

CONSULTATION DOCUMENT
Midwifery Council Fees
for the 2021-2022 Practising Year

Released: Wednesday 2nd December 2020
Submissions Due: Friday 8th January 2021

Introduction

The Midwifery Council is a statutory body established under the Health Practitioners Competence Assurance Act 2003 (HPCA Act 2003). Its primary purpose is to protect the health and safety of the public by ensuring that New Zealand has competent midwives in practice and to respond to all concerns with timely and effective action. The Council sets standards and qualifications for registration, provides guidelines, authorises the registration of midwives, reviews and promotes competence, and acts on concerns about the competence, professional conduct or health of a practitioner.

The purpose of this consultation paper is to seek views from both midwives and stakeholders regarding proposed adjustments to the Midwifery Council's fees.

Background

Health practitioner fees are set by Responsible Authorities under, s130 and s131 of the HPCA Act 2003. The Council is committed to ensuring that it operates in a cost-effective manner and strives to maintain a balance between ensuring the efficient and effective discharge of its public safety obligations and practitioner affordability. The Council's only source of income is from the services it provides, that is for registration, education accreditation, practising certificates, the disciplinary levy, interest, and from other joint external projects. **Most income comes from midwives applying for practising certificates.**

Midwives benefit from regulation as

- Qualified and experienced Council staff provide the necessary administrative support to maintain the regulatory framework that supports midwifery in Aotearoa and can swiftly move to address challenges in the workforce (e.g. granting emergency practising certificates as part of the pandemic response)
- The Council operates a rigorous Annual Practising Certificate process that gives the public and the health sector confidence that midwives in Aotearoa are competent and fit to practise.
- The Council sets standards for approval of pre-registration midwifery education programmes and accreditation of tertiary education organisations – including processes for approval, accreditation, monitoring and audit, which means that Aotearoa, New Zealand graduates are competent on completion of their qualification to practise
- Upgraded IT systems make it easier and more efficient for midwives to access all regulatory information relating to their work
- The Aotearoa Midwifery Project is a timely and key strategic project that is using a Te Tiriti framework to develop the new regulatory structure that will shape the future of midwifery practice in Aotearoa
- The Council is resourced to pay for cost of running a hearing if a midwife is referred to the Health Practitioners Disciplinary Tribunal as a result of charges laid against her by a Professional Conduct Committee
- The Council is enabled to work collaboratively with the Ministry of Health and other government agencies to address both short and long term issues confronting the profession

Review of costs

In 2020, the Council commissioned an independent review of the cost of services it provides. This included exploring the actual cost of provision of each service and a full budget review, particularly due to the commencement of key strategic projects and ongoing improvement work.

This cost review identified that the Council cannot continue to operate and provide the services it does without reviewing the fees it charges. The Council has operated at a deficit for several years and this has impacted on the amount of financial reserves that it holds. A recent review of the cost of providing services has highlighted a projected deficit of almost \$500,000 for the current year. This substantial amount can largely be attributed to necessary IT development and increased staffing. While this is essential expenditure, the Council has agreed that it cannot continue to use its reserves to pay for its operations.

Reserves

The Council is required to retain a level of reserves in order to be prepared for unexpected events. Unlike other commercial entities, the Council is unable to borrow money or to have overdraft facilities. A review of the budget has led to further examination of the Council's financial reserves policy with subsequent increase in the amount required. Capital and operational reserve requirements are over \$850,000.

The Council charges a disciplinary levy to pay for the investigation of complaints and referrals to the Health Practitioners Disciplinary Tribunal. (HPDT). If a midwife faces charges laid by a Professional Conduct Committee, the Council is responsible for the full cost of running the hearing. This includes payment of the panel members, venue and accommodation as well as the cost of engaging and instructing a lawyer. The Council may receive a contribution for costs from the midwife if the charges are proven. The reserve it holds is \$100,000 based on the assumption that there is one case per year.

The Council must carefully manage the funds that it generates through registration and APC processes.

Resources required

The Council is committed to its strategic projects which include the Aotearoa Midwifery Project as well as the ongoing development of all IT systems. It needs to ensure that they are adequately resourced. The Council anticipates increased expenses over the next financial year and beyond due to the need to continue to invest in these key areas. This requires investment in skilled staff, tools, and operational resourcing.

While there have been new staff appointments over the course of 2020, some existing positions have remained vacant and they need to be filled. To carry out the work of the Council, budgeted FTE has increased from 7.2 FTE in December 2019 to 11 FTE in November 2020. This increase is essentially due to the establishment of the Aotearoa Midwifery Project team but is also impacted by the Deputy Registrar role being divided into separate midwifery professional advice and legal regulatory roles.

Changes to business

Additional unplanned expenses have occurred during 2020, due in part to the need for the Council to meet on a more regular basis. While this commenced during the COVID pandemic, the high number of fitness to practice notifications and conduct matters has required the Council to establish a fitness to practice subcommittee. This committee meets monthly via zoom. In addition, a finance audit and risk management committee has also been formed. This committee also meets via Zoom on a quarterly basis.

Further development of the online national exam has also required significant resources. Transitioning from one mode of delivery to another meant that a number of questions required rewriting. In addition, performance reports indicated that some questions were not fit for purpose and therefore had to be retired. It is essential that the exam is robust and fit for purpose. It is expected that question development will be an ongoing expense, although not to the same extent that has been required during 2020.

Last fee increase

In January 2020 all fees were increased. The size of the increase for all fees apart from the APC fee was to account for inflation since the fee was originally gazetted in 2004. In some cases, a small additional percentage increase was made to account for current and upcoming expenses which included the Ministry of Health mandated performance review of authorities, additional costs for resourcing of the HPDT, the development of a database and to transition the national exam to an online platform.

Practising Certificate fees

The costing model has considered the fees allocated to services and the volumes of each service. The practising certificate fee is the main contributing fee that enables the Council to fulfil its statutory obligations.

Practising certificate fees were increased by \$30 in 2020 for the 2020/21 year. The Council proposes to increase fees again for 2021-2022 in order to cover the cost of its operations and to ensure it is able to perform its functions. The Council acknowledges the financial challenges faced by midwifery students completing their degree and has always provided a reduced fee for first practising certificates. The Council recognises that there is also a need to increase this fee and further consultation will occur about this in 2021.

The costs of processing an application for a practising certificate remain the same regardless of the time that the midwife holds the certificate. It therefore does not make business sense to reduce fees each quarter and a change to fee structure is also required.

The Council acknowledges that any change in APC fee will impact on all midwives - the costing model will be used to review and manage the cost of Council operations and associated fees on a regular basis which means that consultation regarding fees should occur annually. The Council believes these proposed increases are necessary to ensure its ongoing financial sustainability.

Financial position

The following high-level table provides an indication of expected income and expenses with the proposed change in APC fee.

Financial performance	Adjusted forecast 2020-2021 (000)	Budget 2021-2022 (000)
Income		
Practitioner APC fees	1,241	1,866
Disciplinary levys	162	141
Other Registration income	85	94
Other income	172	70
Total income	1,660	2,171
Expenses		
Administration	1,514	1732
Council	118	126
Disciplinary	146	131
Exam	80	30
Other (projects)	293	110
Total expenses	2,151	2,129
Total surplus/deficit	(492)	42

Proposals

The Council believes the following proposals are necessary to ensure ongoing financial viability to ensure the Council can meet its obligations to protect the health and safety of the public.

1. That the Council increase the fee for an annual practising certificate, for all midwives except those applying in their first year after graduation, from \$425 to \$650.00 including GST
2. That the option of fees reducing each quarter is removed for all classes of midwives
3. That the disciplinary levy remains at \$50 including GST per year

Practising certificates

Fee	Current fee \$	Proposed fee \$	Increase \$
Application for first practising certificate by a New Zealand graduate applying in the same practising year as, or the practising year which follows, entry to the Register:	\$225	\$225 To be reviewed in 2021	\$0
Issue of an annual practising certificate for the period from 1 April to following 31 March inclusive, if paid after 31 March, whilst holding a practising certificate for the previous year (includes an additional processing fee of \$100)	\$525	\$750	\$225
Application for all other practising certificates:	\$425	\$650	\$225
Disciplinary Levy	\$50	\$50	\$0

Summary

This consultation document seeks input from midwives and other stakeholders before the Council makes a final decision about these matters.

The Council invites comments on these proposals by email or post by **8th January 2021**.

After the consultation period has closed, the Council will consider submissions received before making a decision. The final decision will be made at an extraordinary meeting to be scheduled in January 2021 prior to placing a notice of the fee and levy in the New Zealand gazette for an effective date of **13th February 2021**.

Copies of this consultation document have been sent to all practising midwives, the Ministry of Health, District Health Boards and other key stakeholders.

How to submit a response

Responses can be sent by:

email:

info@midwiferycouncil.health.nz

Attention: fees consultation

post:

Midwifery Council

PO Box 9644

Marion Square

Wellington 6011

This consultation closes at 5 pm on **Friday 8th January 2021.**



Dr Susan Calvert
Chief Executive and Registrar