Medical Council of New Zealand
Te Kaunihera Rata o Aotearoa

Medical Council of New Zealand

Annual Report 2011

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

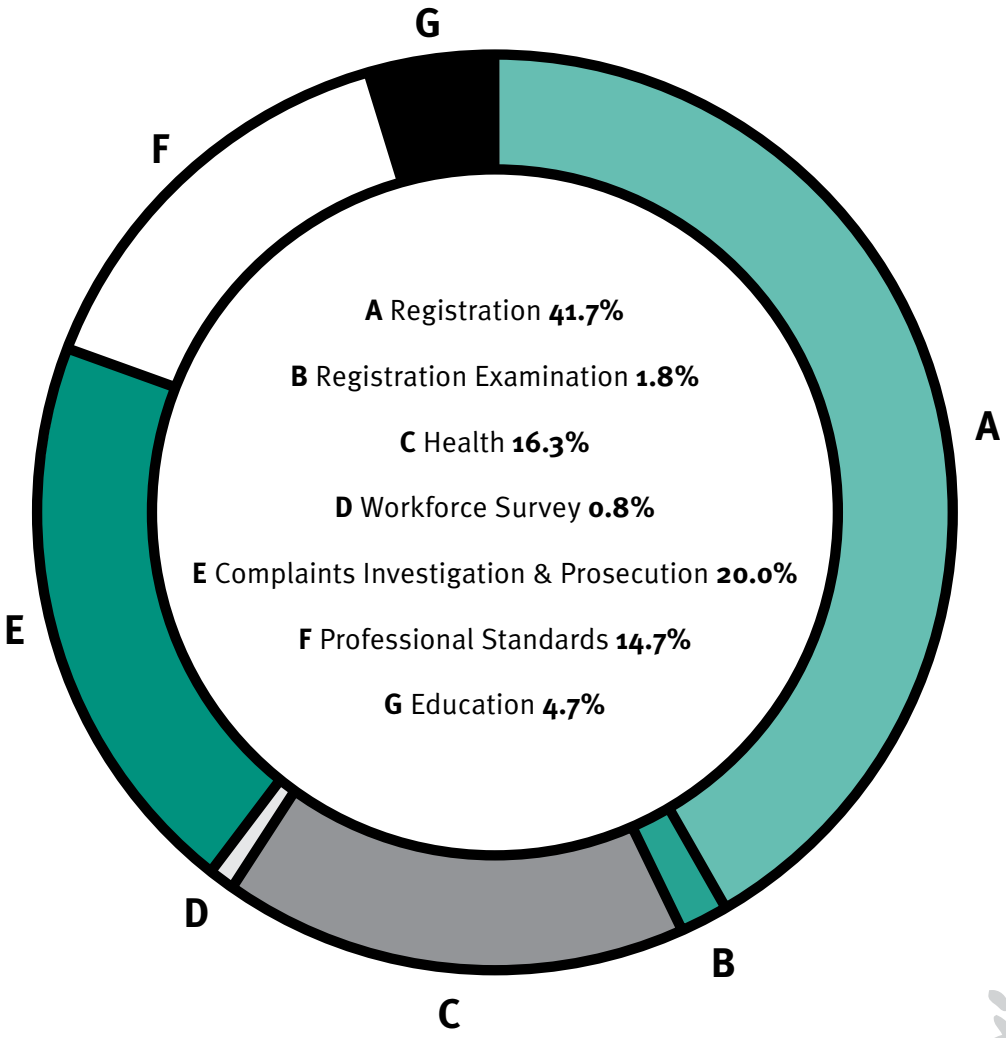
The Medical Council of New Zealand is pleased to submit this report for the year ended 30 June 2011 to the Minister of Health. The report is presented in accordance with section 134 of the Health Practitioners Competence Assurance Act 2003 (HPCAA) and includes a report on activities of the Health Practitioners Disciplinary Tribunal for doctors only.

FACTS AT A GLANCE

1 JULY 2010–30 JUNE 2011

Doctors registered	1,546
– Trained in New Zealand	328
– International medical graduates	1,218
Total practising doctors at 30 June 2011	13,488
Doctors registered with vocational scopes	8,891
Candidates who sat NZREX Clinical	114
Candidates who passed NZREX Clinical	74
Professional conduct committees	20
Referrals to competence	46
Competence programmes	14
Health referrals	64

SUMMARY OF EXPENDITURE



CHAIRPERSON'S REPORT

This report covers the period 1 July 2010 to 30 June 2011, a time of considerable change and achievement for the Medical Council of New Zealand (the Council).

MS LIZ HIRD ELECTED COUNCIL'S DEPUTY CHAIR

In February 2011, Council members elected Ms Liz Hird as the Council's new deputy chairperson.

Ms Hird is the first lay member to hold this position. This is a significant appointment as it recognises the importance Council places on lay membership and participation in its processes.

At the same meeting, I was privileged to be re-elected as chair for another 12-month term by Council members.

MEMORANDUM OF UNDERSTANDING WITH THE AUSTRALIAN MEDICAL COUNCIL

The Australian Medical Council (AMC) and the Council have signed an agreement signalling a new stage in our 20-year history of collaboration.

Since 1992, the two Councils have worked together to assess and accredit Australian and New Zealand Colleges and medical schools. Nominees of the Medical Council of New Zealand participate in the joint accreditation process. Key New Zealand standards including cultural competence form part of the accreditation review. This has worked well to benefit both countries – adding further independence and rigour to the assessments, and sharing good practice.

KEY ISSUES

Health Workforce New Zealand (HWNZ) in February 2011 sought comment from all authorities on their *Proposal for a shared secretariat and office function for all health-related authorities together with a reduction in the number of regulatory authority board members.*

The Council fully considered the HWNZ proposal. It agreed that there were benefits in greater collaboration between authorities and that it would support steps to encourage collaboration. It does not however believe that HWNZ's preferred proposal would achieve the benefits predicted. Implementation is likely to have several unintended consequences that may have a negative impact on the operation of the Health Practitioners Competence Assurance Act 2003 (HPCAA) and on public health and safety.

In its submission on the proposal, Council recommended that:

- any review of health workforce regulation begin with a clear definition of 'good regulation' and clarity about the purpose of responsible authorities
- consideration be given to greater collaboration or consolidation of backroom services such as office administration
- separate secretariats be maintained to fulfil profession-specific functions such as policy, education, competence, and conduct
- that other mechanisms be considered to improve efficiencies , including:
  - shared purchase agreements and premises
  - better implementation of the recommendations made during the 2009 review of the HPCAA
  - amending the HPCAA to streamline existing processes, such as competence review
  - new models of regulation for the regulation of new and smaller professional groups
- the number of board members remain at current levels
- HWNZ work with responsible authorities to ensure better and more consistent collection and analysis of workforce data.

BEST HEALTH OUTCOMES FOR PACIFIC PEOPLES: PRACTICE IMPLICATIONS

The Honourable Georgina te Heuheu, Minister of Pacific Island Affairs, accepted our invitation to launch a new Medical Council resource for doctors, *Best health outcomes for Pacific Peoples: Practice implications.*

The resource was written with assistance from Mauri Ora Associates and SAEJ Consultancy and with help from Panapa Ehau. It will help doctors meet the cultural competence requirements of the HPCAA and improve health outcomes for Pacific people.

THANKS

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

Dr John Adams
Chairperson

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE

The terms of reference for the Audit Committee (the 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 system 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 judgments
- conduct special investigations as required by Council.

The Council also agreed that at least one member of the Committee must have relevant experience in financial accounting and reporting. Council approved the appointment of an independent expert, Mr Roy Tiffin, as a member of the Committee. Mr Tiffen is a past president of the New Zealand Institute of Chartered Accountants and serves on the audit committees of the New Zealand Defence Force, State Services Commission, and Auckland Council. He also chairs the audit committees at the Department of Labour and the Treasury.

THREE-YEAR INTERNAL AUDIT PLAN 2011–2013

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

The following areas of Council operations will be subject to internal audit:

- self-review
- management reporting
- risk reporting
- legislative compliance
- external audit.

RISK MANAGEMENT

Considerable progress has been made over the past year in establishing a solid foundation, mandate, and commitment for risk management. This includes policy and plan approval, Audit Committee training and support, establishment of a risk champions group, agreement on a format for risk assessment and reporting, and review of internal audit requirements as part of the Council's risk assurance framework.

The management team has continued to develop and implement a comprehensive risk management framework that is reviewed quarterly. As a result, a development plan and programme has been designed as a roadmap for the implementation of a more structured approach to managing organisational risks and applying good risk governance.

One of the steps in this process was to compile a profile of the top 15 key risks, to ensure that priority was given to managing and reporting on these key risks.

I would like to thank both the Audit Committee members and staff for their work and contributions over the past year.

Liz Hird
Chairperson
Audit Committee

EDUCATION COMMITTEE REPORT

PREVOCATIONAL TRAINING REQUIREMENTS FOR DOCTORS IN NEW ZEALAND

In May 2011 the Council released a discussion paper on the *Prevocational training requirements for doctors in New Zealand.*

The discussion paper, prepared with support from Health Workforce New Zealand (HWNZ), reviews prevocational training for doctors. It builds on the work of previous groups charged with exploring medical workforce education and training, including the Medical Training Board and the Commission on the Resident Medical Officer Workforce. The paper explores the issues and drivers behind the need for change, and the purpose and objectives for the first two postgraduate years. It recommends key features of a prevocational training framework and sets out a number of possible options for change.

The document breaks new ground. It begins the conversation about not whether, but how change is to be implemented. It is exciting to think that something tangible could emerge that will enhance the quality of medical training in the prevocational years and improve health care for New Zealanders.

The Council identified a number of issues surrounding prevocational training arrangements including tensions between service delivery and the training needs of doctors that are placing the traditional apprenticeship model under increasing pressure.

Following feedback, the Council will determine the next steps in this review. Our aim is to improve the training experience for junior doctors and ensure they gain the core general competencies to practise across the breadth of medical practice in both primary and secondary care settings.

HOSPITAL ACCREDITATION VISITS

The primary focus of a hospital visit is the educational experience for interns. For this group, the Council supports an apprenticeship model where the intern learns to be a doctor by managing patients on the ward as an integral part of the clinical team.

Dr Allen Fraser
Chairperson
Education Committee

MEMBERS OF THE MEDICAL COUNCIL

AT 30 JUNE 2011

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

Dr Adams was appointed Dean of the Dunedin School of Medicine in 2003. He graduated from the University of Otago and subsequently trained in psychiatry, gaining his Fellowship of the Royal Australian and New Zealand College of Psychiatrists in 1984. Until his appointment as Dean of the Dunedin School, he worked at the Ashburn Clinic in Dunedin, where he was appointed medical director in 1988.

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

His long-term interest in professionalism and ethics led to him subsequently becoming Chair of the NZMA Ethics Committee, leading the most recent full review of the NZMA Code of Ethics.

He was appointed as a member of the Council in 2008, and elected Chair in 2010.

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

Since joining the Council, he has participated as a member of the Health Committee and chairperson of the Education Committee. As chairperson, Dr Adams is ex-officio on all Council committees.

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

Dr Acland commenced anaesthesia and pain management practice in Auckland in 1983. From 1995 to 1998, he was clinical director of anaesthesia in Christchurch. In 2000, he succeeded Professor Alan Clarke as clinical director of the Burwood Spinal Unit. Dr Acland is currently director of Christchurch Neuromodulation Services (CNS).

He was president of the New Zealand Pain Society in 2002 and 2003 and has been a member of the Medicines Assessment and Advisory Committee since 1996.

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

DR ANDREW CONNOLLY

MB ChB 1987 Auckland, FRACS 1994

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

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

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

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

Dr Connolly is a member of the Council's Education Committee.

DR JONATHAN E M FOX

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

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

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 general practitioner in Rugby, UK, where he was also Medical Officer to Rugby School.

He came to New Zealand in 1990 with his GP wife and children. Over the last 19 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 Health Committees.

DR ALLEN FRASER

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

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

He has been involved in many local, national, and international professional organisations, including the Royal Australian and New Zealand College of Psychiatrists (RANZCP), since 1980. Dr Fraser was Chair of the RANZCP's New Zealand Committee for 4½ years. He has been a union leader (President of the Association of Salaried Medical Specialists for four years and now a life member), and a chief medical officer.

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

Dr Fraser is chairperson of the Council's Education Committee and a member of the Health Committee.

MS JUDITH FYFE

LLB 1996, ONZM

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

Ms Fyfe practises as a barrister specialising in forensic law. She lectures in oral history in New Zealand and the United States and is contracted by the Oral History Centre, Alexander Turnbull Library, to carry out contemporary oral history projects.

Ms Fyfe is also a partner in City Associates, a film production company, and a member of the Copyright Tribunal and the Film and Literature Board of Review.

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

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

MS ELIZABETH HIRD (LIZ)

LLB (Hons) 1983

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

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

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

In 2004, Ms Hird was appointed District Inspector for Intellectually Disability Services for the lower half of the North Island. In 2005, she was reappointed District Inspector of Mental Health Services for Manawatu, Wairarapa, and Wellington.

Ms Hird is chairperson of Council's Audit Committee and deputy chairperson of the Education Committee and of Council.

MRS LAURA MUELLER

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

Mrs Mueller is a lay member who was appointed as a judicial officer for the Ministry of Justice in 1999 and sits as a referee in the Disputes Tribunal at the Tauranga District Court. Mrs 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, Mrs Mueller serves on the Disputes Tribunal's National Education Committee. She has served as treasurer on the Disputes Tribunal's Referees Association Executive and is a peer reviewer for her fellow referees.

Mrs Mueller is an alternate lay member of the Council's Health Committee.

PROFESSOR JOHN NACEY

MB ChB 1977 Otago, FRACS 1985, MD 1987 Otago

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, he returned to New Zealand to take up a joint hospital/university position in Wellington. In 1998, he was appointed Dean and Head of Campus at the University of Otago's Wellington School of Medicine, a position he held for 10 years.

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

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

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

Professor Nacey is a member of the Council's Education Committee

DR KATE O'CONNOR

MB ChB 1995 Auckland, FRANZCR 2003

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

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

Dr O'Connor is a radiologist at Auckland District Health Board and a partner at Auckland Radiology Group.

She is chairperson of the Council's Health Committee.

PROFESSOR DICK SAINSBURY

MB ChB 1972 Otago, FRACP 1981

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

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

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

MRS HEATHER THOMSON

Heather Thomson is in her fourth term as a lay member of the Council. She has been a public member on many boards, including the Cartwright committees, the Public Health Commission, Māori Health Commission, the Bay of Plenty District Health Board and the PHARMAC CAC, Community Advisory Committee for 6 years

Heather's interest in health has been mainly in health management and in the development of services for Māori, community and rural development.

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

Mrs Thomson is a member of the Council's Health Committee

CHIEF EXECUTIVE'S REPORT

Our four strategic goals this year are to:

1 optimise mechanisms to ensure doctors are competent and fit to practise

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

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

4 improve medical regulatory and workforce outcomes both in New Zealand and internationally through promoting increased knowledge and awareness of issues.

FITNESS TO PRACTISE

Request for proposal (RFP) for recertification for doctors registered in a general scope of practice

The Council has decided to strengthen recertification requirements for doctors registered in a general scope of practice (except those undertaking a formal postgraduate training programme) by requiring them to participate in an accredited recertification programme. The Council's decision followed a consultation process undertaken in 2010 with stakeholders and the profession.

The Council has issued an RFP for the development, implementation, and delivery of a recertification programme that includes a requirement for a strengthened collegial relationship and a requirement for regular practice review.

The Council expects to establish the programme during 2012.

MEDICAL MIGRATION

Orientation, induction and supervision for international medical graduates (IMGs) – best practice guidelines for employers and supervisors of IMGs

This resource combined two older publications into one booklet of best-practice guidelines. It sets out requirements for the employers and supervisors of IMGs and the requirements for the IMG. It includes an extensive section on orientation and induction as well as the framework for supervision. It was published in May 2011 and distributed to stakeholders and all supervisors of IMGs.

TRAINING WORKSHOPS FOR SUPERVISORS OF IMGS

The Council held four workshops for supervisors of IMGs during the year; two in Wellington and one each in Auckland and Christchurch. The workshops are part of the Council's ongoing support for supervisors, providing the opportunity to:

- learn how to deal with cultural differences and different approaches to practising medicine
- gain an understanding of supervision models and tools
- learn about different methods for providing feedback and dealing with difficult or poorly performing IMGs

- gain an understanding of the Council's requirements for regulatory supervision of IMGs.

We have received positive feedback from attendees of the workshops held to date, and the Council intends to continue this important work.

DOCTORS LEAVING NEW ZEALAND: ANALYSIS OF ONLINE SURVEY RESULTS

The Council undertook a survey to identify why IMGs decide to leave New Zealand. After the initial survey was reported, the Council widened the survey demographic to all doctors requesting a certificate of good standing (CGS), who had indicated that they intended to leave New Zealand. The survey ran from March 2010 to June 2011. The Council will provide a report of the results of the survey to stakeholders late in 2011.

MEDICAL EDUCATION

Review of the General Practice Education Programme (GPEP)

The Council is part of a joint working group with HWNZ and the Royal New Zealand College of General Practitioners reviewing the GPEP.

REGISTRATION FOR MEDICAL STUDENTS

The Council has formed a working group to explore issues around medical student registration. The working group is focusing on the merits of medical student registration for the trainee intern year.

The group consists of representatives of the Council, the Auckland and Otago medical schools, the New Zealand Medical Students Association, the New Zealand Medical Association Doctors in Training Council, and the National DHB Chief Medical Officer Group.

We expect to consult with stakeholders and the profession about this issue during 2012.

REVIEW OF PREVOCATIONAL TRAINING (INTERN) REQUIREMENTS

The Council has begun a review of the prevocational training requirements for interns (postgraduate year one) and second year doctors (postgraduate year two). We have consulted widely on the framework, standards, supervision and assessment procedures. The review covers:

- community based and/or emergency department experience
- competence and time-based curriculum framework and assessment
- robust processes for accreditation
- the length of the intern period.

We are analysing the feedback to inform the decisions the Council will make about future changes to prevocational training. We will continue this work during 2012.

ACCOUNTABILITY TO THE PUBLIC AND STAKEHOLDERS

Memorandums of understanding (MOUs)

The Council has agreed MOUs with the following stakeholders, promoting collaborative relationships and clarifying respective roles and responsibilities related to the regulation of doctors.

- MOUs with district health boards (DHBs) – signed in August 2010. An oversight group has been established to monitor, evaluate, and report on the performance of DHBs and the Council.
- MOU with the Australian Medical Council (AMC) – signed in November 2010. The MOU establishes joint processes for the accreditation of medical schools and Australasian branch advisory bodies (BABs).
- MOU with branch advisory bodies (BABs) – finalised in June 2011 and sent to BABs for signing.

Philip Pigou
Chief Executive

REGISTRAR'S REPORT

INCREASING THE AMOUNT OF INFORMATION AVAILABLE ON THE WEB REGISTER

The Council provides a web register on its website allowing a search of all doctors who have been issued with a practising certificate.

Council agreed to end the current distinction in the web register between doctors who hold issued or deemed practising certificates (who are currently searchable on the web register) and those who do not. The end result will be that any public information contained in the register (such as the suspension of a doctor's practising certificate) will be available to a member of the public searching the web register.

PRELIMINARY COMPETENCE INQUIRY (PCI)

The Council regularly finds itself required to decide whether concerns raised about a doctor's competence raise sufficient questions to warrant a full performance assessment.

This decision is often based on a doctor's response to the concern; yet in the Council's experience the responses do not always provide sufficient information to allow the decision to be made

Because of this lack of information, we are undertaking a 12–month pilot of the PCI. Unlike a full performance assessment, it will not assess competence concerns. The PCI is an extension of the Council's inquiry function, and it will enable more robust information to be provided to Council to help decide whether a performance assessment is required.

A Council agent (an experienced member from the performance assessment pool) will visit the doctor and interview them. The agent will use the interview tool that is used in performance assessments. They will also have a copy of the doctor's practice profile for background information.

The Council agent will be asked to write a report outlining their findings but not draw any conclusions on whether the doctor meets the required standard of competence. The doctor undergoing the PCI process will have an opportunity to review, and comment on, any report prepared by the Council agent, before the Council considers the report.

CHANGES TO SCOPES OF PRACTICE AND PRESCRIBED QUALIFICATIONS

Following a review of scopes of practice and prescribed qualifications, two new special purpose scopes of practice have been created. They are:

- assisting in a pandemic or disaster
- providing teleradiology services to New Zealand patients.

In addition, the Council has reduced the required period of supervision for doctors registered within a provisional general scope of practice for the competent authority and comparable health system pathways. This change will not affect New Zealand graduates or NZREX Clinical doctors, who will still need to complete their internships.

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

Total cost: $ 4,968,466

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

Eligibility advice 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 BAB and takes on average 6 months.

1.

SCOPES OF PRACTICE – SUMMARY OF REGISTRATION STATUS

At 30 June 2011

Provisional general	2,898
General	7,543
Provisional vocational	177
Vocational	8,891
Special purpose	273
Total practising	13,488
Suspended	5
TOTAL ON REGISTER	**19,782**

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

2.

APPLICATIONS FOR REGISTRATION

1 July 2010–30 June 2011

	HPCAA Section	Number	Outcomes		
			Registered	Registered with conditions	Not registered
Total	15	–	1,544	–	35[1]
Reasons for non-registration					
Communication including English language requirements	16 a and b	–	–	–	–
Conviction by any court for 3 months or longer	16 c	–	–	–	–
Mental or physical condition	16 d	–	–	–	–
Professional disciplinary procedure in NZ or overseas, otherwise under investigation	16 e,f,g	–	–	–	–
Other – danger to health and safety	16 h	–	–	–	–

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

3.

APPLICATIONS FOR PRACTISING CERTIFICATES (PCs)

1 July 2010–30 June 2011

	HPCAA Section	Number	Outcomes			
			PC	PC with conditions	Interim	No PC
Total		13,556	12,608	–	–	948[1]
Reasons for non-issue of a PC						
Competence	27 (1) a	1	–	–	–	–
Failed to comply with a condition	27 (1) b	–	–	–	–	–
Not completed required competence programme satisfactorily	27 (1) c	–	–	–	–	–
Recency of practice	27 (1) d	–	–	–	–	–
Mental or physical condition	27 (1) e	–	–	–	–	–
Not lawfully practising within 3 years	27 (1) f	–	–	–	–	–
False or misleading application	27 (3)	2	–	–	–	2

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

4.

REGISTRATION ACTIVITIES

1 July 2010–30 June 2011

Provisional general/vocational issued	
New Zealand graduates (interns)	328
Australian graduates (interns)	8
Passed NZREX	51
Graduate of competent authority accredited medical school	562
Worked in comparable health system	259
New Zealand and overseas graduates (reregistration following erasure)	–
Transitional	–
Non-approved postgraduate qualification – vocational assessment	62
Non-approved postgraduate qualification – vocational eligible	50
Approved postgraduate qualification – vocational eligible	2
SPECIAL SCOPE ISSUED	
Visiting expert	19
Research	1
Postgraduate training or experience	41
Locum tenens in specialist post	145
Emergency or other unpredictable short-term situation	18
GENERAL SCOPE AFTER COMPLETION OF SUPERVISED PERIOD	
New Zealand/Australian graduates (interns)	338
Passed NZREX Clinical	54
Graduate of competent authority accredited medical school	342
Worked in comparable health system	128
Transitional	2
VOCATIONAL SCOPE AFTER COMPLETION OF SUPERVISED PERIOD	
Non-approved postgraduate qualification – vocational assessment	20
Non-approved postgraduate qualification – vocational eligible	59
Approved postgraduate qualification – vocational eligible	3
Approved BAB training programme	–

Continued...

GENERAL SCOPE ISSUED	
New Zealand graduates	4
Overseas graduates	48
Reinstatements	26
VOCATIONAL SCOPE ISSUED	
Approved postgraduate qualification	385
SUSPENSIONS	
Suspended or interim suspension scope	5
Revocation of suspension scope	3
Conditions	
Imposed	171
Revoked	77
Cancellations under the HPCAA	
Death – s 143	54
Discipline order – s 101(1)(a)	3
False, misleading, or not entitled – s 146	2
Revision of register – s 144(5)	124
At own request – s 142	165

5.

DOCTORS REGISTERED IN VOCATIONAL SCOPES

1 July 2010–30 June 2011

Vocational scope	Vocational registration at 30/6/2010[1]	Added 2010/2011	Removed 2010/2011	Net change	Vocational scope at 30/6/20111[1,2]
Accident and medical practice	138	8	5	3	141
Anaesthesia	689	50	9	41	730
Cardiothoracic surgery	29	5	1	4	33
Clinical genetics	8	2	–	2	10
Dermatology	60	2	–	2	62
Diagnostic and interventional radiology	381	23	4	19	400
Emergency medicine	171	18	2	16	187
Family planning and reproductive health	29	2	1	1	30
General practice	3,111	154	22	132	3,243
General surgery	305	19	2	17	322
Intensive care medicine	67	5	–	5	72
Internal medicine	931	61	8	53	984
Medical administration	20	4	–	4	24
Musculoskeletal medicine	24	–	–	–	24
Neurosurgery	21	2	1	1	22
Obstetrics and gynaecology	318	16	7	9	327
Occupational medicine	56	2	–	2	58
Ophthalmology	150	5	1	4	154
Oral and maxillofacial surgery	18	–	–	–	18
Orthopaedic surgery	270	8	1	7	277
Otolaryngology, head and neck surgery	114	3	1	2	116

Continued...

Vocational scope	Vocational registration at 30/6/2010[1]	Added 2010/2011	Removed 2010/2011	Net change	Vocational scope at 30/6/20111[1,2]
Paediatric surgery	18	2	1	1	19
Paediatrics	352	22	2	20	372
Palliative medicine	47	2	1	1	48
Pathology	316	16	9	7	323
Plastic and reconstructive surgery	65	2	1	1	66
Psychiatry	636	23	4	19	655
Public health medicine	206	8	5	3	209
Radiation oncology	70	2	1	1	71
Rehabilitation medicine	20	2	–	2	22
Rural hospital medicine	26	13	–	13	39
Sexual health medicine	22	–	–	–	22
Sports medicine	21	3	–	3	24
Urology	60	4	1	3	63
Vascular surgery	30	2	–	2	32
TOTAL	**8,799**	**490**	**90**	**400**	**9,199**

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

6.

REGISTRATIONS ISSUED, BY COUNTRY OF PRIMARY QUALIFICATION

1 July 2010–30 June 2011

	PROVISIONAL GENERAL					PROVISIONAL VOCATIONAL		
Country	**New Zealand / Australian graduates**	**Exams**	**Competent authority**	**Comparable health system**	**Total**	**Non-app postgrad qual voc assessment**	**Non-app postgrad qual voc eligible**	**App postgrad qual voc eligible**
Australia	8	–	–	–	8	–	–	–
Austria	–	–	–	5	5	–	–	–
Bangladesh	–	–	–	3	3	–	–	–
Belgium	–	–	–	2	2	3	–	–
Bulgaria	–	1	–	1	2	–	–	–
Canada	–	–	–	22	22	1	1	1
Chile	–	–	–	–	–	–	–	–
China	–	2	–	–	2	–	–	–
Cuba	–	1	–	–	1	–	–	–
Czech Republic	–	–	–	2	2	–	–	–
Denmark	–	–	–	3	3	–	–	–
Dominica	–	–	–	–	–	–	–	–
Ecuador	–	–	–	1	1	–	–	–
Egypt	–	3	–	1	4	1	1	–
England	–	–	376	1	377	12	14	–
Fiji	–	2	–	–	2	–	–	–
France	–	–	–	3	3	–	–	–
Germany	–	1	–	18	19	3	1	–
Grenada	–	–	–	–	–	–	–	–
Hungary	–	–	–	2	2	1	–	–
Iceland	–	–	–	1	1	–	–	–
India	–	14	–	11	25	5	2	–
Indonesia	–	–	–	1	1	–	–	–
Iraq	–	4	–	2	6	1	1	–
Ireland	–	–	44	1	45	1	1	–
Israel	–	–	–	1	1	–	–	–
Italy	–	–	–	2	2	2	1	–
Japan	–	–	–	–	–	–	–	–

		SPECIAL PURPOSE						
BAB training programme	Total	Emergencies Unpredictables	Visiting expert	Research	Postgrad training/ experience	Locum tenens	Total	Total
–	–	5	9	–	–	–	14	22
–	–	–	–	–	–	–	–	5
–	–	–	–	–	–	–	–	3
–	3	–	2	–	–	–	2	7
–	–	–	–	–	–	–	–	2
–	3	–	3	–	1	11	15	40
–	–	–	–	–	1	–	1	1
–	–	–	–	–	–	–	–	2
–	–	–	–	–	–	–	–	1
–	–	–	–	–	–	–	–	2
–	–	–	–	–	–	–	–	3
–	–	–	–	–	–	1	1	
–	–	–	–	–	–	–	–	1
–	2	–	–	–	–	1	1	7
–	26	5	1	–	–	16	22	425
–	–	–	–	–	10	–	10	12
–	–	–	–	–	–	–	–	3
–	4	–	–	1	–	3	4	27
–	–	–	–	–	–	1	1	1
–	1	–	–	–	–	–	–	3
–	–	–	–	–	–	–	–	1
–	7	1	–	–	9	13	23	55
–	–	–	–	–	–	–	–	1
–	2	–	–	–	–	–	–	8
–	2	–	–	–	1	1	2	49
–	–	–	–	–	1	–	1	2
–	3	–	–	–	–	–	–	5
–	–	–	2	–	–	–	2	2

	PROVISIONAL GENERAL					PROVISIONAL VOCATIONAL		
Country	**New Zealand / Australian graduates**	**Exams**	**Competent authority**	**Comparable health system**	**Total**	**Non-app postgrad qual voc assessment**	**Non-app postgrad qual voc eligible**	**App postgrad qual voc eligible**
Latvia	–	1	–	–	1	–	–	–
Malaysia	–	–	–	–	–		–	–
Mexico	–	–	–	1	1	–	–	–
Myanmar	–	–	–	1	1	–	–	–
Netherlands	–	–	–	24	24	3	–	–
Netherlands Antilles	–	–	–	2	2	–	–	–
Nigeria	–	2	–	2	4	–	–	–
Northern Ireland	–	–	5	–	5	–	–	–
Pakistan	–	6	–	1	7	–	–	–
Papua New Guinea	–	1	–	–	1		–	–
Peru	–	–	–	–	–	1	–	–
Philippines	–	3	–	1	4	–	–	–
Poland	–	–	–	1	1	–	–	–
Romania	–	2	–	–	2	–	–	–
Russia	–	3	–	1	4	1	–	–
Scotland	–	–	90	–	90	1	9	–
Singapore	–	–	–	4	4	–	–	–
South Africa	–	1	–	2	3	4	7	–
Spain	–	–	–	1	1	1	–	–
Sri Lanka	–	4	–	1	5	–	–	1
Sweden	–	–	–	22	22	1	–	–
Switzerland	–	–	–	2	2	–	–	–
Syria	–	–	–	1	1	–	–	–
Trinidad and Tobago	–	–	–	1	1	–	–	–
Turkey	–	–	–	–	–	–	1	–
United States of America	–	–	–	108	108	18	9	–
Wales	–	–	47	–	47	1	–	–
Zimbabwe	–	–	–	–	–	–	1	–
New Zealand	328	–	–	–	328	–	–	
Total	336	51	562	259	1208	61	49	2

		SPECIAL PURPOSE						
BAB training programme	Total	Emergencies Unpredictables	Visiting expert	Research	Postgrad training/ experience	Locum tenens	Total	Total
–	–	–	–	–	–	–	–	1
–	–	–	–	–	1	–	1	1
–	–	–	–	–	–	1	1	2
–	–	–	–	–	–	–	–	1
–	3	–	–	–	–	–	–	27
–	–	–	–	–	–	1	1	3
–	–	–	–	–	–	–	–	4
–	–	–	–	–	–	–	–	5
–	–	–	–	–	1	2	3	10
–	–	–	–	–	–	–	–	1
–	1	–	–	–	–	1	1	2
–	–	–	–	–	1	–	1	5
–	–	–	–	–	–	–	–	1
–	–	–	–	–	–	1	1	3
–	1	–	–	–	–	–	–	5
–	10	–	–	–	–	4	4	104
–	–	2	–	–	–	–	2	6
–	11	–	–	–	–	11	11	25
–	1	–	–	–	–	–	–	2
–	1	–	–	–	4	–	4	10
–	1	1	–	–	–	–	1	24
–	–	–	–	–	–	–	–	2
–	–	–	–	–	–	1	1	2
–	–	–	–	–	–	–	–	1
–	1	–	–	–	1	1	2	3
–	27	1	1	–	10	71	83	218
–	1	–	–	–	–	1	1	49
–	1	–	–	–	–	3	3	4
–	–	3	1	–	–	–	4	332
–	112	18	19	1	41	145	224	1544

7.

VOCATIONAL SCOPES GRANTED TO DOCTORS, BY VOCATIONAL SCOPE PRACTICE

1 July 2010–30 June 2011

Vocational scope	Overseas	New Zealand	Total
Accident and medical practice	4	4	8
Anaesthesia	23	27	50
Cardiothoracic surgery	1	4	5
Clinical genetics	1	1	2
Dermatology	2	–	2
Diagnostic and interventional radiology	17	6	23
Emergency medicine	6	12	18
Family planning and reproductive health	2	–	2
General practice	61	93	154
General surgery	9	10	19
Intensive care medicine	2	3	5
Internal medicine	28	33	61
Medical administration	3	1	4
Neurosurgery	–	2	2
Obstetrics and gynaecology	4	12	16
Occupational medicine	1	1	2
Ophthalmology	1	4	5
Orthopaedic surgery	7	1	8
Otolaryngology, head and neck surgery	–	3	3
Paediatric surgery	1	1	2
Paediatrics	12	10	22
Palliative medicine	–	2	2
Pathology	5	11	16
Plastic and reconstructive surgery	1	1	2
Psychiatry	7	16	23
Public health medicine	6	2	8
Radiation oncology	2	–	2
Rehabilitation medicine	1	1	2
Rural hospital medicine	4	9	13
Sports medicine	3	–	3
Urology	2	2	4
Vascular surgery	1	1	2
Total	**217**	**273**	**490**

8.

OUTCOMES OF VOCATIONAL ASSESSMENTS

1 July 2010–30 June 2011

Branch	Incomplete applications	Pending (at College/ Council)	Withdrawn/ lapsed	Vocational scope	Vocational eligible	Vocational assessment	NZREX	Total
Anaesthesia	6	6	1	–	13	10	2	38
Cardiothoracic surgery	1	1	–	–	1	–	–	3
Clinical genetics	1	1	–	–	–	2	–	4
Dermatology	–	–	–	–	1	–	–	1
Diagnostic and interventional radiology	3	2	–	–	12	7	1	25
Emergency medicine	13	6	–	1	–	3	–	23
General practice	3	2	1	–	4	–	–	10
General surgery	2	1	1	1	1	3	–	9
Intensive care medicine	1	–	–	–	–	–	–	1
Internal medicine	20	5	–	–	8	19	–	52
Neurosurgery	2	3	–	–	–	–	–	5
Obstetrics and gynaecology	8	8	–	–	6	2	2	26
Occupational medicine	1	1	–	–	–	1	–	3
Ophthalmology	4	2	–	–	4	2	1	13
Orthopaedic surgery	6	4	1	–	–	2	1	14
Otolaryngology head and neck surgery	4	2	–	–	1	–	1	8
Paediatric surgery	–	1	–	–	–	–	–	1
Paediatrics	5	4	–	–	–	4	–	13
Palliative medicine	2	–	–	–	1	1	–	4
Pathology	3	5	–	–	3	3	–	14
Plastic and reconstructive surgery	2	–	–	–	–	1	–	3
Psychiatry	13	16	4	–	12	13	2	60
Radiation oncology	2	–	–	–	1	–	–	3
Rehabilitation medicine	–	2	–	–	–	1	–	3
Urology	1	2	–	–	1	1	–	5
Vascular surgery	1	1	–	–	–	–	–	2
TOTAL	**104**	**75**	**8**	**2**	**69**	**75**	**10**	**343**
Percentages based on total number of outcomes				1.3%	44.2%	48.1%	6.4%	

9.

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

As at 30 June 2011

Country	Provisional general	General	Provisional vocational	Vocational	Special purpose	Total	Number with practising certificates
England	876	953	28	1058	20	2,935	1,760
South Africa	68	326	20	674	14	1,102	781
Scotland	249	301	6	296	4	856	503
India	82	250	14	289	28	663	454
Australia	11	497	2	255	10	775	339
United States of America	410	59	38	159	108	774	290
Sri Lanka	10	89	2	178	16	295	164
Germany	82	69	16	80	5	252	161
Ireland	159	103	4	58	2	326	129
Iraq	10	76	2	76	–	164	109
Wales	89	69	1	46	1	206	109
Canada	102	23	4	49	14	192	69
Bangladesh	6	59	–	48	–	113	68
China	6	35	–	49	–	90	68
Fiji	4	14	–	42	15	75	64
Netherlands	63	19	4	22	–	108	62
Pakistan	23	45	–	23	5	96	62
Egypt	12	35	1	38	1	87	52
Philippines	8	27	2	16	3	56	40
Russia	7	26	1	13	1	48	39
Northern Ireland	27	24	–	24	1	76	35
Zimbabwe	–	8	3	28	1	40	35
Sweden	52	9	9	8	–	78	32
Yugoslavia; Federal Republic of	1	18	1	22	–	42	26
Singapore	7	4	–	22	1	34	22
Nigeria	14	10	1	5	–	30	19
Poland	8	14	2	10	–	34	18
Romania	4	8	–	11	1	24	18
Italy	8	8	2	5	–	23	17
Myanmar	5	8	–	12	–	25	16
Hungary	6	7	2	4	–	19	14
Belgium	8	8	2	4	–	22	12

Continued...

	Provisional general	General	Provisional vocational	Vocational	Special purpose	Total	Number with practising certificates
France	7	2	–	5	–	14	12
Ukraine	–	12	–	2	–	14	12
Bulgaria	4	2	–	8	–	14	11
Denmark	12	5	–	5	–	22	11
Croatia	1	7	–	8	–	16	10
Czech Republic	4	6	–	4	–	14	10
Malaysia	–	6	1	5	1	13	10
Papua New Guinea	1	1	–	8	–	10	9
Switzerland	8	2	–	7	–	17	9
Zambia	2	6	–	3	–	11	9
Norway	2	2	1	5	–	10	8
Spain	4	1	1	5	–	11	8
Sudan	2	4	–	2	–	8	8
Austria	15	3	–	–	–	18	6
Israel	3	2	–	1	–	7	6
Finland	3	3	1	1	–	8	5
Former Yugoslav Republic of Macedonia (FYROM)	–	5	–	2	–	7	5
Iran	1	4	1	4	1	11	5
Japan	–	3	–	2	3	8	5
Kenya	1	3	–	1	1	6	5
Peru	–	2	1	2	–	5	5
Syria	3	5	–	–	–	8	5
Other[1]	43	42	4	47	13	149	87
New Zealand	365	4,214	–	5,140	1	9,720	7,640
TOTAL	**2,898**	**7,543**	**177**	**8,891**	**272**	**19,781**	**13,488**

[1] 'Other' represents 50 countries with fewer than five practising doctors.

COMPETENCE, FITNESS TO PRACTISE, AND QUALITY ASSURANCE

Professional standards

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

Total cost: $1,744,160

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

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

10.

COMPETENCE REFERRALS

1 July 2010–30 June 2011

Source	HPCAA Section	Number
Registered health practitioner	34 (1)	12
Health and Disability Commissioner	34 (2)	13
Employer	34 (3)	14
Other		7
Total		**46**

11.

OUTCOMES OF COMPETENCE REFERRALS

1 July 2010–30 June 2011

Outcomes	HPCAA Section	Existing	New	Closed
No further action		9	13	Not applicable
(Total number) Initial inquiries	36	–	133	102
Notification of risk of harm to public	35	–	–	–
Competence review	36	6	21	23
Orders concerning competence	38	16	17	8
Interim suspension/conditions	39	–	–	–
Competence programme	40	16	14	8
Recertification programme	41	3	3	–
Unsatisfactory results of competence or recertification programme	43	–	3	Not applicable

DOCTORS' HEALTH

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

Total cost: $1,937,991

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, all of which can affect their performance.

12.

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

1 July 2010–30 June 2011

Source	HPCAA Section	Number			
		Existing	New	Closed	Still active
Health service	45 (1) a	–	8	1	–
Health practitioner	45 (1) b	–	3	–	–
Employer	45 (1) c	–	8	2	–
Medical officer of health	45 (1) d	–	–	–	–
Any person	45 (3)	–	44	13	–
Person involved with education	45 (5)	–	1	–	–

Note: 31 of the 44 were self referred

13.

OUTCOMES OF HEALTH NOTIFICATIONS

1 July 2010–30 June 2011

Outcomes	No of practitioners	HPCAA Section
No further action	6	N/A*
Order medical examination	2	49
Examinations/testing	42	N/A*
Reports from treatment providers/occupational health	17	N/A*
Interim suspension	–	–
Conditions	–	–
Restrictions imposed	–	–
Total	**67**	

* Agreed voluntarily.

* Informal agreement – outcome achieved without use of statutory provisions of HPCAA.

COMPLAINTS AND DISCIPLINE

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

Total cost of PCCs: $1,171,301

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

14.

COMPLAINTS FROM VARIOUS SOURCES AND OUTCOMES

1 July 2010–30 June 2011

Source	Number	Outcome			
		No further action	Referred to professional conduct committee	Referred to Health and Disability Commissioner	Other
Consumers	20	9	1	–	10
Health and Disability Commissioner	73	9	4	Not applicable	60
Registered health practitioner (under RA)	6	3	–	–	3
Other health practitioner	20	7	1	–	12
Court's notice of conviction	–	–	–	–	–
Employer	2	–	–	–	2
Other	32	4	6	–	22

EXAMINATIONS

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

Total cost: $440,899

NEW ZEALAND REGISTRATION EXAMINATION – NZREX CLINICAL

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

Doctors also 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 taking history, clinical examination, investigating management, clinical reasoning, communication, and professionalism.

The prerequisites for applying to sit NZREX Clinical are:

- a medical degree listed in the AVICENNA Directory of Medical Schools
- meeting the Council's English language policy
- a satisfactory result achieved within 5 years of the NZREX Clinical and applied to sit in the United States Medical Licensing Examination (USMLE) Steps 1 and 2, Professional and Linguistic Assessments Board Examination (PLAB), Part 1 or the Australian Medical Council multiple-choice question examination
- within the last 5 years have passed the USMLE steps 1 and 2 (clinical knowledge) or have passed the Australian Medical Council Multiple Choice Questions examination or have passed Part 1 of PLAB.

15.

CANDIDATES SITTING AND CANDIDATES PASSING NZREX CLINICAL

1 July 2010–30 June 2011

	Number sitting	Attempts				Number of passes	Passes on attempts			
Country		**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Bangladesh	5	4	1	–	–	3	2	1	–	–
Bulgaria	1	–	1	–	–	1	–	1	–	–
Chile	2	1	1	–	–	1	–	1	–	–
China	4	2	2	–	–	3	1	2	–	–
Dominican Republic	1	1	–	–	–	–	–	–	–	–
Egypt	3	2	1	–	–	2	2	–	–	–
Fiji	5	2	–	1	2	3	2	–	–	1
Georgia	1	–	–	–	1	–	–	–	–	–
Grenada	1	1	–	–	–	–	–	–	–	–
India	29	19	7	3	–	20	15	4	1	–
Iran	2	2	–	–	–	1	1	–	–	–
Iraq	4	3	1	–	–	4	3	1	–	–
Japan	1	–	1	–	–	–	–	–	–	–
Latvia	1	–	1	–	–	1	–	1	–	–
Malaysia	3	3	–	–	–	1	1	–	–	–
Mauritius	1	1	–	–	–	–	–	–	–	–
Nepal	4	2	1	1	–	2	–	1	1	–
Netherlands Antilles	1	1	–	–	–	–	–	–	–	–
Nigeria	4	2	1	1	–	3	1	1	1	–
Pakistan	10	7	2	1	–	8	5	2	1	–
Papua New Guinea	1	–	1	–	–	1	–	–	–	–
Philippines	7	6	–	1	–	4	3	–	–	–
Romania	2	2	–	–	–	2	2	–	–	–
Russia	5	4	1	–	–	2	1	1	–	–
South Africa	2	2	–	–	–	2	2	–	–	–
Sri Lanka	10	7	3	–	–	6	4	2	–	–
Sudan	1	1	–	–	–	1	1	–	–	–
Ukraine	3	3	–	–	–	1	1	–	–	–
TOTAL	**114**	**78**	**25**	**8**	**3**	**72**	**47**	**19**	**5**	**1**

TRIBUNALS

Principal activities: both the Medical Practitioners Disciplinary Tribunal (MPDT) and the Health Practitioners Disciplinary Tribunal (HPDT) hear and determine disciplinary proceedings brought against doctors under Part VIII of the Medical Practitioners Act 1995 and under Part IV of the Health Practitioners Competence Assurance Act 2003

Medical Practitioners Disciplinary Tribunal

1 July 2010–30 June 2011

Total cost: $26,196

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

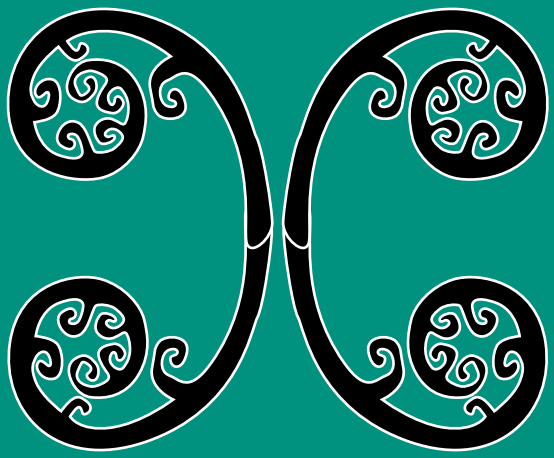
Although appeals continue, the MPDT has now ceased to function as it is not a party to these appeals.

MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

Total cost: $434,745

During the year, the Health Practitioners Disciplinary Tribunal (HPDT) received eight charges relating to eight doctors – seven charges were received from a professional conduct committee. One charge was received from the director of proceedings.

The HPDT sat during the year to hear 15 charges relating to 11 doctors over 32 days. In the case of one charge, the hearing was not completed and further dates are set down in the 2011/12 year. One further charge received was withdrawn before the hearing. Nine of these charges were received in the 2009/10 year.



MEDICAL CHARGES BEFORE THE HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL

1 July 2010–30 June 2011

Nature of charges	
Professional misconduct 2009/2010	7
Conviction 2009/2010	2
Professional misconduct 2010/2011	8
Total	**17**
Source	
Prosecution of charges brought by professional conduct committee 2009/2010	9
Prosecution of charges brought by professional conduct committee 2010/2011	4
Charge brought by professional conduct committee 2010/2011 withdrawn before hearing	1
Charge brought by professional conduct committee 2010/2011 withdrawn at hearing	1
Prosecution of charges brought by director of proceedings 2010/2011 not completed	1
Charges brought by professional conduct committee yet to be heard	1
Total	**17**
Outcome of hearings	
Guilty – professional misconduct 2009/2010	7
Guilty – conviction 2009/2010	2
Guilty – professional misconduct 2010/2011	4
Withdrawn 2010/2011	2
Not completed 2010/2011	1
Yet to be heard 2010/2011	1
Total	**17**

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

MEDICAL WORKFORCE SURVEY

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

Total cost: $92,041

16.

CHANGES IN THE MEDICAL WORKFORCE

	Active doctors[1]						Percentage Change
Workforce role[2]	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2009–2010**
General practice	2,924	3,106	3,195	3,435	3,541	3,532	-0.3
House officer	811	911	841	891	970	961	-0.9
Medical officer	307	329	363	411	500	526	5.2
Primary care other than GP	157	181	203	172	150	164	9.3
Registrar	1,365	1,504	1,529	1,653	1,689	1,774	5.0
Specialist	2,940	3,175	3,359	3,713	3,879	3,993	2.9
Other	207	248	237	237	275	291	5.8
No answer	35	93	30	40	159	237	49.1
Total	**8,746**	**9,547**	**9,757**	**10,552**	**11,164**	**11,478**	**2.8**

[1] Headcount based on doctors who responded to the survey

[2] Work role at the doctor's main work site

CORPORATE GOVERNANCE

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

The Council is accountable for its performance to 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 46. The Council receives committee meeting minutes at its formal meetings and, in approving those minutes, confirms the decisions made. Delegation limits are established.

LINKING WITH STAKEHOLDERS

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

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

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

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

COUNCIL COMMITTEES

COUNCIL STANDING COMMITTEES AT 30 JUNE 2011

AUDIT COMMITTEE

Ms Liz Hird (Chairperson)
Dr John Adams
Dr Andrew Connolly
Dr Jonathan Fox
Ms Judith Fyfe

EDUCATION COMMITTEE – COUNCIL MEMBERS

Dr Allen Fraser (Chairperson)
Dr John Adams
Dr Andrew Connolly
Ms Judith Fyfe
Ms Liz Hird
Professor John Nacey

MEMBERS APPOINTED BY COUNCIL

Associate Professor Jennifer Weller
Selected from vocational branch nominees – The Royal Australian and New Zealand College of Obstetricians and Gynaecologists

Dr Alice Febery
Active consumer of education

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

Dr Tom Fiddes
Nominee of appropriate College or branch advisory body – The Royal Australian and New Zealand College of Obstetricians and Gynaecologists

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

Dr Josh Sevao
Active consumer of education

Dr Iwona Stolarek
Intern supervisor

HEALTH COMMITTEE

Dr Kate O'Connor (Chairperson)
Dr John Adams
Dr Allen Fraser
Professor Richard Sainsbury
Mrs Heather Thomson
Alternate layperson: Mrs Laura Mueller

COUNCIL OFFICE

OFFICE OF THE COUNCIL AT 30 JUNE 2011

Chief Executive	Philip Pigou
Registrar	David Dunbar
Executive Assistant	Dot Harvey
Strategic Programme Manager	Joan Crawford
Project Coordinator	Laura Lumley

ADVISER GROUP

Communications Manager	George Symmes (p/t)
IT Project Manager	John McCawe
Medical Adviser	Dr Ian Brown (p/t)
Medical Adviser	Dr Steven Lillis (p/t)
Senior Policy Analyst	Michael Thorn
Registrar Adviser	Jane Lui

BUSINESS SERVICES

ICT Team Leader	Bill Taylor
Information Systems Analyst	Andrew Cullen
IT Administrator	Jean Hills-Davey
EDRMS Administrator	Vacant
EDRMS Assistant	Charlotte Dewsnap
Business Analyst	Diane Latham
Business Process Analyst	Leanne Shuttleworth
Office Administrator	Betty Wright (p/t)
Receptionist/Office Administrator	Constance Gilfillan
Human Resources Adviser	Danielle Eagle (p/t)

FINANCE

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

HEALTH

Health Manager	Lynne Urquhart
Health Administrator	Viv Coppins
Health Case Manager	Helen Arbuckle
Health Case Manager	Jo Hawken
Health Case Manager	Eva Petro
Health Case Manager	Laura Wilson

HEALTH PRACTITIONERS DISCIPLINARY TRIBUNAL FOR MEDICAL PRACTITIONERS

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

REGISTRATION

Registration and Business Services Manager	Valencia van Dyk
Personal Assistant	Sandra Clark
Registration Team Leader – APC	Gyllian Turner
APC Coordinator	Bronwyn Courtney
APC Coordinator	Sharon Mason (p/t)
Audit Administrator	Elaine Pettigrew
Registration Team Leader – General and special purpose	Michael Horan (interim)
Registration Coordinator – General and special purpose	Anastasia Appleyard
Registration Coordinator – General and special purpose	Adeline Cummings
Registration Coordinator – General and special purpose	Nick Everitt
Registration Coordinator – General and special purpose	Imojini Kotelawala
Registration Coordinator – General and special purpose	Devan Menon
Registration Coordinator – General and special purpose	Heather Roblin
Registration Coordinator – General and special purpose	Simon Spence
Registration Team Leader – Vocational and locum tenens	Pauline-Jean Luyten
Registration Coordinator – Vocational and locum tenens	Haydn Calderwood
Registration Coordinator – Vocational and locum tenens	Evelyn Fox
Registration Coordinator – Vocational and locum tenens	Caroline Jones
Registration Coordinator – Vocational and locum tenens	Méabh O'Dwyer
Registration Coordinator – Vocational and locum tenens	Chrissy Takai
	Megan Purves (leave)

PROFESSIONAL STANDARDS

Professional Standards Manager	Susan Yorke
Professional Standards Team Leader	Sidonie
Professional Standards Coordinator	Gina Giannios
Professional Standards Coordinator	Angela Piggott
Professional Standards Coordinator	Nikita Takai
Professional Standards Coordinator	Charlotte Wakelin
Professional Standards Coordinator	Jiska Whelan (p/t)
Professional Standards Coordinator	Anna Yardley

CONTACT DETAILS

SOLICITORS

Bell Gully
PO Box 1291
Wellington 6140

Buddle Findlay
PO Box 2694
Wellington 6140

BANKERS

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

AUDITORS

PKF Martin Jarvie
PO Box 1208
Wellington 6140

Office of the Auditor-General
Private Box 3928
Wellington 6140

MEDICAL COUNCIL OF NEW ZEALAND

Level 13
139 Willis Street
PO Box 11649
Wellington 6142

Phone: 64 4 384 7635, 0800 286 801

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

APPENDICES - FINANCE

PKF Martin Jarvie
Chartered Accountants

PKF
Accountants &
Business Advisers

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE MEDICAL COUNCILOF NEW ZEALAND'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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

We have audited the financial statements of the Council on pages 1 to 17, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, and statement of movements in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

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

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
  - financial position as at 30 June 2011; and
  - financial performance and cash flows for the year ended on that date.

Our audit was completed on 14 December 2011. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

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PKF

Accountants &
Business Advisers

An audit also involves evaluating:

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

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

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

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

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

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

Responsibilities of the Auditor

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

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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

Paolo Ryan
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Medical Council of New Zealand (the Council) for the year ended 30 June 2011 included on the Council's website. The Council is responsible for the maintenance and integrity of the Council's website. We have not been engaged to report on the integrity of the Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 14 December 2011 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

MEDICAL COUNCIL OF NEW ZEALAND
Statement of financial position
as at 30 June 2011

	Notes	2011	2010
Current assets			
Petty cash		1,157	200
Bank accounts		318,246	950,796
GST	8	106,777	141,337
Receivables	8	420,153	149,928
Interest accrued		43,649	78,171
Investments	9	3,325,576	3,767,783
Total current assets		$4,215,558	$5,088,215
Term assets			
Receivables	8	10,960	76,105
Property, plant and equipment	10	561,523	554,944
Intangibles	11	3,167,964	3,414,674
Total term assets		$3,740,447	$4,045,723
Current liabilities			
Sundry creditors		637,010	776,426
Employee entitlements		370,704	300,874
Payments received in advance		333,911	155,645
Total current liabilities		$1,341,625	$1,232,945
Term liabilities			
Employee entitlements		84,876	82,402
TOTAL NET ASSETS		**$6,529,504**	**$7,818,591**
CAPITAL ACCOUNT			
General Fund		6,089,202	6,707,091
Complaints Investigation and Prosecution Fund		149,599	768,238
Examination Fund		290,703	343,262
Total capital account		**$6,529,504**	**$7,818,591**

Authorised for issue for and on behalf of the Council.

John Adams
Chairperson
Dated: 14/12/2011

Philip Pigou
Chief Executive
Dated: 14/12/2011

PKF MARTIN JARVIE For Identification Purposes Only

MEDICAL COUNCIL OF NEW ZEALAND
Statement of comprehensive income
for the year ended 30 June 2011

	Notes	2011	2010
Income			
Fees received		9,336,282	8,822,916
Interest received		209,130	285,188
Other income	7	1,070,636	396,153
		$10,616,048	$9,504,257
Expenditure			
Employee benefits		4,730,752	4,509,836
Legal prosecutor		730,844	321,458
Depreciation and amortisation	10, 11	581,259	333,327
Fees paid to members of Council and standing committees		537,750	517,573
Medsys service level agreement		446,128	111,532
Debt collection costs and debt impairment expense	8	428,163	49,952
Rent		393,547	405,078
Intern supervisors payments		265,902	274,699
Health Practitioners Disciplinary Tribunal fees		241,885	107,420
Vocational registration interview fees		228,907	193,886
Legal costs Beliefs statement		209,006	50,971
Reports and health assessments		176,071	105,329
Credit card fees and commissions		161,379	151,308
Professional Conduct Committees fees		136,322	164,609
Other Legal & advisors		127,115	25,913
Advice and consultancy		111,108	191,483
Repairs and maintenance office equipment		108,426	80,198
Legal assessors		101,829	135,909
Archives		80,242	61,562
Information brochures and notices		76,025	57,884
Staff survey		52,080	0
Coles Medical practice in New Zealand - edit and reprint		41,530	3,631
Audit fees		27,931	21,584
Other administrative costs		1,910,934	1,745,088
		$11,905,135	$9,620,230
Net surplus / (deficit) for year		($1,289,087)	($115,973)
Other comprehensive income		0	0
Total comprehensive income		**($1,289,087)**	**($115,973)**

MEDICAL COUNCIL OF NEW ZEALAND
Statement of movements in equity
for the year ended 30 June 2011

	Notes	2011	2010
A) ACCUMULATED FUNDS AND RESERVES			
Balance brought forward		7,818,591	7,934,564
Total comprehensive income		(1,289,087)	(115,973)
Closing balance		$6,529,504	$7,818,591
B) ANALYSIS OF INDIVIDUAL FUNDS			
1) General Fund			
Balance brought forward		6,757,043	6,930,614
Total comprehensive income	2	(667,841)	(173,571)
Closing balance		$6,089,202	$6,757,043
2) Complaints Investigation and Prosecution Fund			
Balance brought forward		718,286	766,439
Total comprehensive income	3	(568,687)	(48,153)
Closing balance		$149,599	$718,286
3) Examination Fund			
Balance brought forward		343,262	237,511
Total comprehensive income	4	(52,559)	105,751
Closing balance		$290,703	$343,262

MEDICAL COUNCIL OF NEW ZEALAND
Statement of cash flows
for the year ended 30 June 2011

	Notes	2011	2010
Cash flows from operating activities			
Cash was provided from:			
Receipts pertaining to statutory functions		10,393,706	9,441,164
Cash was distributed to:			
Council fees, disbursements and office expenses		(11,370,926)	(9,934,928)
Net cash flows from operating activities	13	(977,220)	(493,764)
Cash flows from investing activities			
Cash was provided from:			
Interest received		243,652	560,972
Sale of assets		0	0
Short-term investments		9,140,738	7,460,000
		9,384,390	8,020,972
Cash was applied to:			
Purchase of assets		(340,232)	(965,243)
Short-term investments		(8,698,531)	(6,530,868)
		(9,038,763)	(7,496,111)
Net cash flows from investing activities		345,627	524,861
Net increase / (decrease) in cash and cash equivalents		**(631,593)**	**31,097**
Opening cash brought forward		950,996	919,899
Ending cash carried forward		$319,403	$950,996
Represented by:			
Petty cash		1,157	200
ANZ bank account		318,246	950,796
		$319,403	$950,996

MEDICAL COUNCIL OF NEW ZEALAND
Notes to and forming part of the financial statements
For the year ended 30 June 2011

1. Statement of accounting policies

Reporting entity

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

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

The Council is a public benefit entity.

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

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

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

General accounting policies

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

Measurement base

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

Specific accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes in accounting policies

There has been one change in accounting policies during the year. This change affects the recognition of income received from doctors for document review and interviews with colleges. Previously only the net income or the net expense was recognised, but the gross revenue and gross expense are now recorded. The effect of this change for the financial year ending 30 June 2010 is that an additional $177,042 of income and $177,042 of expenses has been recognised.

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

Critical accounting estimates and assumptions

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

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

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

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

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

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

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

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

- NZ IAS24 – Related party disclosures (Revised 2009). This revision is effective for the accounting periods beginning on 1 July 2011 and is not expected to have a material impact on Council.
- 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 2014. Council has not yet assessed the effect of the new standard and expects it will not be early adopted.

2.
General Fund
Statement of financial performance
for the year ended 30 June 2011

	Notes	2011	2010
REVENUE			
Annual practising certificates and other fees	1(a)	7,498,387	7,298,387
Administration fee - Complaints Investigation and Prosecutior	1(h)	474,562	408,364
Administration fee - Examination Fund	1(h)	224,646	39,167
Interest received		155,016	215,797
Workforce survey and other income		284,339	61,565
Total revenue		$8,636,950	$8,023,280
ADMINISTRATION AND OPERATING EXPENSES			
Communications		259,219	158,469
Legal expenses and other consultancies		324,209	244,354
Administration and operating expenses		2,985,719	1,998,451
Staff costs including recruitment and training		3,928,469	4,137,617
Total administration and operating expenses		$7,497,616	$6,538,891
COUNCIL AND COMMITTEE EXPENSES			
Council			
- Fees and expenses		502,572	496,709
- Conference and liaison costs		55,940	87,900
- Strategic directions		135,322	70,182
Audit committee			
- Fees and expenses (including internal audit)		56,513	5,843
Health committee			
- Fees and expenses		43,734	49,743
- Independent assessment reports, Doctors' Health Advisory Service,		195,103	135,315
Issues committee			
- Fees and expenses		0	0
- Issues initiatives		0	2,293
Education committee			
- Fees and expenses		83,516	56,884
- Hospital visits, intern supervisor contracts and other costs		407,170	382,676
Professional standards			
- Performance assessments and other costs		250,455	287,799
Registration			
- Workshops and other costs		76,850	82,617
Total Council and committee expenses		**$1,807,175**	**$1,657,961**
TOTAL EXPENDITURE		**$9,304,791**	**$8,196,852**
Net (deficit) for year and total comprehensive income		**($667,841)**	**($173,571)**

3.
Complaints Investigation and Prosecution Fund
Statement of financial performance
for the year ended 30 June 2011

	Notes	2011	2010
REVENUE			
Disciplinary levy received	1(a)	1,471,156	1,411,571
Fines and costs recovered		694,822	239,899
Interest received		35,589	57,385
Other revenue		88,399	91,800
Total revenue		$2,289,966	$1,800,655
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1(h)	474,562	408,364
General administration and operating expenses		751,850	411,942
Total administration and operating expenses		$1,226,412	$820,306
COUNCIL AND TRIBUNAL EXPENSES			
Complaints assessment committee costs			
- Fees		0	105
- Expenses		20,915	20,511
Total complaints assessment committee costs		20,915	20,616
Professional conduct committee costs			
- Fees		136,322	164,609
- Expenses		1,034,978	576,716
Total professional conduct committee costs		1,171,300	741,325
Medical Practitioners Disciplinary Tribunal			
- Fees and other hearing expenses		5,281	83,116
Total Medical Practitioners Disciplinary Tribunal costs		5,281	83,116
Health Practitioners Disciplinary Tribunal			
- Administration fee		192,860	76,025
- Fees and other hearing expenses		241,885	107,420
Total Health Practitioners Disciplinary Tribunal costs		434,745	183,445
Total Council and Tribunal expenses		$1,632,241	$1,028,502
TOTAL EXPENDITURE		**$2,858,653**	**$1,848,808**
Net surplus/(deficit) for year and total comprehensive income		**($568,687)**	**($48,153)**

4.

New Zealand Registration Examination Fund
Statement of financial performance
for the year ended 30 June 2011

	Notes	2011	2010
REVENUE			
NZREX candidate fees	1(j)	366,739	290,000
Interest received		18,525	12,006
Other income		3,076	2,889
Total revenue		$388,340	$304,895
ADMINISTRATION AND OPERATING EXPENSES			
Administration fee	1(h)	224,646	39,167
Centre costs		71,919	58,714
Examiners' fees and expenses		51,104	58,443
Honorarium, staff costs and other administrative expenses		83,230	38,117
Examination review costs		0	4,703
Total administration and operating expenses		$440,899	$199,144
Net surplus/(deficit) for year and total comprehensive income		**($52,559)**	**$105,751**

5.

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

General Fund
Statement of financial performance by Outputs
for the year ended 30 June 2011

	Notes	2011	2010
TOTAL INCOME FOR YEAR	1	$8,636,950	$8,023,280
Less expenditure			
EDUCATION			
Administration and operating costs		71,447	281,665
Council and committee costs		83,516	56,884
Hospital accreditation visits		48,232	63,523
Intern supervisor contract payments and meeting costs		294,149	316,160
Accreditation of vocational branches' medical schools and colleges		12,537	2,993
Liaison and other costs		52,252	23,254
Total education costs		$562,133	$744,479
HEALTH			
Administration and operating costs		1,537,654	1,280,082
Council and committee costs		142,991	132,872
Independent medical assessments		176,071	105,329
Liaison and other costs		81,275	73,508
Total health costs		$1,937,991	$1,591,791
PROFESSIONAL STANDARDS			
Administration and operating costs		1,355,563	843,569
Council and committee costs		102,887	68,875
Performance assessment costs		242,616	277,734
Liaison and other costs		43,094	20,333
Total professional standards costs		$1,744,160	$1,210,511
REGISTRATION			
Administration and operating costs		4,518,662	3,955,782
Council and committee costs		338,975	313,423
Liaison and other costs		110,829	131,654
Total registration costs		$4,968,466	$4,400,859
WORKFORCE SURVEY			
Administration and operating costs		85,370	225,944
Council and committee costs		6,671	20,585
Liaison and other costs		0	2,684
Total workforce survey costs		$92,041	$249,213
TOTAL EXPENDITURE		**$9,304,791**	**$8,196,852**
Net (deficit) for year and total comprehensive income		**($667,841)**	**($173,572)**

6. Taxation

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

7. Other Income

	2011	2010
Sale intellectual property	150,000	0
Workforce NZ	46,100	1,300
Other General	88,239	60,265
Fines and Costs	694,822	239,899
Other Disciplinary	88,399	91,800
Other Exam	3,076	2,889
	$1,070,636	**$396,153**

8. Receivables

	2011	2010
Debtors	1,025,730	408,839
Provision for impairment	(663,443)	(238,030)
	362,287	170,809
GST	106,777	141,337
Payments in advance	68,827	55,224
Total debtors and other receivables	**537,890**	**367,370**

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:

	2011			2010		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	369,557	(64,334)	305,224	195,804	(20)	195,785
Past due 1-30 days	340,480	(205,318)	135,162	9,725	(372)	9,353
Past due 31-60 days	10,046	(4,066)	5,980	90,049	(21,688)	68,361
Past due 61-90days	22,259	(2,500)	19,759	2,625	0	2,625
Past due >90 days	458,991	(387,226)	71,765	307,197	(215,950)	91,247
Total	**1,201,333**	**(663,443)**	**537,890**	**605,400**	**(238,030)**	**367,370**

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

9. Term deposits

	2011	2010
ASB - Matures 12 Aug 2011 5.35%	1,325,576	2,267,783
TSB - Matures 14 Dec 2011 5.50%	1,000,000	1,250,000
Westpac - Matures 12 Dec 2011 4.30%	1,000,000	250,000
	$3,325,576	**$3,767,783**
Current	3,325,576	3,767,783
Term	0	0
	$3,325,576	**$3,767,783**

10. Property, plant and equipment

	Computer Hardware	Furniture and Fittings	Office Alterations	Office Equipment	Artwork	TOTAL
Cost						
Balance at 1 July 2009	397,891	305,630	653,907	192,179	0	1,549,607
Additions	74,290	5,170	0	49,331	0	128,791
Disposals	0	0	0	0	0	0
Balance at 30 June 2010	472,181	310,800	653,907	241,510	0	1,678,398
Balance at 1 July 2010	472,181	310,800	653,907	241,510	0	1,678,398
Additions	133,501	8,395	41,502	11,907	7,138	202,443
Disposals	(338)	(7,138)	0	0	0	(7,476)
Balance at 30 June 2011	605,344	312,057	695,409	253,417	7,138	1,873,365
Accumulated depreciation and impairment losses						
Balance at 1 July 2009	252,852	193,394	328,059	151,283	0	925,588
Depreciation expense	90,460	20,480	65,391	21,534	0	197,865
Impairment losses	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Balance at 30 June 2010	343,312	213,874	393,450	172,817	0	1,123,453
Balance at 1 July 2010	343,312	213,874	393,450	172,817	0	1,123,453
Depreciation expense	78,554	19,509	67,466	24,094	0	189,623
Impairment losses	0	0	0	0	0	0
Disposals	(9)	(1,224)	0		0	(1,233)
Balance at 30 June 2011	421,857	232,159	460,916	196,911	0	1,311,843
Carrying amounts						
At 1 July 2009	145,039	112,236	325,848	40,897	0	624,020
At 30 June and 1 July 2010	128,869	96,926	260,457	69,693	0	555,945
At 30 June 2011	183,488	79,898	234,493	56,506	7,138	561,523

11. Intangible assets

	Intangibles
Cost	
Balance at 1 July 2009	2,794,457
Additions	836,454
Disposals	0
Balance at 30 June 2010	3,630,911
Balance at 1 July 2010	3,630,911
Additions	144,927
Disposals	0
Balance at 30 June 2011	3,775,838
Accumulated amortisation and impairment losses	
Balance at 1 July 2009	80,776
Amortisation expense	135,461
Impairment losses	0
Disposals	0
Balance at 30 June 2010	216,237
Balance at 1 July 2010	216,237
Amortisation expense	391,636
Impairment losses	0
Disposals	0
Balance at 30 June 2011	607,873
Carrying amounts	
At 1 July 2009	2,713,681
At 30 June and 1 July 2010	3,414,674
At 30 June 2011	3,167,964

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

12. Related party transactions

Key management personnel compensation

	2011	2010
Salaries and other short-term employee benefits	$1,186,475	$1,050,935
Post-employment benefits	$0	$0
Other long-term benefits	$25,583	$19,722
Termination benefits	$0	$0
Total key management personnel compensation	**$1,212,058**	**$1,070,657**

Key management personnel include the Chief Executive and the other 8 members (2010: 7) 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

	2011	2010
Surplus / (deficit) for year		
General Fund	(667,841)	(223,523)
Complaints Investigation and Prosecution Fund	(568,687)	1,799
Examination Fund	(52,559)	105,751
	(1,289,087)	(115,973)
Add non-cash items:		
Depreciation and amortisation	730,844	333,327
Over depreciated disposed fixed assets	(901)	0
Employee entitlements	72,304	35,515
	802,247	368,842
Add movements in working capital items:		
(Increase) / decrease in receivables and GST	(170,515)	(72,597)
Increase / (decrease) in receipts in advance	178,266	(15,289)
Increase / (decrease) in sundry creditors	(139,416)	(373,559)
	(131,665)	(461,445)
	(618,505)	(208,576)
Less items classified as investing activity – interest	(209,130)	(285,188)
Net cash flows from operating activities	**($827,635)**	**($493,764)**

14. Statement of contingent liabilities

There are no known contingent liabilities (2010: Nil).

15. Statement of commitments

Lease commitments under non-cancellable operating leases;

	2011	2010
Less than one year	$394,383	$394,383
Between 1 and 5 years	$1,117,421	$1,511,804
Greater than 5 years	0	0
	$1,511,804	**$1,906,187**

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 5.35% to 5.50% (2010: 4.70% to 5.30%).

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

	2011	2010
Receivables	$537,890	$226,033
Bank balances	$3,643,822	$4,718,579
Sundry creditors	**($970,921)**	**($932,071)**

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.

	2011	2010
Attendance allowance:		
Daily	$856	$840
Hourly	$107	$105
Communication allowance:		
Quarterly	$300	$300
Total fees and allowances paid to members of Council	**$491,895**	**$453,692**

18. Capital management

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

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

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

NOTES