

Supplementary Annex in response to further questions: 7 September 2007

Benchmark hourly rate

1.0 “do the experts agree that ACC’s suggested adjustment of the benchmark hourly rate, in the response to question 5 in the ACC submission of 5 September 2007, is appropriate to ensure comparability with model outputs?”

- Deloitte and KPMG consider that there has been some misunderstanding in respect of the benchmark hourly rate and therefore do not agree with ACC’s suggested adjustment.
- The work which Deloitte and KPMG undertook in relation to assumed hourly rates related to EPN consultations only. The following consultations times are used in the Model:
 - EPN 1 – 30 minutes
 - EPN 2 – 20 minutes
 - EPN 3 – 40 minutes
 - EPN 4 – 30 minutes
 - Reg Initial – 30.616 minutes
 - Reg Follow-up 20.778 minutes
- ACC appears to have used the Regulation consult times in their analysis of EPN consults rather than the EPN times used in the Model.
- Therefore Deloitte and KPMG do not consider that an adjustment needs to be made to the benchmark hourly rate and that the appropriate table is that which has been presented to the Reviewer previously as set out below.

Weighted Price Analysis								
Consult	Price	Time	Weight	Hourly rate	Number consults	%	Weighted Price	
1	\$ 43.56	30	2	\$ 87.12	7,113	14.40%	\$12.57	
2	\$ 35.03	20	3	\$ 105.09	38,064	77.20%	\$81.17	
3	\$ 76.69	40	1.5	\$ 115.04	473	1.00%	\$1.10	
4	\$ 56.81	30	2	\$ 113.62	3,633	7.40%	\$8.37	
					49,283			
					weighted hourly rate			\$103.22

Return on Investment

- 2.0 *“Return on investment: is it common ground that if ongoing reinvestment in a practice is required (eg to replace physiotherapy and IT equipment) at a level broadly equivalent to depreciation, the KPMG ROI approach would be appropriate when seeking to model the sustainable costs of a practice?”*

The return on any investment should include both an expected fair rate of return on capital employed (essentially ROI) and the return of the capital invested (essentially the depreciation element, where the asset or investment is expected to depreciate in value over time)

It is common ground that an allowance broadly equivalent to depreciation is necessary for ongoing reinvestment in a practice (eg to replace physiotherapy and IT equipment).

Both the Deloitte and KPMG approach allow for depreciation to be factored into the calculation of a fair price.

The primary difference between the experts' approaches relates to the measurement of the capital base against which the ROI rate is applied, not to the question of whether depreciation should or should not be included.

- 2.1 *“is there any reason to think that ongoing investment is not required to maintain the practice, or that annual investment is likely to be materially less than annual depreciation levels?”*

There is no reason to think that ongoing investment would not be required to maintain the practice.

The Deloitte view is based on the assumption that practices will not operate using assets that are new each year. Rather, assets will be purchased, depreciated over their useful economic life and then replaced. Depreciation accumulated over the useful life of each asset will be used to reduce the capital employed in the business. By setting depreciation with reference to an optimised replacement cost in today's dollars and determining the capital base with reference to a depreciated replacement cost in today's dollars, Deloitte consider that a fair depreciation charge and ROI is calculated. Changes in the required asset base over time, and the flow on implications for depreciation and ROI, can be addressed by periodically revisiting both the optimised asset base and the replacement cost of the asset base. This is consistent with the process applied for setting prices/charges in relation to regulated assets such as airport, port and electricity lines company charges.

KPMG consider that the ongoing investment requirement will exceed depreciation. The future replacement cost of modern equivalent assets will most likely increase with time – the extent to which will depend on asset specific inflation rates. In addition improving clinical methods, new systems and tools and ever increasing consumer expectations are likely to alter Physiotherapists investment requirement further but it is impossible to know today whether, or how much, incremental investment might be required. An example is the proliferation of specialised gymnasium equipment and exercise areas within physiotherapy practices.

Supplementary Annex in response to further questions: 7 September 2007

- 2.2 *“is it common ground that adopting the Deloitte ROI approach results in the level of returns set out in para 22 of the Troy Newton brief dated August 2007?”*

It is common ground that the Deloitte ROI will be approximately half that calculated by KPMG because the Deloitte assumption is that assets will, on average, be half way through their useful life, and therefore the level of investment in fixed assets will, on average, be half that of the original investment. Both Deloitte and KPMG calculate depreciation with reference to the original cost of the assets – so the depreciation component of the price calculated by both parties is the same.

- 2.3 *“is it possible for the experts to reach any further agreement on ROI issues, in the light of the further exchanges that have taken place on this topic, and with the benefit of further time for reflection?”*

Deloitte and KPMG agree that the key issue is to obtain a high degree of confidence as to what an optimal fixed asset base for a new entrant practice would be with a view to agreeing a normative level of invested capital against which to apply the agreed ROI rate.

KPMG and Deloitte agree that this optimal fixed asset base should be redetermined and valued on an optimised replacement cost basis on a frequent and regular basis in order to ensure that incremental investment arising from improving clinical methods, new systems and tools and ever increasing consumer expectations is not discouraged. It will also be important to ensure that costs which are not considered to be fixed asset costs (other than goodwill) are not being included in the ROI calculation.

For the interval between optimal fixed asset base redeterminations, Deloitte and KPMG agree that effects of inflation on reinvestment should be considered. KPMG proposes that the Model's calculation be modified to reflect the impact of forecast inflationary expectations on asset values. Deloitte considers that this could be addressed by a periodic review of the fixed asset base especially as the inflationary impacts on asset values are unknown.

Deloitte considers that one of the key current issues in relation to the fixed asset base relates to whether or not a gymnasium and related assets should be included. The evidence suggests that currently the number of practices with a gymnasium is approximately 60%. A price which assumes these assets are needed has the potential to overcompensate certain practices which do not have these assets and also create incentives to include these asset's when they may not be required. One option could be to use a proportion of the costs of gymnasium assets within the modelling rather than utilising 100% of these costs.

KPMG considers that the effect of tax must be considered in relation to the ROI adopted. Due to the way the Model is structured inserting a headline rate of 15% in the Model results in a 10% ROI in after tax terms, assuming a tax rate of 33%. KPMG considers an ROI of 10% is well below an expected fair rate of return on the assets. For example, a post tax ROI of 15% can be approximated by loading the Model with a headline rate of 22.5%.

Deloitte consider that a headline ROI of 15% is appropriate. As the majority of the revenue base of practices is essentially underwritten by a Crown agency using headline rates of more than 15% is not considered appropriate.

Supplementary Annex in response to further questions: 7 September 2007

Sensitivity analysis

3.0 “please rerun the sensitivity analyses conducted in June/July as follows:

Note: Throughout this sensitivity analysis all salary information has been presented in reference to 2007/08 levels. Where salaries have been converted from another period to 2007/08 levels, the indexation rates set out below have been used. Salary rates are shown exclusive of any overtime (see 3.5 for overtime analysis at respective base rates).

Indexation Rates

Inflation Adjustors		Year ending						3 years	Source
Category	Original	Jun-05	Jun-06	Jun-07	2 years (05/06)	(05/06/07)			
Labour	Business owner	5.70%	5.70%	4.60%	5.10%	5.15%	5.13%	Statistics NZ - LCI (Salary and Wage rate) Table 5.2 Health Professionals	
	Physiotherapist & other clinical staff	5.70%	5.70%	4.60%	5.10%	5.15%	5.13%	Statistics NZ - LCI (Salary and Wage rate) Table 5.2 Health Professionals	
	Admin staff	2.40%	2.40%	2.40%	2.90%	2.40%	2.57%	Statistics NZ - LCI (Salary and Wage rate) Table 5.2 Office Clerks	
	Labour - others	2.80%	2.70%	3.20%	3.10%	2.95%	3.00%	Statistics NZ - LCI (Salary and Wage rate) Table 5.2 All Occupations Combined	
Equipment	Excluding depn, and interest	2.80%	2.80%	4.00%	2.00%	3.40%	2.93%	Statistics NZ - CPI Table 3.03 - all groups	
Consumables	Medical supplies	2.90%	1.40%	2.60%	2.80%	2.00%	2.27%	Statistics NZ - CPI Table 8.02 - medical and health supplies	
Facility	Facility costs	2.47%	2.40%	4.16%	3.04%	3.28%	3.20%	Statistics NZ - PPI Table 5 (1) electricity, commercial rent Ratio of electricity to rent is 1:15	
Admin	Head office administration cost	2.56%	2.53%	3.52%	2.65%	3.03%	2.90%	Average of Salary admin and Facility Costs and Other Admin Costs	
	Other administration cost	2.80%	2.80%	4.00%	2.00%	3.40%	2.93%	Statistics NZ - CPI Table 3.03 - all groups	

Supplementary Annex in response to further questions: 7 September 2007

3.1 “lower band analysis (Draft Report paragraph F40) – please rerun with lower band assumptions, with any revisions considered appropriate by Deloitte, including a fixed asset base of \$84,341 as proposed by ACC in its 5 September 2007 submission, and base salaries benchmarked against the DHB scale as proposed in that submission under the heading “Possible scenarios” (with appropriate adjustments for overtime and additional benefits generally paid in the public sector and not in the private sector);

The following table reflects the following lower band assumptions:

- A fixed asset base of \$83,341 as proposed by ACC in its submission dated 5 September 2007.
- Business owner base salary of \$72,040 (2004/05 \$62,930) (excl overtime)
- Clinical staff base salaries of \$59,315 (2004/05 \$51,049, 2006/07 \$56,442) (excl overtime).
- Cost allocation base of 67%
- Mean percentile approach

3.1 Lower Band Analysis (ACC's FA base)			
	Deloitte ROI Approach	KPMG ROI Approach	
Price Outcome (Price per hour)	\$ 122.19	\$ 127.73	

3.2 “upper band analysis (Draft Report paragraph F41) – please rerun with upper band assumptions, with any revisions considered appropriate by KPMG, including a fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007;

The following table reflects the following upper band assumptions:

- A fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007
- Business owner base salary of \$111,042 (\$97,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$79,011 (\$68,000 (2004/05) (excl overtime).
- Cost allocation base of 95%
- 95% percentile approach

3.2 Upper Band Analysis (NZSP's FA base & DHB salaries)			
	Deloitte ROI Approach	KPMG ROI Approach	
Price Outcome (Price per hour)	\$ 306.82	\$ 318.26	

Supplementary Annex in response to further questions: 7 September 2007

3.3 “Draft Report paragraphs F42 and F43 – please rerun these tables using the different asset base figures from subparagraphs 3.1 and 3.2 above, and also using a midpoint asset base figure (this will result in 6 tables replacing the current 2 tables). (Please add the 87th percentile figures into the paragraphs F43 tables, for completeness.)”

3.3 (a) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$83,341 as proposed by ACC in its submission dated 5 September 2007.
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 80%

3.3 (a) Mid Band Analysis (ACC's FA base)			
Percentile	Deloitte ROI Approach	KPMG ROI Approach	Approach
Mean	\$ 174.10	\$ 179.63	
70th percentile	\$ 194.74	\$ 200.27	
75th percentile	\$ 194.99	\$ 200.52	
80th percentile	\$ 195.17	\$ 200.70	
87th percentile	\$ 214.27	\$ 219.80	

3.3 (b) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007.
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 80%

3.3 (b) Mid Band Analysis (NZSP's FA base)			
Percentile	Deloitte ROI Approach	KPMG ROI Approach	Approach
Mean	\$ 189.71	\$ 201.15	
70th percentile	\$ 213.99	\$ 225.43	
75th percentile	\$ 214.89	\$ 226.33	
80th percentile	\$ 215.21	\$ 226.65	
87th percentile	\$ 223.01	\$ 234.45	

Supplementary Annex in response to further questions: 7 September 2007

3.3 (c) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$131,241 reflecting the midpoint of those proposed by NZSP and ACC in their submissions dated 5 September 2007.
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 80%

3.3 (c) Mid Band Analysis (Midpoint of NZSP/ACC FA base)			
Percentile	Deloitte ROI Approach	KPMG ROI Approach	
Mean	\$ 181.90	\$ 189.32	
70th percentile	\$ 203.15	\$ 210.57	
75th percentile	\$ 204.22	\$ 211.64	
80th percentile	\$ 205.04	\$ 212.46	
87th percentile	\$ 222.14	\$ 229.56	

3.3 (d) The following table reflects the following mid band assumptions (refer to page 10), with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$83,341 as proposed by ACC in its submission dated 5 September 2007.
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 67%

3.3 (d) Mid Band Analysis (ACC's FA base & 67% cost allocation)			
Percentile	Deloitte ROI Approach	KPMG ROI Approach	
Mean	\$ 136.33	\$ 141.86	
70th percentile	\$ 141.35	\$ 146.88	
75th percentile	\$ 150.31	\$ 155.84	
80th percentile	\$ 153.95	\$ 159.48	
87th percentile	\$ 177.02	\$ 182.55	

Supplementary Annex in response to further questions: 7 September 2007

3.3 (e) The following table reflects the following mid band assumptions but with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 67%

3.3 (e) Mid Band Analysis(NZSP's FA base & 67% cost allocation)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	144.90	\$	156.34
70th percentile	\$	155.72	\$	167.16
75th percentile	\$	176.02	\$	187.46
80th percentile	\$	179.29	\$	190.73
87th percentile	\$	189.78	\$	201.22

3.3 (f) The following table reflects the following mid band assumptions with the modelling percentile set at the mean 70%/75%/80%/87%:

- A fixed asset base of \$131,241 reflecting the midpoint of those proposed by NZSP and ACC in their submissions dated 5 September 2007.
- Business owner base salary of \$91,581 (\$80,000 2004/05) (excl overtime)
- Clinical staff base salaries of \$69,716 (\$60,000 2004/05) (excl overtime).
- Cost allocation base of 67%

3.3 (f) Mid Band Analysis (Midpoint FA base & 67% cost allocation)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	139.56	\$	146.98
70th percentile	\$	148.84	\$	156.26
75th percentile	\$	165.20	\$	172.62
80th percentile	\$	165.39	\$	172.81
87th percentile	\$	184.49	\$	191.91

Supplementary Annex in response to further questions: 7 September 2007

3.3.1 “please also rerun these 6 tables with base salaries in 2006/7 of \$58,000 for clinical staff and \$76,000 for business owners, with appropriate adjustments to be made for overtime and additional benefits generally paid in the public sector and not in the private sector.”

3.3.1 (a) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$83,341 as proposed by ACC in its submission dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 80%

3.3.1 (a) Mid Band Analysis (ACC FA base & suggested salaries)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	160.07	\$	165.60
70th percentile	\$	178.44	\$	183.97
75th percentile	\$	178.96	\$	184.49
80th percentile	\$	180.13	\$	185.66
87th percentile	\$	198.40	\$	203.93

3.3.1 (b) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 80%

3.3.1 (b) Mid Band Analysis (NZSP FA base & suggested salaries)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	175.68	\$	187.12
70th percentile	\$	197.10	\$	208.54
75th percentile	\$	198.06	\$	209.50
80th percentile	\$	200.00	\$	211.44
87th percentile	\$	214.15	\$	225.59

3.3.1 (c) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$131,241 reflecting the midpoint of those proposed by NZSP and ACC in their submissions dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 80%

3.3.1 (c) Mid Band Analysis (Midpoint FA base & suggested salaries)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	167.87	\$	175.29
70th percentile	\$	186.56	\$	193.98
75th percentile	\$	188.51	\$	195.93
80th percentile	\$	190.07	\$	197.49
87th percentile	\$	206.27	\$	213.69

3.3.1 (d) The following table reflects the following mid band assumptions but with the modelling percentile set at the mean, 70%/75%/80%/87%:

- A fixed asset base of \$83,341 as proposed by ACC in its submission dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 67%

3.3.1 (d) Mid ACC FA base, suggested salaries & 67% cost allocation)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	125.57	\$	131.10
70th percentile	\$	130.39	\$	135.92
75th percentile	\$	143.03	\$	148.56
80th percentile	\$	143.44	\$	148.97
87th percentile	\$	162.77	\$	168.30

Supplementary Annex in response to further questions: 7 September 2007

3.3.1 (e) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%, and with the following revisions:

- A fixed asset base of \$178,140 as proposed by NZSP in appendix 6 of its submission dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 67%

3.3.1 (e) Mid (NZSP FA base, suggested salaries & 67% cost allocation)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	140.12	\$	151.56
70th percentile	\$	143.81	\$	155.25
75th percentile	\$	164.70	\$	176.14
80th percentile	\$	171.20	\$	182.64
87th percentile	\$	175.06	\$	186.50

3.3.1 (f) The following table reflects the following mid band assumptions with the modelling percentile set at the mean, 70%/75%/80%/87%, with the following revision:

- A fixed asset base of \$131,241 reflecting the midpoint of those proposed by NZSP and ACC in their submissions dated 5 September 2007.
- Business owner base salary of \$78,688 (\$68,738 2004/05, \$76,000 in 2006/07) (excl overtime)
- Clinical staff base salaries of \$60,952 (\$52,458 2004/05, \$58,000 in 2006/07) (excl overtime).
- Cost allocation base of 67%

3.3.1 (f) Mid (Mid FA base, suggested salaries & 67% cost allocation)				
Percentile	Deloitte ROI Approach		KPMG ROI Approach	
Mean	\$	131.13	\$	138.55
70th percentile	\$	137.03	\$	144.45
75th percentile	\$	154.12	\$	161.54
80th percentile	\$	157.16	\$	164.58
87th percentile	\$	169.75	\$	177.17

Supplementary Annex in response to further questions: 7 September 2007

Gross remuneration

3.5 “Please specify the gross remuneration for clinical staff and business owners, incorporating relevant adjustments (but excluding returns on capital invested), that corresponds to each of the base salary levels used in the above sensitivity analyses. (Please make clear throughout the joint report where base salaries referred to are 2004/5 salaries, current salaries, or salaries for some other period, for ease of reference; and specify the indexation method adopted for converting salaries in one period to salaries in other periods.)”

Note: These remuneration outputs are driven by the alternative base salary inputs. Variations are also caused by the exclusion of different outlier practices under differing input assumptions.

Remuneration analysis has not been provided at differing percentile pricing points as this was difficult to calculate in the timeframe and was also potentially distorting given that reference would need to be made to salary data from one practice at a particular percentile point. Therefore the following salaries are shown based on a mean approach to setting the percentile.

The following table reflects the business owner remuneration outputs from each modelled scenario:

Gross Remuneration Analysis (Business Owner) (\$)					
Scenario	07/08 Base	Overtime	Total in the hand Pay	Other	Total
3.1	72,040	28,686	100,726	1,081	101,806
3.2	111,042	40,744	151,785	1,666	153,451
3.3 (a)	91,581	34,180	125,761	1,374	127,135
3.3 (b)	91,581	34,180	125,761	1,374	127,135
3.3 (c)	91,581	34,180	125,761	1,374	127,135
3.3 (d)	91,581	35,640	127,221	1,374	128,594
3.3 (e)	91,581	33,424	125,004	1,374	126,378
3.3 (f)	91,581	33,424	125,004	1,374	126,378
3.3.1 (a)	78,688	29,833	108,521	1,180	109,701
3.3.1 (b)	78,688	29,833	108,521	1,180	109,701
3.3.1 (c)	78,688	29,833	108,521	1,180	109,701
3.3.1 (d)	78,688	31,052	109,741	1,180	110,921
3.3.1 (e)	78,688	28,118	106,806	1,180	107,987
3.3.1 (f)	78,688	31,052	109,741	1,180	110,921

Note: The gross remuneration analysis is based on the mean price point.
All numbers reflected in this analysis are based in 2007/2008 dollars

Supplementary Annex in response to further questions: 7 September 2007

The following table reflects the clinical staff remuneration outputs from each modelled scenario:

Gross Remuneration Analysis (Clinical Staff) (\$)					
Scenario	07/08 Base	Overtime	Total in the hand Pay	Other	Total
3.1	59,315	4,818	64,133	3,944	68,077
3.2	79,011	2,473	81,485	5,254	86,739
3.3 (a)	69,716	2,182	71,898	4,636	76,534
3.3 (b)	69,716	2,182	71,898	4,636	76,534
3.3 (c)	69,716	2,182	71,898	4,636	76,534
3.3 (d)	69,716	5,662	75,378	4,636	80,014
3.3 (e)	69,716	5,672	75,388	4,636	80,024
3.3 (f)	69,716	5,672	75,388	4,636	80,024
3.3.1 (a)	60,952	5,962	66,914	4,053	70,967
3.3.1 (b)	60,952	5,962	66,914	4,053	70,967
3.3.1 (c)	60,952	5,962	66,914	4,053	70,967
3.3.1 (d)	60,952	4,950	65,903	4,053	69,956
3.3.1 (e)	60,952	5,565	66,517	4,053	70,571
3.3.1 (f)	60,952	4,950	65,903	4,053	69,956

*Note: The gross remuneration analysis is based on the mean price point.
All numbers reflected in this analysis are based in 2007/2008 dollars*

Note: The Other category above is made up of the 6.65% increase in clinical staff base salaries (professional development allowance, APC, NZSP and special interest groups; and an allowance for locum rates when staff members are on professional development courses).

Note: Throughout the sensitivity analysis all salary information has been presented in reference to 2007/08 levels. Where salaries have been converted from another period to 2007/08 levels indexation rates as detailed at the front of this analysis has been used.