

Voluntary Bonding Scheme for Vets

Terms and Conditions

Terms and Conditions for the transition year beginning 23 February 2009

This document contains the terms and conditions on the voluntary bonding Scheme for veterinarians.

1.	Definition of terms	1
2.	Background	2
3.	Eligibility Criteria	2
3.1.	Understaffed, rural areas	2
3.2.	Eligible Graduates	2
3.3.	Existing Graduates	3
3.4.	Eligible Practices	3
4.	Incentive Payment	3
4.1.	Bonding Period	3
4.2.	Incentive Payment	3
5.	Other Provisions	4
5.1.	Absences or leave	4
5.2.	Termination of employment	4
5.3.	Exceptional circumstances	4
5.4.	Change of practice	5
5.5.	Change of “understaffed, rural areas”	5
6.	Responsibilities	5
7.	Dispute Resolution Process	5
8.	Acceptance by Graduate	5

1. Definition of terms

- 1.1. *Capability to support a Graduate* means that the practice has a system in place whether formal or informal to ensure that there is support for the graduate in their transition from study to work.
- 1.2. *Full-time* means employment for at least 35 hours per week.
- 1.3. *Graduate* means either an Eligible Graduate or Existing Graduate.
- 1.4. *Practice* includes a place of work that is not a veterinary practice e.g. New Zealand Food Safety Authority or a meat processing facility.
- 1.5. *Significant proportion* means that servicing production animals are a core focus of the practice either because it is the only practice servicing production animals in the area or because more than 50 percent of the work of the practice is servicing production animals.
- 1.6. *Veterinary science qualification* means a Bachelor of Veterinary Science or any post-graduate qualification completed immediately after completing a Bachelor of Veterinary Science.
- 1.7. *Week* means 5 full-time working days e.g. 14 weeks is 70 full-time working days.

2. Background

- 2.1. The aim of the Voluntary Bonding Scheme for Veterinarians (**the Scheme**) is to support the retention of veterinarians in understaffed, rural areas to assist New Zealand to maintain world-class standards in biosecurity, animal welfare and food safety.
- 2.2. The Scheme also aims to make a significant contribution to repayment of student loans for those Graduates who have them, but will be available to those without loans or those who have already paid off their loan.
- 2.3. The first year of the Scheme will be a transition year to allow the Ministry of Agriculture and Forestry (**MAF**) to work with veterinary organisations to review eligibility for the Scheme and ensure that it continues to target areas with the greatest need. The transition year will be from 23 February 2009.

3. Eligibility Criteria

The Scheme is available to persons who, in the opinion of MAF, meet all eligible criteria outlined in clauses 3.1 to 3.4.

3.1. Understaffed, rural areas

3.1.1. In the transition year of the Scheme “understaffed, rural areas” are the territorial authority districts of:

- Gisborne (excluding the urban area of Gisborne city)
- Wairoa
- Central Hawkes Bay
- Tararua
- Grey
- Westland
- Buller
- Southland and Gore

as defined in Part 2 of Schedule 2 of the Local Government Act 2002.

3.2. Eligible Graduates

3.2.1. An Eligible Graduate is a person who:

- is a New Zealand citizen or permanent resident;
- has a Bachelor of Veterinary Science from Massey University;
- is registered to practice as a veterinarian in New Zealand and holds a current practicing certificate;
- has, or will have been offered, a permanent, full-time position in an eligible practice;
- practices production animal veterinary medicine as part of this position; and
- applies for the Scheme within 12 months of completing their veterinary science qualification.

3.2.2. In the transition year, an Eligible Graduate is defined as someone who meets the criteria above and whose first date of employment is after 23 February 2009.

3.3. Existing Graduates

- 3.3.1. In the transition year the Scheme is also available to Existing Graduates. Existing Graduates are graduates who meet the criteria in clause 3.2.1 (apart from the last) and who completed their veterinary science qualification in 2005 or later, and are already working in an understaffed, rural area, as at 23 February 2009.
- 3.3.2. An Existing Graduate must apply for the Scheme by 22 February 2010.

3.4. Eligible Practices

- 3.4.1. An Eligible Graduate or Existing Graduate must work in an Eligible Practice, defined as a veterinary practice where:
- a significant proportion of the work undertaken by the practice must include servicing production animals; and
 - the practice must have the capability to support a Graduate.

4. Incentive Payment

A Graduate is eligible to receive an incentive payment in accordance with clauses 4.1 and 4.2.

4.1. Bonding Period

- 4.1.1. The bonding period for Eligible Graduates commences on the first date of employment in an Eligible Practice (**the Commencement Date**).
- 4.1.2. For Existing Graduates, the bonding period will commence on 1 January 2009 (**the Commencement Date**).
- 4.1.3. The minimum bonding period needed to be completed to receive an incentive payment under the Scheme is three years.
- 4.1.4. The maximum bonding period allowed under the Scheme is five years.
- 4.1.5. A year means a calendar year that runs from the Commencement Date to the anniversary date of the Commencement Date and then from anniversary date to anniversary date in years 2 to 5 of the Scheme.

4.2. Incentive Payment

- 4.2.1. Graduates are entitled to incentive payments for each year that they are eligible for the Scheme. The amount of the incentive payment is a taxable amount of \$11,000 (NZD) each year.
- 4.2.2. Payment for the first three years will be made as a lump sum at the end of three years completed in the Scheme, with an annual payment for the fourth and fifth completed year as set out below:

Bonding period	Incentive Payment before tax)	Payments made (before tax)
Year 1 completed	\$11,000	\$0
Year 2 completed	\$11,000	\$0
Year 3 completed	\$11,000	\$33,000
Year 4 completed	\$11,000	\$11,000
Year 5 completed	\$11,000	\$11,000
TOTAL AMOUNT ELIGIBLE FOR	\$55,000	\$55,000

- 4.2.3. Graduates will be required to pay any and all taxes and other liabilities due on any incentive payments.
- 4.2.4. MAF will notify eligible graduates when they are due to receive incentive payments and request any further information needed to make the payment.
- 4.2.5. MAF will determine the method for delivery of incentive payments before the end of the transition period (22 February 2010).

5. Other Provisions

5.1. Absences or leave

- 5.1.1. Where a Graduate continues to be in full-time employment in an Eligible Practice, the Graduate may take absences of up to 14 weeks in total in a year, as defined in clause 4.1.5, without affecting the bonding period. Absences mean any leave such as maternity, paternity, retraining, annual leave and sick leave, which has been agreed to under the Graduate's employment contract.
- 5.1.2. Where a Graduate is absent for more than 14 weeks but less than 20 weeks in a year the amount of time taken beyond 14 weeks in a year will be added to the bonding period before the next incentive payment will be made. The anniversary date for the Graduate will be adjusted taking into account the added time i.e. moved forward.
- 5.1.3. The maximum time that may be added to a bonding period in any year is 10 weeks. Where this limit is breached MAF will consider whether the Graduate is still eligible for the Scheme and if not whether to make a pro rata payment.
- 5.1.4. Where a Graduate anticipates being absent for 24 weeks or more in a year they must advise MAF as soon as possible prior to taking the absence to enable MAF to determine whether the Graduate is still eligible for the Scheme.
- 5.1.5. For the avoidance of doubt, the bonding period is not affected if a Graduate takes less than 14 weeks of absences in a year.

5.2. Termination of employment

- 5.2.1. Where a Graduate's employment is terminated (for whatever reason) and the Graduate is not moving to another position also eligible for an incentive payment under the Scheme, they will no longer be eligible for incentive payments under the Scheme unless exceptional circumstances exist.

5.3. Exceptional circumstances

- 5.3.1. Where circumstances exist which would ordinarily terminate a Graduate's eligibility under the Scheme, and these circumstances are exceptional, a Graduate can apply to MAF to remain eligible for incentive payments or a pause as described below. Types of circumstances that might be deemed exceptional include employment disputes, family sickness or bereavement or personal sickness and injury.
- 5.3.2. Where MAF considers that an exceptional circumstance exists a Graduate may receive a pro-rata payment based on the length of the bonding period completed,

or be granted a 'pause' on the Scheme completion requirements until they resume work in an eligible position which meets the Scheme eligibility criteria. Decisions under this clause are at the sole discretion of MAF.

- 5.3.3. The maximum pause that will be granted under clause 5.3.2 will be 24 weeks and the anniversary date will be adjusted accordingly.
- 5.3.4. To apply for exemption under "exceptional circumstances" Graduates must apply to MAF within 2 months of their employment being terminated.

5.4. Change of practice

- 5.4.1. If a Graduate changes practice and their new position is in an eligible practice and they meet the eligibility criteria of the Scheme they may reapply for the Scheme.
- 5.4.2. Any time taken between ceasing and recommencing employment will be considered an absence and clause 5.1 applies with necessary modifications.

5.5. Change of "understaffed, rural areas"

- 5.5.1. Graduate accepted into the Scheme remain eligible even if, during the (maximum of) five years they are eligible, the areas determined as "understaffed, rural areas" change.

6. Graduate Responsibilities

- 6.1. Graduates accepted into the Scheme must:
 - notify MAF of any matter that effects the eligibility Criteria in clause 3.2 to 3.4;
 - notify MAF of any change of employment;
 - confirm their continued eligibility by filling out the Confirmation of Eligibility form, each year, including notification of any absence taken beyond 14 weeks in a 12 month period.
- 6.2. Graduates with a Student Loan account with Inland Revenue must apply any incentive payments they receive under the Scheme to make repayments to Inland Revenue against their student loan.

7. Dispute Resolution Process

- 7.1. Should a Graduate disagree with any decision made by MAF, they may outline the reasons in writing to the scheme administrator:

Veterinary Bonding Scheme
Ministry of Agriculture and Forestry
PO Box 2526
Wellington 6140

- 7.2. A panel will be convened to review the decision made, including a panel member from outside of MAF. Decisions of the panel will be final.