



Consultation on proposed new and revised fees for the Psychotherapists Board of Aotearoa New Zealand

March 2016

Introduction

The purpose of this consultation is to invite practitioner and stakeholder comment on a proposal to amend the Psychotherapists Board of Aotearoa New Zealand's (the Board) fee schedule.

The Board's proposal to change the fee schedule¹ has not been taken lightly. However, it is deemed necessary to ensure cost recovery and the Board's ongoing viability.

The following proposed changes have been developed with particular reference to the principles outlined in the Office of the Auditor-General 'Guidelines on Changing Fees for Public Sector Goods and Services'. This means that the Board has taken into account the principles of 'authority, efficiency and accountability' when proposing the following amended fee schedule, as well as equity issues and likely costs.

The Board is committed to ensuring that it operates in a cost-effective manner and constantly strives to maintain the careful balance between the efficient and effective management of its obligations under the Health Practitioners Competence Assurance Act 2003 (HPCAA) as well as considering the effect its fees may have on practitioners.

Background

The Board is a statutory body established under the HPCAA. Its primary purpose is to protect the health and safety of the public by providing mechanisms to ensure that health practitioners are competent and fit to practise. The Board sets standards and qualifications for registration, provides guidelines, authorises registration of psychotherapists, reviews and promotes competence, and acts on concerns with regard to competence, professional conduct or the health of a psychotherapist.

By law the Board must generate sufficient revenue to meet its statutory obligations and cover its operating costs. The HPCAA allows the Board to prescribe fees in relation to its activities. The Act provides for this in Section 130 and Section 131. The Board does not receive any funding from the Government.

¹ which includes introducing new fees

Prescribing fees

Under section 130 of the HPCAA the Board may prescribe fees for the following matters:

- a) An application for registration with an Authority;
- b) An addition or alteration to the register maintained by the authority;
- c) The issue of a practising certificate;
- d) The issue of any other certificate, or a copy of any certificate;
- e) The supply of a copy of any entry in the register;
- f) Inspection of the register, or of any other documents kept by the Authority that are open for inspection;
- g) The supply to any health practitioner of any documents, other than certificates of registration, required by him or her for the purpose of seeking registration overseas;
- h) Examinations set or approved by the authority; and
- i) Any other matters that relate to anything the authority is required to do in order to carry out its functions.

Section 118 lists the functions of each authority appointed in respect of the health profession. These functions must be fulfilled by each responsible authority; the money to do this work comes from the fee schedule. The functions are as follows:

Functions of authorities

- a) to prescribe the qualifications required for scopes of practice within the profession and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies or programmes;
- b) to authorise the registration of health practitioners under this Act and to maintain registers;
- c) to consider applications for annual practising certificates;
- d) to review and promote the competence of health practitioners;
- e) to recognise, accredit and set programmes to ensure the ongoing competence of health practitioners;
- f) to receive and act on information from health practitioners, employers and the Health and Disability Commissioner about the competence of health practitioners;
- g) to notify employers, the Accident Compensation Corporation, the Director-General of Health and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public;
- h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession;
- i) to set standards of clinical competence, cultural competence and ethical conduct to be observed by health practitioners of the profession;
- j) to liaise with other authorities appointed under this Act about matters of common interest;
- k) to promote education and training in the profession;
- l) to promote public awareness of the responsibilities of the authority;
- m) to exercise and perform any other functions, powers and duties that are conferred or imposed on it by or under this Act or any other enactment.

Cost Analysis

Each year the Board reviews its fee structure and considers whether fees are appropriate. Recently and for the first time², the Board has taken this further and completed a comprehensive, complex cost analysis of its fees and work.

This analysis has allowed the Board to, step by step, break down fee-related work. Part of the process involved establishing the *direct* and *indirect* costs for each service.

What are direct and indirect costs?

- 1. Direct Costs:** Costs which can be attributed to a specific fee or levy. These could include for example, staff or committee time, cost of materials and/or cost of external services e.g. IT systems etc.
- 2. Indirect Costs:** Costs which cannot be attributed to a specific fee or levy. These could include for example, Board governance activity, projects, external liaison, consultation, insurance, accounting services or office supplies etc.

The information produced by this analysis helped inform Board discussion and decisions. Furthermore the cost analysis has enabled the Board to determine whether the Board is appropriately recovering operating costs. This in turn supports the long-term financial viability of the Board and its work: to develop, implement and monitor the functions of the HPCAA.

As the Board's analysis is based on cost recovery, it became apparent where fees were either too low or too high. This knowledge has led to the proposed amended fee schedule.

Proposed Changes

The Board has outlined the changes it proposes to make to the fee schedule (see below). New fees have been clearly marked. The Board continues to be mindful that proposed fee increases will impact psychotherapists.

The Board's cost analysis has proved to be a valuable tool and, by Board agreement, will now be used annually to assess and consider appropriate fees.

² using the Board's developing historical and trend information

Proposed New Fee Schedule³

All fees have been reviewed following the results of the analysis. The proposed fee schedule now reflects the direct and indirect cost of activities. Fees have been increased or decreased to cover costs. The Board proposes that any change to the fee schedule will take place by June 2016.

	Current Fee	Cost Analysis Findings	Proposed Fee
1. Application for Registration			
a) New Zealand prescribed qualification	\$287.50	\$723.44	\$720.00
b) Overseas prescribed qualification	\$287.50	\$723.44	\$720.00
c) Overseas non-prescribed qualification	\$805.00	\$3382.71	\$3300.00
d) Reinstatement to the Register within 2 years	\$115.00	\$315.67	\$300.00
e) Reinstatement to the Register after 3 years	\$287.50	\$1387.58	\$1300.00
2. Annual Practising Certificate			
a) Completed application submitted prior to 30 September	\$690.00	\$852.87	\$850.00
b) Completed application submitted after 1 October	\$805.00	\$1029.45	\$1050.00
c) Reduced application submitted prior to 30 September	\$373.50	\$1037.51	\$640.00
d) Reduced application submitted after 1 October	\$488.75		Propose that this not be available
e) Short year (July, August, September)	\$373.50	\$264.50	\$265.00
f) Short year (October, November, December)	New Fee	\$264.50	\$265.00
3. Register Maintenance			
a) Annual fee for non-practising psychotherapist	\$57.50	\$157.89	\$160.00
4. Applications			
a) Application for changes to, or removal, of conditions	\$115.00	\$157.89	\$160.00
b) Application to move scopes of practice	\$115.00	\$218.91	\$220.00
c) Applications for return to practice (New Fee)	No current fee	\$489.10	\$490.00
d) Applications for review of a delegate's decision (New Fee)	No current fee	\$1,581.32	\$1,600.00
e) Applications for supervisor approval	No current fee	\$576.78	\$580.00
5. Documents			
a) Replacement of a printed APC	\$57.50	\$61.60	\$60.00
b) Certificate of Good Standing	\$57.50	\$43.99	\$45.00
c) Providing copies of documents on file	\$115.00	\$131.41	\$130.00
d) Copy of register	\$115.00	\$111.20	\$115.00 no change
e) Returning original documentation ⁴	\$115.00	\$111.20	\$115.00 no change

³ The following fees include GST

⁴ **Note:** document fees will vary depending on location and courier costs

Comments on proposed changes

1. Application for Registration

	Current Fee ⁵	Cost Analysis Findings	Proposed fee
a) New Zealand prescribed qualification	\$250.00	\$723.44	\$720.00
b) Overseas prescribed qualification	\$250.00	\$723.44	\$720.00

Comments: These fees have remained unchanged since 2008.

Previously, the above fees were combined; however, it makes sense to separate these, with accreditation taking place in the near future. Separation will provide clarity and assist with future cost analysis.

c) Overseas non-prescribed qualification	\$805.00	\$3382.71	\$3300.00
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Comments: This fee has remained unchanged since 2008.

This is a time-consuming, complex process that requires case by case assessment. The Board has streamlined this process as much as possible. However, the recent cost analysis has shown that the cost of the case by case assessment exceeds what has been historically charged.

d) Reinstatement to the Register within 2 years	\$115.00	\$315.67	\$300.00
e) Reinstatement to the Register after 3 years	\$287.50	\$1387.58	\$1300.00

Comments: These fees have remained unchanged since 2008.

Practitioners seeking reinstatement to the Register after 3 years are required to provide and complete additional documentation that details how they have maintained their competence as a psychotherapist while not working.

2. Annual Practising Certificate

a) Completed application submitted prior to 30 September	\$690.00	\$852.87	\$850.00
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Comments: This fee has remained unchanged since 2013.

The proposed costs are in line with the cost analysis; the costs associated with this task.

b) Completed application submitted after 1 October	\$805.00	\$1029.45	\$1050.00
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⁵ Including GST

Comments: This fee has remained unchanged since 2013.
The proposed costs are in line with the cost analysis; the costs associated with this task.

c) Reduced application submitted prior to 30 September	\$373.50	\$1037.51	\$640.00
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Comments: This fee has remained unchanged since 2013.
The cost of undertaking a reduced fee is higher than the APC due to the additional information and follow up required.

The profession has historically supported a reduced fee for those who earn \$25,000.00 or less per annum (see Board policy). The Board is seeking feedback to ensure that this fee is still supported. Please note that the level of the reduced fee directly impacts on the full APC fee. If the profession would like to support a lower fee than that proposed, the full APC fee would increase to reflect this.

d) Reduced application submitted after 1 October	\$488.75	Propose that this not be available	
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Comments: This fee has remained unchanged since 2013.
As noted the reduced fee cost is a cross subsidy. The Board suggests that those who apply for this fee should ensure that a completed application to renew their APC is with the Board on or before the 1st October 2016. Practitioners who do not complete their renewal documentation in time will be asked to pay the full fee. This will help the Board ensure that this cross subsidisation is not misused; exceptional circumstances will be considered on receipt of a letter.

e) Short year (July, August, September) ⁶	\$373.50	\$234.50	\$265.00
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Comments: This fee has remained unchanged since 2013.
The proposed costs are in line with the cost analysis; the costs associated with this task. This fee cannot be used in conjunction with the other short year fee relating to October, November and December.

⁶ For those who apply for registration near the end of a practice year – 3 month maximum

f) Short year (October, November, December) ⁷	No current fee	\$234.50	\$265.00
Comments: This is a new fee that will assist those wanting to finish work at the end of a calendar year. This fee cannot be extended past the months listed and can only be used once. This fee cannot be used in conjunction with the other short year fee relating to July, August and September.			

3. Register Maintenance

b) Annual fee for non-practising psychotherapist	\$57.50	\$157.89	\$160.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

4. Applications

a) Application for changes to, or removal of, conditions	\$115.00	\$157.89	\$160.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

b) Application to move scopes of practice	\$115.00	\$218.91	\$220.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

c) Applications for return to practice	No current fee	\$489.10	\$490.00
Comments: This is work that has not been charged for but has a significant cost. The proposed costs are in line with the cost analysis; the costs associated with this task.			

⁷ For those who apply for registration near the start of a practice year – 3 month maximum

d) Applications for review of a delegate's decision	No current fee	\$1,581.32	\$1,600.00
Comments: This is work that has not been charged for but has a significant cost. The proposed costs are in line with the cost analysis; the costs associated with this task.			

e) Applications for supervisor approval	No current fee	\$576.78	\$580.00
Comments: This is work that has not been charged for but has a significant cost. The proposed costs are in line with the cost analysis; the costs associated with this task.			

6. Documents

a) Replacement of a printed APC	\$57.50	\$61.60	\$60.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

b) Certificate of Good Standing	\$57.50	\$43.99	\$45.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

c) Providing copies of documents on file	\$115.00	\$131.41	\$130.00
Comments: This fee has remained unchanged since 2008. The proposed costs are in line with the cost analysis; the costs associated with this task.			

Discipline Levy

Under section 131 of the HPCAA the Board may impose on every psychotherapist a levy for the purpose of funding the costs arising out of the appointment of, and any investigation by, a Professional Conduct Committee and any proceedings of the Health Practitioners Disciplinary Tribunal.

As part of the review of fees the Board also reviewed its financial position with regard to maintaining its disciplinary levy. This disciplinary reserve currently sits at \$119,087. Although this is a significant amount of money practitioners should be aware that it could be depleted with just one or two cases.

At the time of writing this consultation the Board is not undertaking any investigations through a Professional Conduct Committee and has not been advised that a case is likely to be put before the Health Practitioners Disciplinary Tribunal (HPDT).

At this time the Board will continue **not** to charge a disciplinary levy⁸; as required this will change.

Incremental increase

The Board considered whether it is appropriate to consider incremental increases. Following discussion it was agreed that this was not an option. Incremental increases would lead to higher administrative costs and allow a deficient budget to continue, ultimately delaying cost recovery. Also considered was the impact a disciplinary levy could cause should it be necessary.

Any increase will be effective from the date of the Gazette notice. Practitioners who meet Board's policy will still be able to make quarterly payments (this policy is advertised on the Board's website).

Have the Board's expenses increased?

Yes, practitioners will be aware that as required the Board is continuing to work its way through Section 118 (Functions of Authorities). The HPCAA requires the Board to develop, implement and where appropriate monitor all tasks in this section. You will be aware of the work currently under development which includes: recertification audit, and accreditation of training programmes or courses of study.

Practitioners will also be aware from the Board's newsletter that following a directive from the Minister of Health the Board has co-located with 9 other Health Responsible Authorities. Over time the Board will benefit from this move having signed a Service Level Agreement (SLA) with the Nursing Council. This SLA aims to provide improved business facilities, resource efficiencies and opportunities for collaboration.

Out of necessity, and for ongoing efficiencies, the Board recently updated some of its IT and as a result acquired ongoing IT costs (the Board has not historically paid for IT). This work is not complete as the Board will be moving to a new database as soon as practical. Although costly, this is the first time the Board has put any money into IT or ongoing IT charges since 2008.

Economies of scale have an immediate impact on a small Board. As practitioners are aware, the APC fee funds the work of the Board. Since beginning in 2008, 113 people have been removed from the Register of Psychotherapists; over 90% due to retirement. Currently there are 535 psychotherapists with a current APC (this figure includes those who pay a reduced fee) and 50 psychotherapists listed as non-practising.

APCs fluctuate each year. For example:

YE 2015	525
YE 2014	570
YE 2013	553
YE 2012	538

⁸ A disciplinary levy has not been charged for since 2009.

Summary

- Within this consultation the Board has provided information regarding a proposal to amend and establish fees for the 2016/2017 financial year and now invites all stakeholders to provide submissions or proposals.
- The Board remains mindful of the impact a new fee or fee increase may have on practitioners and makes every effort to balance, while fulfilling its statutory responsibilities, against such impacts.
- Attached (see Appendix A) is a complete schedule of all proposed fees for the 2016/2017 year.
- All Board Annual Reports are available on the Board's website. The Annual Report for the year ending 30 September 2015 has been added to the website.

Please send your feedback to registrar@pbanz.org.nz by Tuesday 19th April 2016. The Board will make its decision in May so that fees may be Gazetted prior to the start of the 2016/2017 practice year.

Questions

1. Do you support the proposed fee changes knowing that they align with the Board's cost recovery analysis?
2. Do you continue to support the reduced fee for practitioners who earn less than \$25,000 (as per Board policy)?
3. Do you support the reduced fee at the proposed level?
4. Do you support the introduction of the new fees? These will assist in keeping the APC fee as low as possible. If you do not, please comment on which fees you do not support.
5. The Board understands that a fee increase will not be popular but advises that it is necessary. Would you like to make any other comments?

Feedback

The Board invites comments on the proposed amendments by **Tuesday 19th April 2016**. Please email comments to registrar@pbanz.org.nz.

After the consultation period has closed, the Board will carefully consider all submissions before making a final decision. Final decisions will be communicated through the Board's newsletter and published in the Gazette.

Appendix A: Complete schedule of proposed fees

Draft Gazette Notice

The Psychotherapists Board of Aotearoa New Zealand (Fees) Notice 2016

Pursuant to sections 130–133 of the Health Practitioners Competence Assurance Act 2003, the following notice is given.

Notice

- 1. Title and commencement**—(1) This notice may be cited as The Psychotherapists Board of Aotearoa New Zealand (Fees) Notice 2016.
(2) This notice comes into force on DATE **2016**.
- 2. Fee**—(1) The Psychotherapists Board of Aotearoa New Zealand (“the Board”) sets the following fees, payable to the Board, specified in the attached Schedule.
(2) This notice revokes and replaces all previous Board fees notices.
- 3. Tax**—Fees listed below are inclusive of goods and services tax.
- 4. No refund**—Fees are not refundable when an application is declined.
- 5. Waiver**—The Board may provide for the waiver or transfer of any fee, or part thereof, in accordance with current policy at the time the fee is paid.

Schedule

<i>Fees Payable</i>	\$
APPLICATION FOR REGISTRATION	
New Zealand prescribed qualification	720.00
Overseas prescribed qualification	720.00
Overseas non-prescribed qualification	3300.00
Reinstatement to the Register within 2 years	300.00
Reinstatement to the Register after 3 years	1300.00
ANNUAL PRACTISING CERTIFICATE (APC)	
Completed application submitted prior to 30 September	850.00
Completed application submitted after 1 October	1050.00
Reduced fee application submitted prior to 30 September	640.00
<i>For those eligible for a reduction due to having earned \$25,000 or less gross income in the previous tax year</i>	
Reduced fee completed application submitted after 1 October	N/A
<i>For those eligible for a reduction due to having earned \$25,000 or less gross income in the previous tax year</i>	
Short year fee - <i>For those who apply for an APC with 3 months or less remaining in the practising year i.e. July, August and September</i>	265.00
Short year fee - <i>For those who apply for only the first 3 months of the practising year i.e. October, November and December.</i>	265.00
REGISTER MAINTENANCE	
Annual fee for non-practising psychotherapists <i>(Maintain name on the Register)</i>	160.00

APPLICATIONS

Application for changes to, or removal of conditions	160.00
Application to move scopes of practice	220.00
Applications for return to practice	490.00
Application for review of a delegate's decision	1600.00
Applications for supervisor approval	580.00

DOCUMENTS

Replacement of a printed APC	60.00
Certificate of Good Standing	45.00
Providing copies of documents on file	130.00
Copy of Register	115.00
Returning original documents	115.00

Dated at Wellington this XXth day of DATE 2016.

Jacquelyn Manley

Registrar, Psychotherapists Board of Aotearoa New Zealand.

Appendix B

Annual Report

By law, the Board is required to present annual audited financial accounts to the Minister of Health. An auditor is appointed by the Auditor-General (A-G) to work on the A-G's behalf for this purpose.

The Board's statement of financial performance for the year ending 30 September 2015 is available as part of the Board's 2015 Annual Report and can be viewed on the Board's website under Resources/Publications – Annual Reports.