

# Consultation on Proposed Annual Practising Certificate (APC) fees for the 2017/18 Practising Year

VETERINARY COUNCIL  
OF NEW ZEALAND  
Te Kaitiaki Take Kōwhiri o Aotearoa



## Proposal

Council is proposing a 5.1% increase to the APC fee for 2017/18 so that it can continue to meet its statutory responsibilities. This will increase the fee from \$532 to \$559 (GST inclusive), and from \$507 to \$533 for the discounted early payment fee.

We invite you to send us feedback on this by 11 November. The Finance and Risk Committee will consider all the submissions before making a final recommendation to Council.

## Introduction

Council's activities are funded by practising certificate, registration, and other fees paid by vets. We don't receive any public funding. We must use the income from fees to pay for the activities the Veterinarians Act requires us to deliver.

APC fees make up around 90% of our income. Registration application fees, certificate fees, and income from interest make up the remainder.

When Council sets fees, it takes into account the requirements of the Veterinarians Act 2005 and the Auditor-General's Good Practice Guide: *Charging fees for public sector goods and services*.

Fees are set to cover costs, while still ensuring that there are adequate reserves to fund unbudgeted expenditure such as unforeseen court action or spikes in the numbers of complaints and disciplinary cases.

## Reserves Policy

Section 98 of the Veterinarians Act says that 'fees may provide for the Council to maintain adequate net assets provided the net assets have a value not greater than 1.5 times the average annual revenue in the previous 3 financial years'. It also says that fees must be 'fair and reasonable'.

Council tries to balance the need to be financially prudent, without holding excessive sums of money that has been paid by vets. It considers that holding reserves equivalent to between 5 and 7 months of operating expenditure does this.

## Year end position

The Council ended the last financial year with a surplus of \$64,568, increasing reserves to \$744,162. This is within Council's policy requirements for the reserve level to be between 5 months and 7 months of operating expenditure (this would be between \$547,448 and \$766,427 based on 2015/16 expenditure).

This surplus was a result of APC income being higher than budgeted for, fewer complaints, and no disciplinary hearings.

Click [here](#) for a copy of the VCNZ Annual Report and audited accounts for the year ended 31 March 2016.

## Current Situation

Unfortunately the situation has reversed this year. Fewer vets have registered or taken out an APC, which means income is down. Complaint numbers have increased dramatically (29 as at 15 October, compared with 14 at the same time last year) and disciplinary cases are likely.

At the same time, the Council is concerned about the sustainability of workloads in the VCNZ office. This is a result of increased 'business as usual' work; the increasing complexity of complaint cases; additional work associated with support for new graduates; and the increased focus on communications and growing links with stakeholders including the profession.

Because of this the Council has decided to increase the number of full time equivalent office staff from 7.1 to 8.1.

We know that fee increases are always unwelcome. Council needs to do this to make sure it can continue to deliver on its statutory functions and strategic objectives, act as a 'good employer', and maintain financial stability.

The proposed practising certificate fee compares favourably with those in the health professions.

Profession	APC \$	Number of practitioners
Veterinarians	559 533 (early payment)	2,828
Pharmacists	649	3,502
Dentists	1,112	2,824
Doctors	897	14,677
Nurses	110	53,922
Chiropractors	1,226	543
Psychologists	590	2527
Occupational Therapy	558	2,229

In the human health professions a publicly funded Health and Disability Commissioner and staff investigate all complaints made by consumers about health practitioners. While health occupational regulators investigate some complaints about conduct, the volume is much less than in the veterinary sector where the cost of the statutory complaints processes must be met entirely by vets.

The Council remains committed to operating in a cost effective manner and maintaining an appropriate balance between effectively carrying out its statutory responsibilities, and affordability for vets. To meet increasing costs Council constantly reviews expenditure levels and ways to reduce operating costs. In the past few years savings have been achieved by switching to electronic newsletters and other publications; online APC renewal; online voting for VCNZ elections; and increased use of teleconferencing and skyping.

## Feedback

Please send your comments to:

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**This consultation closes at 5pm, 11 November 2016**