2013
Cash flows from operating activities			
Cash was provided from:			
Receipts pertaining to statutory functions		11,149,755	11,331,180
Cash was distributed to:			
Council fees, disbursements and office expenses		(10,943,722)	(9,856,769)
Net cash flows from operating activities	13	206,033	1,474,411
Cash flows from investing activities			
Cash was provided from:			
Interest received		227,174	96,894
Short-term investments		2,500,000	1,750,000
		2,727,174	1,846,894
Cash was applied to:			
Purchase of assets		(1,057,184)	(485,291)
Short-term investments		(2,250,000)	(4,250,000)
		(3,307,184)	(4,735,291)
Net cash flows from investing activities		(580,010)	(2,888,397)
Net increase / (decrease) in cash and cash equivalents		(373,977)	(1,413,986)
Opening cash brought forward		824,760	2,238,746
Ending cash carried forward		$450,783	$824,760
Represented by:			
Petty cash		600	1,293
ANZ bank account		0	715
ASB bank account		450,183	822,752
		$450,783	$824,760

These financial statements should be read in conjunction with the attached accounting policies and notes to the accounts.

MEDICAL COUNCIL OF NEW ZEALAND

Notes to and forming part of the financial statements
For the year ended 30 June 2014

1. Statement of accounting policies

Basis of preparation

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

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.

Statement of compliance

These financial statements are a general purpose financial report as defined in the External Reporting Board's Framework and have been prepared in accordance with NZIFRS PBE.

The financial statements have been prepared in accordance with the New Zealand equivalent to the International Financial Reporting Standards (NZIFRS PBE) and in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP).

The Council is a public benefit entity.

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 5).

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

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

(i) **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.

(j) **Salaries, holiday pay accrual, long service 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

(k) **Leases** – The value of the leases are recognised in the statement of commitments at the current negotiated value of the annual leases. At balance date, the Council is residing in temporary premises located at 17-21 Whitmore Street, Wellington. The Council has signed a long term lease agreement for office space at 80 The Terrace in Wellington effective from July 2014.

(l) **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. Intangible assets under construction are not amortised until they are available for use.

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

(m) **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.

(n) **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 but excludes short term cash investments held for the intention of investing.

'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 policies have been applied on bases consistent with those used in the previous year.

Change in presentation

Income from vocational registration has been included as an additional line in the Statement of comprehensive income. In the previous year this item was included in "Other" income. This change has been made to more clearly identify vocational registration which is a significant portion of "Other" income. There is also greater comparability with the Vocational registration expenses in the Statement of comprehensive income. The comparative income for the previous year has been changed

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 is likely to be 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 ('PBE RDR'). These standards have been 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. The transition is expected to have minimal impact.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZIFRS and amendments to existing NZIFRS 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 NZIFRS that exclude public benefit entities from their scope.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity with NZIFRS 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.

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 affects 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.

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.

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. This is an internal charge and is not represented on the statement of comprehensive income.

Uncertainty about the delivery of office functions in future

In February 2011, Health Workforce New Zealand (HWNZ), on behalf of the Minister of Health, issued a consultation document proposing a single shared secretariat and office function for all 16 health regulatory authorities (RAs). As at 31 March 2014, this proposal is no longer under consideration with any uncertainty disclosed in previous years being removed.

2.
General Fund
Statement of financial performance
for the year ended 30 June 2014

	Notes	2014	2013
REVENUE			
Annual practising certificates and other fees	1(a)	7,810,271	7,612,494
Administration fee - Complaints Investigation and Prosecution Fund	1	600,000	406,662
Administration fee - Examination Fund	1	95,000	103,147
Interest received		149,016	141,584
Workforce survey and other income		1,169,859	368,426
Total revenue		$9,824,146	$8,632,313
ADMINISTRATION AND OPERATING EXPENSES			
Communications		28,293	87,912
Legal expenses and other consultancies		83,027	220,856
Administration and operating expenses		2,542,353	2,151,719
Staff costs including recruitment and training		4,895,549	4,630,650
Total administration and operating expenses		$7,549,222	$7,091,137
COUNCIL AND COMMITTEE EXPENSES			
Council			
- Fees and expenses		574,459	560,657
- Conference and liaison costs		49,561	65,872
- Strategic directions		97,765	51,322
Audit committee			
- Fees and expenses		25,262	23,991
Health committee			
- Fees and expenses		33,213	43,365
- Independent assessment reports, Doctors' Health Advisory Service, other costs		141,108	141,455
Education committee			
- Fees and expenses		63,437	65,606
- Hospital visits, intern supervisor contracts and other costs		412,222	452,954
Professional standards			
- Performance assessments and other costs		414,232	394,292
Registration			
- Workshops and other costs		997,331	163,223
Total Council and committee expenses		**$2,808,590**	**$1,962,737**
TOTAL EXPENDITURE		**$10,357,812**	**$9,053,873**
Net surplus/(deficit) for year and total comprehensive income		**($533,666)**	**($421,561)**

3.
Complaints Investigation and Prosecution Fund
Statement of financial performance
for the year ended 30 June 2014

	Notes	2014	2013
REVENUE			
Disciplinary levy received	1(a)	1,588,998	1,543,888
Additional Disciplinary Levy (2012/13)		0	964,545
Fines and costs recovered		134,298	96,006
Interest received		39,544	30,652
Other revenue		85,136	84,824
Total revenue		$1,847,976	$2,719,915
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1	600,000	406,662
Debt impairment expense relating to unpaid penalties and costs		60,945	77,591
General administration and operating expenses		311,077	311,855
Total administration and operating expenses		$972,022	$796,108
COUNCIL AND TRIBUNAL EXPENSES			
Complaints assessment committee costs			
- Fees		0	0
- Expenses		0	2,297
Total complaints assessment committee costs		0	2,297
Professional conduct committee costs			
- Fees		173,451	141,610
- Expenses		152,460	218,405
Total professional conduct committee costs		325,911	360,015
Medical Practitioners Disciplinary Tribunal			
- Fees and other hearing expenses		0	0
Total Medical Practitioners Disciplinary Tribunal costs		0	0
Health Practitioners Disciplinary Tribunal			
- Administration fee		86,577	83,982
- Fees and other hearing expenses		173,303	128,025
Total Health Practitioners Disciplinary Tribunal costs		259,880	212,007
Total Council and Tribunal expenses		$585,791	$574,319
TOTAL EXPENDITURE		$1,557,813	$1,370,427
Net surplus/(deficit) for year and total comprehensive income		**$290,163**	**$1,349,488**

4.

New Zealand Registration Examination Fund
Statement of financial performance
for the year ended 30 June 2014

	Notes	2014	2013
REVENUE			
NZREX candidate fees		356,575	463,333
Interest received		9,110	3,963
Other income		4,618	4,003
Total revenue		$370,303	$471,299
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1	95,000	103,147
Centre costs		67,093	79,255
Examiners' fees and expenses		62,428	77,314
Honorarium, staff costs and other administrative expenses		48,618	93,509
Total administration and operating expenses		$273,139	$353,225
Net surplus/(deficit) for year and total comprehensive income		**$97,164**	**$118,074**

5. 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.

6. Other Income

	2014	2013
Workforce NZ	0	46,100
Prevocation forum	36,049	17,585
Other General	114,678	111,858
Fines and Costs	219,434	180,830
Other Exam	4,617	4,003
	$374,778	**$360,376**

7. Receivables

	2014	2013
Debtors	1,031,724	1,013,663
Provision for impairment	($871,697)	($810,752)
GST	319,400	165,142
	479,427	368,053
Payments in advance	128,273	143,859
Total debtors and other receivables	**$607,700**	**$511,911**

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:

	2014			2013		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	108,222	0	108,222	254,421	0	254,421
Past due 1-30 days	10,659	0	10,659	8,321	0	8,321
Past due 31-60 days	30,289	0	30,289	55,196	0	55,196
Past due 61-90days	6,916	0	6,916	4,268	(425)	3,843
Past due >90 days	875,638	(871,697)	3,941	856,599	(810,327)	46,272
Total	**$1,031,724**	**($871,697)**	**$160,027**	**$1,178,805**	**($810,752)**	**$368,053**

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

8 Investments

	2014	2013
ANZ - Matures 22 Jul 2014 -3.90%	250,000	750,000
ANZ - Matures 25 Sep 2014 -3.95%	250,000	0
ANZ - Matures 28 Oct 2014 -4.05%	250,000	0
ASB - Matures 9 Jul 2014 - 3.90%	250,000	1,000,000
ASB - Matures 10 Sep 2014 - 4.20%	250,000	0
ASB - Matures 10 Nov 2014 - 4.20%	250,000	0
ASB - Matures 10 Dec 2014 - 4.20%	250,000	0
BNZ - Matures 29 Jul 2014 - 4.38%	500,000	1,000,000
BNZ - Matures 30 Jan 2015 - 4.63%	500,000	0
Westpac - Matures 11 Aug 2014 - 3.95%	250,000	500,000
Westpac - Matures 21 Aug 2014 - 3.95%	250,000	0
Westpac - Matures 25 Oct 2014 - 4.05%	250,000	500,000
	$3,500,000	**$3,750,000**
Current	3,500,000	3,750,000
Term	**0**	**0**
	$3,500,000	**$3,750,000**

9. Property, plant and equipment

	Computer Hardware	Furniture and Fittings	Office Alterations	Office Equipment	Artwork	TOTAL
Cost						
Balance at 1 July 2012	611,666	316,287	699,745	261,971	7,138	1,896,807
Additions	111,734	3,907	4,948	3,766	0	124,355
Disposals	0	0	0	(930)	0	(930)
Balance at 30 June 2013	723,400	320,194	704,693	264,807	7,138	2,020,232
Balance at 1 July 2013	723,400	320,194	704,693	264,807	7,138	2,020,232
Additions	143,653	18,252	324,697	2,735	0	489,337
Disposals	0	0	(704,693)	0	0	(704,693)
Balance at 30 June 2014	867,053	338,446	324,697	267,542	7,138	1,804,876
Accumulated depreciation and impairment losses						
Balance at 1 July 2012	512,556	251,445	530,602	216,547	0	1,511,150
Depreciation expense	78,220	18,743	62,632	14,940	0	174,535
Impairment losses	0	0	0	0	0	0
Disposals	0	0	0	(61)	0	(61)
Balance at 30 June 2013	590,776	270,188	593,234	231,426	0	1,685,624
Balance at 1 July 2013	590,776	270,188	593,234	231,426	0	1,685,624
Depreciation expense	95,980	12,662	12,958	15,010	0	136,610
Impairment losses	0	0	98,501	0	0	98,501
Disposals	0	0	(704,693)	0	0	(704,693)
Balance at 30 June 2014	686,756	282,850	0	246,436	0	1,216,042
Carrying amounts						
At 1 July 2012	99,110	64,842	169,143	45,424	7,138	385,657
At 30 June and 1 July 2013	132,624	50,006	111,459	33,381	7,138	334,608
At 30 June 2014	180,297	55,596	324,697	21,106	7,138	588,834

10. Intangible assets

	Intangibles
Cost	
Balance at 1 July 2012	4,534,417
Additions	356,565
Disposals	0
Balance at 30 June 2013	4,890,982
Balance at 1 July 2013	4,890,982
Additions	983,353
Disposals	0
Balance at 30 June 2014	5,874,335
Accumulated amortisation and impairment losses	
Balance at 1 July 2012	1,016,088
Amortisation expense	467,832
Impairment losses	0
Disposals	0
Balance at 30 June 2013	1,483,920
Balance at 1 July 2013	1,483,920
Amortisation expense	524,493
Impairment losses	0
Disposals	0
Balance at 30 June 2014	2,008,413
Carrying amounts	
At 1 July 2012	3,518,329
At 30 June and 1 July 2013	3,407,062
At 30 June 2014	3,865,922

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.

11. Depreciation

	2014	2013
Depreciation on Plant, Property and Equipment	136,610	174,535
Depreciation on Intangible Assets	524,493	467,832
Total Depreciation	**$661,103**	**$642,367**

12. Related party transactions

Key management personnel compensation

	2014	2013
Salaries and other short-term employee benefits	1,385,768	1,344,117
Post-employment benefits	0	0
Other long-term benefits	38,811	32,006
Termination benefits	0	0
Total key management personnel compensation	**$1,424,579**	**$1,376,123**

Key management personnel include the Chief Executive and the other 9 members (2013: 9) 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

	2014	2013
Surplus / (deficit) for year	(146,339)	1,046,001
Add non-cash items:		
Depreciation and amortisation	661,103	642,367
Loss on disposal of assets	98,501	0
Employee entitlements	(8,598)	(60,982)
Provision for Doubtful Debts	62,259	77,591
	813,265	658,976
Add movements in working capital items:		
(Increase) / decrease in receivables	(3,789)	(84,399)
(Increase) / decrease in GST	(154,258)	(159,680)
Increase / (decrease) in receipts in advance	(256,992)	(22,948)
Increase / (decrease) in sundry creditors	151,816	212,661
	(263,223)	(54,366)
	403,703	1,650,611
Less items classified as investing activity – interest	(197,670)	(176,199)
Net cash flows from operating activities	**$206,033**	**$1,474,412**

14. Statement of contingent liabilities

There are no known contingent liabilities (2013: Nil).

15. Statement of commitments

Lease commitments under non-cancellable operating leases;

	2014	2013
Less than one year	432,251	394,383
Between 1 and 5 years	1,985,320	328,655
Greater than 5 years	1,191,192	0
	$3,608,763	**$723,038**

At 30 June 2014 the Council leased premises at 17 Whitmore Street, Wellington the lease on which expired on 31 July 2014. The Council re-located to 80 The Terrace, Wellington on 25 July 2014. The lease commitments above include one month's rental on the Whitmore Street property.

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 3.90% to 4.63% (2013: 4.30% to 4.50%).

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

	2014	2013
Receivables	685,003	618,719
Bank balances	450,183	823,467
Investments	3,500,000	3,750,000
Sundry creditors	($1,345,095)	($1,034,764)

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.

	2014	2013
Attendance allowance:		
Daily	$916.00	$908.00
Hourly	$114.50	$113.50
Communication allowance:		
Quarterly	$150.00	$300.00
Total fees and allowances paid to members of Council	**$585,439**	**$576,745**

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.

Medical Council
of New Zealand

Te Kaunihera Rata
o Aotearoa