

CONSULTATION DOCUMENT

PROPOSING THE INTRODUCTION OF TWO FEES:-

1. **COMPETENCE AND QUALIFICATION ASSESSMENT FEE;**
2. **ACCREDITATION FEE**

For the recovery of costs pursuant to section 130(1)(i) of the Health Practitioners Competence Assurance Act 2003:

1. **To assess Capabilities assessment applications, and qualifications not currently designated by the Council;**
2. **To accredit educational institutions and degrees, courses of studies or programmes.**

Released: 26 April 2016

Submissions Due: 20 May 2016

SUMMARY OF PROPOSAL

1. The Osteopathic Council of New Zealand (the **Council**) is consulting on the proposed introduction of two fees in this document.
 - a. The first fee is proposed for the assessment of capabilities assessment applications, and those qualifications not currently designated by the Council (**competence and qualification assessment fee**); and
 - b. The second fee is proposed for the accreditation of educational institutions and degrees, courses of studies, or programmes (**accreditation fee**).
2. The purpose of the proposed *competence and qualification assessment fee* is to recover some of the costs incurred by the Council for the assessment of capabilities assessment applications, and those qualifications not currently designated by the Council, in accordance with the Council's registration obligations pursuant to section 15 of the Health Practitioners Competence Assurance Act 2003 (**HPCAA**). This proposed fee would include, but would not be confined to, the costs as set out in **Appendix 1**.
3. The purpose of the proposed *accreditation fee* is to recover some of the costs incurred by the Council in fulfilling its functions pursuant to section 118 of the HPCAA, of prescribing qualifications required for scopes of practice within the profession, and, for that purpose, accrediting educational institutions and degrees, courses of studies, or programmes. This proposed fee would include, but would not be confined to, the costs as set out in **Appendix 2**.

4. Subject to any issues about the proposed *competence and qualification assessment fee* or the proposed *accreditation fee* which may be raised during the four week consultation period, both the *competence and qualification assessment fee* and *accreditation fee* are intended to be introduced as soon as they have been prescribed by notice in the Gazette.

OBJECTIVE

5. The aim of this consultation is to seek input from stakeholders prior to the Council making a final decision on the proposed *competence and qualification assessment fee*, and the proposed *accreditation fee*. The Council is consulting on the proposed introduction of the two fees with all registered osteopaths, relevant associations, education providers and Responsible Authorities with an interest, as well as the Ministry of Health.
6. The Council has prepared this consultation paper, and the proposed *competence and qualification assessment fee*, and the proposed *accreditation fee*, in accordance with the principles outlined in The Treasury's *Guidelines for Setting Charges in the Public Sector* (December 2002) (the **Treasury Guidelines**) and Office of the Controller and Auditor-General, *Charging Fees for Public Sector Goods and Services* (June 2008) (the **Auditor-General Guidelines**).
7. The Council will consider all submissions prior to the proposed fees being prescribed by notice in the Gazette. The Council invites comments on the proposal by **5.00pm on 20 May 2016**. The proposal will also be published on the Council's website (www.osteopathiccouncil.org.nz) with a similar invitation to comment.

INTRODUCTION

Legal authority for the proposed fees

Competence and qualification assessment fee

8. Under the HPCAA, the Council has the function of, amongst other things, assessing applications for registration within a scope of practice described by the Council.
 - a. Section 15 of the HPCAA requires that the Council only register an applicant as an osteopath within a prescribed scope of practice, if the applicant is competent to practise within that scope of practice. The Council has set standards of clinical and cultural competence for registration, by way of the publication *Capabilities of Osteopathic Practice, January 2009*.
 - b. Similarly, in respect of those applicants qualified by an institution not designated by the Council, section 15 of the HPCAA requires that the Council only register an applicant where they have the qualifications prescribed for the scope of practise under section 12 of the HPCAA, or one which in the opinion of the Council is equivalent to, or as satisfactory as the qualifications prescribed.
 - c. Section 130 of the HPCAA authorises the Council to prescribe fees in relation to its functions set out in section 118 of the HPCAA. One of those functions as mentioned, is to authorise the registration of osteopaths, under the HPCAA (section 118(b)).

Accreditation fee

9. Under the HPCAA, the Council has the function of, amongst other things, describing the contents of the profession in terms of one or more scopes of practice.
 - a. Section 12 of the HPCAA requires that the Council prescribe the qualification or qualifications for every scope of practice that it describes. In so doing, the Council may designate one or more qualifications of a stated kind from an educational institution that it accredits for that purpose.
 - a. Section 130 of the HPCAA authorises the Council to prescribe fees in relation to its functions prescribed in section 118 of the HPCAA. One of those functions as mentioned, is to prescribe the qualifications required for scope of practice within the profession, and, for that purpose, to accredit educational institutions and degrees, courses of studies, or programmes (section 118(a)).
10. This consultation is therefore proposing the *competence and qualification assessment fee* and the *accreditation fee* be introduced under section 130(1)(i) HPCAA.

PROPOSAL

11. The Council proposes to introduce two fees for the osteopathic profession, to be called the *competence and qualification assessment fee* and the *accreditation fee*, both under the authority of section 130(1)(i) of the HPCAA.
12. The proposed *competence and qualification assessment fee* is a standardised fee of **\$1,898.33**, calculated by averaging out the cost incurred by the Council for development costs and the assessment of competence, by way of a Capabilities assessment application and those qualifications not currently designated by the Council, in accordance with the Council's registration obligations pursuant to section 15 of the HPCAA.
13. The proposed accreditation fee is a standardised fee to a maximum of **\$22,222.00** calculated by averaging out the recovery of cost incurred by the Council in fulfilling its functions pursuant to section 118 of the HPCAA, of prescribing qualifications required for scopes of practice within the profession, and, for that purpose, accrediting educational institutions and degrees, courses of studies, or programmes.

Justification for the proposed fees

14. Money received from fees is the primary source of income to allow the Council to meet costs associated with its statutory obligations outlined above.

Competence and qualification assessment fee

15. Costs to the Council of meeting its obligations under the HPCAA with respect to authorising the registration of applicants with qualifications not currently designated by the Council, are comprised of:
 - Development costs related to Council identifying process and assessment systems.
 - Assessment cost incurred by Council assessors.
 - Direct costs which can be allocated to a single fee item.
 - Indirect costs which include some secretariat administration expenses and staff time which cannot be charged to specific fee activities, such as legal advice, insurance, accounting services, printing, stationery, and Council and Committee time.
16. The Council has no mechanism at present to assess qualifications and register practitioners who hold a qualification not designated by the Council, including overseas qualified applicants. The proposed *competence and qualification assessment fee* would allow the Council to recoup a portion of its costs in meeting its registration obligations, by ensuring applicants are both competent, and in the opinion of the Council, holds a qualification which is equivalent to, or as satisfactory as the qualifications prescribed for a scope of practice.

Accreditation fee

17. Costs to the Council of meeting its obligations under the HPCAA with respect to prescribing the qualifications required for scope of practice within the profession, and, for that purpose, accrediting educational institutions and degrees, courses of studies, or programmes are comprised of:
 - Development costs in developing accreditation standards, systems and processes.
 - Direct costs which can be allocated to a single fee item.
 - Indirect costs which include some secretariat administration expenses and staff time which cannot be charged to specific fee activities, such as legal advice, insurance, accounting services, printing, stationery, and Council and Committee time.
18. The proposed *competence and qualification assessment fee*, will lessen the potential impact of the cost of assessing competence and qualifications on Council expenditure. The proposed *accreditation fee* will lessen the impact of accreditation costs on Council expenditure. Both fees as proposed will ultimately, indirectly advantage all other practitioners not subject to the requirements of competence and qualification assessment, or accreditation.

19. The Council's options to recoup the costs of meeting its registration and accreditation obligations, are either to increase fees on all members, even those not subject to the requirements of competence and qualification assessment or accreditation, or to introduce the two fees as proposed. The Council has decided the latter option is preferable.

Principles underlying the proposed fees

23. The Council advises that:

- a. The *competence and qualification assessment fee* is calculated on a cost-recovery basis and is set at an amount that is less than cost. The fixed costs (including labour, materials, overheads and fixed assets) involved in an average assessment of competence and qualification, which have been used to calculate the *competence and qualification assessment fee*, are contained in Appendix (1) to this paper.
- b. The *accreditation fee* is calculated on a cost-recovery basis and is set at an amount that is less than cost. The fixed costs (including labour, materials, overheads and fixed assets) involved in an average consideration of accreditation of educational institutions and degrees, courses of studies, or programmes, and which have been used to calculate the *accreditation fee*, are contained in Appendix (2) to this paper.
- c. Both the *competence and qualification assessment fee* and the *accreditation fee* will be reviewed by the Council from time to time (at least every three years) to ensure the fees still represent an amount which takes into account the principles outlined above, and to take account of any changes in technology and/or other changes affecting the costs incurred. IN the initial period however, the *competence and qualification assessment fee* will be reviewed after the first year of the scheme or after 12 applications.
- d. The Council will use memorandum accounts to keep track of the costs involved in meeting its registration and accreditation obligations. These will be available for inspection upon request.

SUMMARY

24. The Council has provided details above of the *competence and qualification assessment fee*, and the *accreditation fee* it proposes to introduce and invites practitioners and stakeholders to provide submissions on the proposal.
25. A copy of the Council's Annual Report for the year ending 31 March is 2015 is available on the Council's website located at www.osteopathiccouncil.org.nz under 'Publications'.

HOW TO HAVE YOUR SAY

26. If you wish to make a submission, please provide this in writing by **5.00pm on 20 May 2016**. The Council does not guarantee that submissions received at the Council's offices after that date will be considered. Unless requested otherwise, the Council may make any responses public.

Submissions can be sent to:

The Registrar
Osteopathic Council of NZ
PO Box 10-202
Wellington 6143
Email: *Andrew.charnock@osteopathiccouncil.org.nz*

Appendix 1

Assessment of Capabilities assessment applications, and qualifications not currently designated by the Council.

1. The assessment of overseas qualifications and competence is a new activity to be undertaken by the Council. The cost of this activity is based on the following calculations:

Descriptor	Cost
1.1 Development costs including: <ul style="list-style-type: none">• Registrar and secretariat time in development of policy and related documentation• Council time in considering policy• Consultant time in reviewing current Unitec curriculum and categorising elements to cross reference against overseas qualifications• Legal time on Gazette notice	\$8,500.00
1.2 Estimated application per year 12. Therefore development cost (\$8,500) divided by 12 applications in first year.	\$708.33
1.3 1 st Assessor's time per application	\$690.00
1.4 2 nd Assessor's time per application	\$500.00
1.5 Total fee to pay per application	\$1,898.33

2. The cost to each person making an application under this scheme would be \$1,898.33.

Appendix 2

Accreditation of educational institutions and degrees, courses of studies, or programmes.

1. The Council wants to set a maximum fee of \$22,222.00¹ for undertaking accreditation and reaccreditation of programmes which lead to the award of a degree.
2. The fee for this service is based on a cost recovery model, which is made up of the following elements:
 - 2.1 Secretariat time;
 - 2.2 Council time;
 - 2.3 The development of the accreditation and reaccreditation standards and guidance manual (already completed)
 - 2.4 Personal costs:
 - 2.4.1 Registrar
 - 2.4.2 Legal advice;
 - 2.4.3 Quality monitor;
 - 2.4.4 Chair of accreditation /Reaccreditation panel;
 - 2.4.5 Accreditation/ Reaccreditation Committee member fees;
 - 2.4.6 Travel and accommodation costs for Committee members.
3. The project costs are based on reaccreditation undertaken in October 2013. The costs for this activity was approximately \$18,000.00.

¹ Excluding GST