



# Regulatory Impact Statement:

Amendments to Veterinarians (Fees) Regulations 1999

July 2004



Ministry of Agriculture and Forestry  
Te Manatū Ahuwhenua, Ngāherehere

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## Statement of the nature and magnitude of the problem and the need for government action

1. The Veterinary Council of New Zealand (the Council), established under the Veterinarians Act 1994 (the Act), has two main functions: the registration of veterinarians and specialists and the hearing of complaints against veterinarians and specialists. The Council has the discretion under the Act to designate any branch of veterinary science as a branch in respect of which veterinarians may be registered as specialists. The Council operates on a cost recovery basis and costs are recovered through fees set in regulation.
2. Overseas-trained veterinarians who are graduates of schools which have not been assessed and approved by the Australian Veterinary Schools Accreditation Committee, the Royal College of Veterinary Surgeons, or the American Veterinary Medical Association are required to sit the New Zealand National Veterinary Examination (NZNVE) in order to practice in New Zealand. It comprises a preliminary and a final examination. Massey University, the only veterinary school in New Zealand, conducts the final examination.
3. The final examination comprises a written examination, together with a comprehensive practical examination that tests a range of skills and knowledge in veterinary science using a range of animals and equipment. The costs of those resources have risen since the current fee was set in 1999. Around 12 to 14 candidates sit this examination each a year. While Massey University is charging the Council around \$3,500 per candidate sitting this examination, the Council is seeking an increase in the fee from \$2800 to \$3,100 (GST inclusive) per candidate to recover the increased charge from Massey University, and will look at increasing this gradually in future to reach the full cost recovery level.
4. Specialist Registration fees are a one off cost charged when veterinarians apply to be listed on the Council's register as a specialist. Applicants for specialist registration are assessed by a relevant committee of the Australasian Veterinary Boards Council (AVBC), of which the Council is a member. In 2004, the AVBC raised its fee from AUD\$450 to AUD\$1,100 (around NZ\$1,300, which will vary with changes in the exchange rate). An increase in the specialist registration fee from \$787.50 to \$1,400 (GST inclusive) per applicant is required to fully cost-recover the increase in the fee charged by the AVBC. Around 1 to 2 candidates seek specialist registration in a year.

## Statement of the public policy objective(s)

5. The public policy objective is that the Council must be adequately funded, on a cost recovery basis, for it to undertake its statutory functions.

## Statement of feasible options (regulatory and/or non-regulatory) that may constitute viable means for achieving the desired objective(s)

### Status Quo

6. As in the Veterinarians (Fees) Regulations 1999:
  - New Zealand National Veterinary Final Examination Fee \$2800; and
  - Specialist Registration Application Fee \$787.50.

7. The Status quo is not an option, as the final examination fees and the specialist registration fees contained in the Fees Regulations are no longer at levels where the Council can recover the costs of delivering those services. public policy objective is to enhance research flexibility and reduce disincentives for research, by reducing compliance costs for researchers, while safeguarding the provision of data to the core database.

### **Amend the Veterinarians (Fees) Regulations 1999 (Preferred option)**

8. Amend the Veterinarians (Fees) Regulations 1999 as follows:
  - New Zealand National Veterinary Final Examination Fee \$3100 (GST inclusive); and
  - Specialist Registration Application Fee \$1,400 (GST inclusive).

## **Statement of the net benefit of the proposal, including the total regulatory costs (administrative, compliance and economic costs) and benefits (including non-quantifiable benefits) of the proposal, and other feasible options of the net benefit of the proposal**

### **Government**

9. The Council would be adequately funded by being able to recover the full cost of the services it has to provide. Industry.
10. Registered veterinarians would benefit from the proposal as eventually they would no longer subsidise those sitting final examinations and those seeking specialist registration. Those 12 to 14 applicants in a year sitting the final examination would pay \$3,100 rather than \$2,800. The 1 to 2 candidates seeking specialist registration in a year would be paying \$1,400 rather than \$787.50. Society
11. Society would benefit from having a Council that is adequately funded to deliver services, such as ensuring appropriately qualified veterinarians delivering veterinary services to pet owners, livestock farmers, etc.
12. There are no compliance costs to business arising from this proposal.

## **Statement of consultation undertaken**

13. The New Zealand Veterinary Association, which is the representative organisation for veterinarians, was consulted and agrees to the two proposed fee increases. The Association considers that the two fees should be on a full cost recovery basis as the applicants will benefit if they are successful.. The Treasury, the Ministry of Economic Development, the Department of Prime Minister and Cabinet, the Ministry of Justice and Te Puni Kokiri were consulted in the preparation of the Cabinet paper, and they had no comments.

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