

## 2024/2025 Disciplinary Levy and Annual Practising Certificate Fee Consultation

### Introduction

Te Tatau o te Whare Kahu | Midwifery Council is seeking feedback from the profession and stakeholder groups on a proposal to increase both the Disciplinary Levy and Annual Practising Certificate (APC) fee from 1st April 2024.

Any increase in fees is a decision not taken lightly by Council and we acknowledge the impact it may have.

Council must, however, sustainably resource its regulatory functions under the Health Practitioners Competence Assurance Act 2023. These functions are critical in maintaining the public's confidence in Midwives and ensuring that kahu pōkai | midwives are competent and fit to practice. As with all independently regulated profession, the costs are borne in total by the profession. Council receives no government funding.

While these costs are carefully and judiciously managed by Council, we are not able to cut back our core statutory functions to achieve economies, nor are we able to control the volume of work in relation to complaints and notifications made to Council and other matters.

### Summary of proposed fee changes

#### 1. Annual Practising Certificate

Council is proposing an increase of APC fee of \$40 (\$690 increasing to \$730). This represents a 5.8% increase (CPI increase for the 12 months to September is 5.6%). This means Council will be able to:

- Be better positioned to accommodate costs pressures in 2024 and beyond,
- Avoid larger increases in the future,
- Provide for planned and unplanned investment needs,
- Gradually increase General Reserve in line with policy.

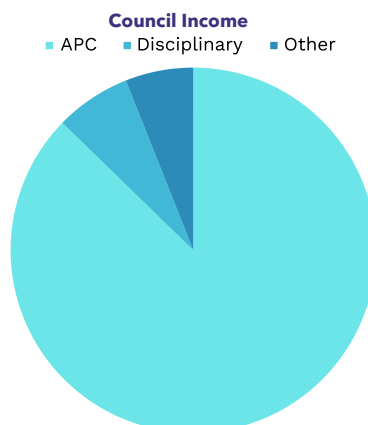
#### 2. Disciplinary Levy

Council is proposing an increase in Disciplinary levy of \$10 (\$50 to \$60). The reason for this increase is to:

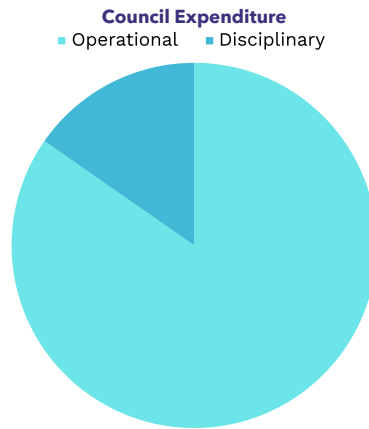
- Ensure the Disciplinary Reserve is retained within Council's policy parameters.
- Mitigate the risk of Reserve being eroded further below the threshold if costs in 2024/25 exceed disciplinary levy income.

### Financial position

Income 2023/2024 Financial Year



## Expenditure 2023/2024 Financial Year



### Operational expenditure

Council last increased Annual Practising Certificate fees in 2022 and made the decision last year not to propose an increase for the 2023/2024 year. Consequently, there was no uplift in budget for Council expenditure for the last financial year. In spite of this, we are pleased to have achieved a break-even year end result<sup>1</sup> despite increasing business costs and overheads and the current employment market impacting on retention and recruitment.

These cost pressures are unlikely to ease over the next financial year and continuing to constrain expenditure at this level would further erode reserves.

Councils reserve policy for operational expenditure is set at a level that covers three months' operational costs – approximately \$500,000. Operational reserves are intended to fund any required organisational change and improvements, cover any unexpected deficits, and provide a buffer for potential events that may adversely affect the organisation. Holding reserves to cover three months of operational costs is the minimum required for Council to meet its fiduciary duties.

Operational reserve level over last 5 years:

YE 2018	\$874,078.00
YE 2019	\$729,272.00
YE 2020	\$534,566.00
YE 2021	(\$104,105.00)
YE 2022	\$133,796.00

<sup>1</sup> Audited accounts are not yet available.

## Disciplinary expenditure

The current disciplinary levy of \$50 has been unchanged since 2012 and generates approximately \$150,000 per year. These funds are applied exclusively to disciplinary costs involving cases that are referred to Professional Conduct Committees (PCC) and those that are ultimately taken to the Health Practitioners Disciplinary Tribunal (HPDT).

Council receives on average four notifications or complaints per week. These may be about the conduct or competence of a midwife but can also be a notification of a health issue where there are concerns about a kahu pōkai | midwife's safety to practice. The number of complaints and notifications is proportionally higher than other professions, which impacts our operational expenses. Only a few are ultimately referred to PCC and HPTD. It is of note that the volume and complexity of those cases has increased in recent years.

The table on the following page summarises the disciplinary costs incurred to date for individual PCC and HPDT cases that are in progress this year. These figures may not represent the total costs of each case as costs can fall over multiple financial years.

Case Type	Cost incurred by Council
PCC	\$15,108.00
PCC	\$29,781.31
PCC	\$9,003.66
HPDT	\$213,680.21
PCC	\$9,923.87
PCC	\$280.00
HPDT	\$12,756.00
PCC	\$2,340.00
PCC	\$13,433.13
PCC	\$12,520.00
<b>Total:</b>	<b>\$318,826.18</b>

The Reserves Policy for the disciplinary levy is to maintain the fund at a minimum of \$200,000.

The opening balance on 1 April 2023 was \$361,921 and costs to date this financial year are \$236,866 therefore reducing this balance to \$125,055. As illustrated above it only takes one or two complex cases that have a major impact on this fund.

## Consultation - asking for feedback

The Council wishes to gather views from the profession and sector on the proposed fee increases. Your feedback will inform the Council's final decision. Feedback can be provided at [THIS LINK](#).

Council acknowledges previous feedback from the sector in terms of the timing of the consultation process and the uncertainty from year to year as to whether an increase in fees will be proposed.

Taking this into account, we have included two additional consultation questions:

1. Would you support an automatic inflationary adjustment from year to year?
2. Would you support the Council exploring the option of moving APC renewal to 1 July?

Council invites all kahu pōkai | midwives and stakeholder groups to comment on the proposed APC fee and disciplinary levy increases, as well as answer the questions relating to automatic inflationary adjustment in future years and moving APC renewal date.

This consultation ends at close of business on 14 December 2023.

Ngā mihi,



**Lesley Clarke**  
**Tumu Whakahaera | Chief Executive**