



**Chinese Medicine Council  
of New Zealand**

# **Consultation:**

**Proposed APC Fees for 2024-25**

**24 November 2023**

## Purpose

1. The Chinese Medicine Council of New Zealand (the Council) is consulting on proposed APC fees due 2024/25 in accordance with section 130 of the Health Practitioners Competence Assurance Act 2003 (the HPCA Act) for the purposes of carrying out its functions under the HPCA Act.
2. The Council welcomes consultation feedback on its proposed fees, after which time, the Council will make any final changes, before publishing the fees in the New Zealand Gazette and preparing to open APC renewal applications for Chinese medicine practitioners for the practising year commencing 1 April 2024.

## Introduction

3. The Council was established as a Responsible Authority (RA) under the HPCA Act on the 1<sup>st</sup> of November 2021. Council members were appointed by the Minister of Health in May 2022 and first met in July 2022. Registration of Chinese medicine practitioners opened in July 2023.
4. The primary purpose of the HPCA Act is *“to protect the health and safety of members of the public by providing for mechanisms to ensure that health practitioners are competent and fit to practise their professions”* (section 3). The Council’s responsibilities are set out under section 118 and include (among other things) requirements to accredit training institutions, consider applications for registration and practising certificates for Chinese medicine practitioners, deal with issues relating to the conduct, competence, and the health of Chinese medicine practitioners, and set standards of clinical competence, cultural competence, and ethical conduct that Chinese medicine practitioners must comply with.
5. In order to fund these activities, the Council may prescribe fees under section 130 of the HPCA Act as follows:
  - a) An application for registration with the authority:
  - b) An addition or alteration to the register maintained by the authority:
  - c) The issue of a practising certificate:
  - d) The issue of any other certificate, or a copy of any certificate:
  - e) The supply of a copy of any entry in the register:
  - f) Inspection of the register, or of any other documents kept by the authority that are open for inspection:
  - g) The supply to any health practitioner of any documents, other than certificates of registration, required by him or her for the purpose of seeking registration overseas:
  - h) Examinations set or approved by the authority:
  - i) Any other matter that relates to anything the authority is required to do in order to carry out its functions.

## **Operational costs and fee-setting**

6. The Council's general operating expenses are covered by the annual practising certificate (APC) fee that each Chinese medicine practitioner must pay as part of their application to receive a practising certificate each year. Operating expenses include:
  - Secretariat costs including staffing, IT, financial management, rent etc.
  - Council and committee member fees and travel expenses
  - Case management costs for competence and fitness matters
  - Communications and stakeholder liaison
  - Developing, implementing, and monitoring compliance with relevant standards, policies, and competence assurance processes
  - Legal fees for outsourced legal assistance
  - Capital expenditure, e.g. database, website etc.
7. As a statutory authority, the Council operates on a cost-recovery basis. However, the Council also needs to build up enough funds in reserve (both in a general fund and a disciplinary fund) to ensure access to resources to respond appropriately to extraordinary or unanticipated events.
8. Most stakeholders will already be aware that the Nursing Council of New Zealand is providing some back-office support to the Council through a service level agreement. This will assist in containing costs through economies of scale and will benefit the Council and the Chinese medicine profession through access to the expertise and systems established by a long-standing health regulator.
9. From early in the application process for the profession to become regulated, estimates of the anticipated costs of regulation and the predicted APC fee were calculated. A figure of around \$800 per practitioner (excluding any disciplinary levies) was estimated. The proposed fees set out below are for the 2024-2025 financial year (1 April 2024 to 31 March 2025). The fees have been calculated based on a conservative estimate of 850 practising practitioners. The higher the number of registrants, the more practitioners there are to share the annual costs. Unfortunately, initial registrant numbers are lower than originally anticipated which has led to higher than hoped for proposed fees for the coming practising year, but APC fees are still in line with initial estimations provided to the profession.
10. Given the Council is still in its early days, it will be necessary to regularly review the APC fee. Over time, the Council's aim will be to provide certainty of costs for practitioners from one year to the next.

## **Loan repayable to Acupuncture New Zealand**

11. Fees proposed below also include provision for the repayment of an unanticipated loan the Council had to receive from Acupuncture New Zealand (AcNZ) to meet a shortfall in the establishment funding provided to the Council. Prior to the profession being regulated, assurance had to be provided that the profession could meet both the initial costs of establishing the Council (an indicative budget was provided) and the ongoing costs associated with being a regulated profession (indicative APC fees). The profession provided

the government with this assurance, and the profession was regulated. Unfortunately, the profession failed to pay the full required amount to establish the Council.

12. AcNZ proposed that the shortfall in establishment funds needed (\$218,000) be provided to the Council by way of a loan repayable to AcNZ with interest over a 3-year period. Without this loan, the Council would not have been able to put the necessary processes and systems in place to open registration and the Minister's office indicated that de-regulation of the profession was a very real possibility. The Council therefore agreed to receive the loan.
13. When registrations opened in July 2023, the Council found that its establishment costs came in under budget, so the Council returned a portion of the loaned funds to the value of \$99,268.89, leaving \$118,731.11 repayable over the next three years in three instalments. The first repayment due in April 2024 is \$40,000. This \$40,000 is included in the APC fee proposed below. The loan portion works out to \$47 per practising practitioner when divided by the estimated 850 practising practitioners.

### **Proposed APC fee for 2024-25**

14. The proposed APC fee is **\$809** (incl. GST and the loan repayment). This fee has been calculated based on a conservative estimate of 850 practising practitioners applying for APCs in the period to 31 March 2025. If there is an increase in registrants/practising practitioners, the Council may be able to reduce APC fees for the 2025/26 year.
15. It is worth noting that APC fees are payable on an annual basis whereas registration is *for life* and therefore is a one-off cost.
16. The Council proposes to charge a reduced APC fee for new applications received in the second half of the year (1 October 2024 to 31 March 2025), e.g. from new graduates, those on parental or extended leave from practice, to reflect the reduced level of regulation (on average) required for applicants only practising for part of the practising year. This reduced fee is proposed as **\$539.00** (incl. GST) and represents a reduction in fee of approximately 1/3<sup>rd</sup> of the full fee.
17. The Council also proposes to charge a late processing fee on applications for a practising certificate received from practitioners wishing to renew an APC that has recently expired. This reflects the additional administration required in making enquiries as to the reason for the lateness of the application, whether the practitioner has practised without an APC (illegally) since the expiry of their APC, and also the likelihood that their application may need to be referred to the Council for consideration before it can be approved. The late processing fee proposed is **\$100.00** (incl. GST) per month it remains un-renewed.

### **Disciplinary levy**

18. The Council may also, by notice, impose on every Chinese medicine practitioner registered with the authority a **disciplinary** levy of any amount that it thinks fit for the purpose of funding the costs arising out of –

- a) The appointment of, and any investigation by, any professional conduct committee (PCC); and
  - b) Proceedings of the Health Practitioners Disciplinary Tribunal (the Tribunal).
19. A PCC is a committee appointed by the Council to investigate complaints, convictions, or information the Council receives that raises one or more questions about the appropriateness of the conduct of a Chinese medicine practitioner. The work of a PCC can span several weeks or months and generally involves:
  - the gathering of information;
  - scheduled formal meeting/s with the practitioner being investigated and any other parties, if required;
  - deciding on what (if any) action should be taken (including the possibility of laying a charge with the Tribunal); and
  - drafting of a report setting out the PCC's investigation, findings, and decision.
20. The Tribunal is the body appointed in New Zealand to hear and determine disciplinary proceedings brought against health practitioners. The Council is responsible for funding a portion of the annual administrative costs of the Tribunal as well as the costs associated with any case referred to the Tribunal relating to a Chinese medicine practitioner. A percentage of the costs are sometimes reimbursed by the practitioner if the charges laid against them are upheld, but this is not always the case.
21. In terms of setting the level of any discipline levy, the HPCA Act does allow the Council to levy registrants at any time for any amount that may be required to fund the costs arising out of investigations of PCCs or the Tribunal. However, it is the Council's intention, wherever possible, to consult with its registrants on any levy well ahead of a levy being imposed so that practitioners have time to plan for meeting these costs.
22. For now, the Council has to estimate the level of complaint activity there might be in any given year that could lead to PCC or Tribunal costs, which is what has been done to calculate the current proposed levies. For example, the Council has based the proposed levy for 2024/25 on an estimate of 3 PCCs at a cost of approximately \$15,000 each for a typical case, 2 Tribunal cases at an average cost of \$35,000 each, and basic administration contributions (as required under the Act), which is a small 'per practising practitioner' charge of \$6 from the Tribunal to allow it to operate. This cost is then spread across the expected number of practitioners for the year and is included in the proposed APC fee.
23. It is the Council's hope that there may not be this much activity in 2024/25, and if so, the Council will reduce the levy for 2025/26 accordingly. Discipline activity is very hard to predict as you just do not know when complaints will arise and how complex they will be. Over the coming few years the Council will aim to build up a small reserve of discipline funds (in accordance with a Reserves Policy) so that it can smooth these costs from one year to the next.

## Proposed disciplinary levy for 2024-25

24. The proposed disciplinary levy for 2024-25 is **\$141**. If there is minimal or no disciplinary activity in the 2024/25 practising year, the Council may be able to reduce the disciplinary levy for the 2025/26 year.
25. As with the above-mentioned APC fee, the Council proposes to charge a reduced disciplinary levy for new applications received in the second half of the year (1 October 2024 to 31 March 2025), e.g. from new graduates, those on parental or extended leave from practice. This reduction reflects the reduced level of regulation (on average) required for applicants only practising for part of the practising year, and by extension, a reduced risk of disciplinary activity. This reduced fee is proposed as **\$94.00** and represents a reduction in levy of approximately 1/3<sup>rd</sup> of the full levy.

## Comparison to other health regulators

26. For comparison purposes, below is a table showing the current APC fees (and any associated levies) for some of the other regulated health professions. Please note, however, the direct correlation between the number of practising practitioners and the APC fee payable - the more practitioners there are to pay the fee, the lower the fee will be. This table is intended to provide reassurance that the Council's estimated operating costs (by way of APC fee) are comparable to other similar-sized health regulators and also to illustrate that the higher the number of practising practitioners there are, the lower the fee will be. Please note, however, that there is no correlation between APC fees charged and the income a profession earns.

Profession	No. of practising practitioners (based on available stats)	APC fee
<b>Chinese medicine practitioners</b>	<b>850</b>	<b>Proposed \$950 (incl. \$141 disc. Levy)</b>
Dietitians	844	\$625.00 (no levy) <i>(proposed 2024/5 increase to \$820 incl. \$50 disc. Levy)</i>
Chiropractors	744	\$1003.25 (no levy)
Osteopaths	565	\$816.20 (incl. \$5 disc. Levy)
Psychotherapists	585	\$850.00 (no levy)
Podiatrists	471	\$992.00 (incl. \$175 disc. Levy)
Paramedics	1932	\$600.00 (incl. \$45 disc. Levy)
Optometrists & Dispensing Opticians (DO)	1051 (858 Optoms, 193 DOs)	Optom APC \$919.00 (incl. \$20 disc. Levy) <i>(proposed 2024/5 increase to \$1,199 (incl. \$37 disc. Levy)</i> DO APC \$897.00 (incl. \$37 disc. Levy) <i>(proposed 2024/5 increase to \$907 (incl. \$25 disc. Levy)</i>

## **How to submit your feedback**

27. The Council welcomes your feedback on its proposed fees. Please email your feedback to [lindsey.pine@chinesemedicinecouncil.org.nz](mailto:lindsey.pine@chinesemedicinecouncil.org.nz).
28. Submissions close on **12 January 2024**. The Council does not guarantee that submissions received after this date will be taken into account.

## **Appendices**

Appendix 1 - Council Proposed Schedule of 2024-25 APC Fees

Appendix 2 – CMCNZ 2024/25 Budget

## Appendix 1

Council Proposed Schedule of 2024-25 APC Fees (inclusive of GST):

Type of application	Proposed Fee
<b>Annual practising certificates (APC)</b>	
Application for an APC (received between 1 April 2024 and 30 September 2024) incl. a disciplinary levy of \$141	<b>\$950.00</b>
Application for an APC (received between 1 October 2024 and 31 March 2025) incl. a disciplinary levy of \$94	<b>\$633.00</b>
Annual practising certificate late fee (for applications to renew an APC received after 31 March)	<b>\$100.00 per month</b>



## Appendix 2

2024/25 Budget

Description	Budget
	2024-2025
Annual Practising Certificates (APCs)	687,676
Registration Fee NZ New Grad	8,000
Registration Fee TTMR	4,000
Registration Fee Overseas	6,150
Registration Fee NZ Grandparenting	0
Change of condition/authorisation	3,015
Maintenance of Registration	13,600
Disciplinary Levy (part of APC)	120,100
<b>Total Income</b>	<b>842,541</b>
<b>Expenses</b>	
ACC Levies	945
Audit Fees	8,000
Communications	7,710
Conferences & Meetings	10,000
Information Technology	71,285
Legal Fees incl. Gazette Notices	30,000
Depreciation	2,550
Bank Fees/credit card processing fees	30,000
Insurance Professional Indemnity	4,000
Interest on loan	2,545
Website & Internet Costs	30
CPD Audits	12,600
PCC Investigation Expense	45,000
Tribunal Prosecution costs	70,000
Medical Report Costs	8,000
Tribunal Admin funding	5,100
Competence Reviews	12,000
Council Member Fees	53,844
Council Member Travel & Exp	36,600
Council professional development	9,000

Chair person Fees	14,524
Chair person Travel & Expenses	5,555
Finance & Audit Committee Fees	6,880
Registration Committee Fees	6,880
Employment Committee Fees	3,096
Cultural Safety Committee Fees	5,180
Cultural Safety Committee Travel & Exp	2,963
Health Committee Fees	774
Photocopying/scanning	1,000
Postage	1,000
Salaries	196,140
Staff Allowance	3,000
Staff Development & Training	4,000
Stationery	500
Sundries	5,000
General Professional Advisor	62,400
Telephones	4,440
Secretariat Management fee	40,000
<b>Projects</b>	
Project (CPD-recording)	20,000
<b>Total Expenses</b>	<b>802,541</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>40,000</b>
Funds required for Loan repayment	- 40,000
<b>Net after loan repayment</b>	<b>0</b>