

# **ANNUAL REPORT and ACCOUNTS**

**2008 - 2009**

Hon. Tony Ryall  
Minister of Health  
Parliament Buildings  
WELLINGTON

It is with much pleasure that I present the fourth annual report of the Osteopathic Council of New Zealand.

This report highlights the Osteopathic Council's activities for the fifth year since the Council was established following the enactment of the Health Practitioners Competence Assurance Act 2003. It also contains the audited accounts for the year ending 31 March 2009.



Stiofán Mac Suibhne  
Chairperson  
THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

## Chairperson's Report

The Osteopathic Council of New Zealand (OCNZ) had a busy year in 2008 / 09. The OCNZ moved on from the Regulatory Board Secretariat in May 2008, forming a co-hosting arrangement, the Health Regulatory Authorities Secretariat (HRAS), with four of the other smaller regulatory authorities (Dietitians, Optometrists, Chiropractors and Podiatrists). The purpose of HRAS to allow the partner RAs to mitigate the diseconomies of scale by sharing the costs of accommodation and administration staff required to administer the Health Practitioners Competence Assurance Act (2003) (the Act).

OCNZ was the only regulatory authority established under the Act that had a consumer as chairperson. This situation changed in September 2008, I became the first osteopath to chair the Osteopathic OCNZ. The inaugural chair, Dr Jean Drage PhD, was a lay appointee and had successfully steered the organisation through its start-up phase.

The Council had 6 members until October 2008 when Dee Taylor and Caryl Blomkvist were appointed. As Jean Drage's term ended in December 2008, there were 7 members from December 2008. Of these, 6 were osteopaths and one a Layperson. The members were:

Jean Drage  
(Chair until September 2008 and Layperson) from Christchurch

Stiofán Mac Suibhne  
(Chair from September 2008) from Christchurch

Deepa Ranchhod  
(Deputy Chair) from Wellington

Sharon Awatere from Napier

Matthew Cooper from Wellington

Paul Hume from Hamilton

Caryl Blomkvist from Wanganui (Layperson)

Dee Taylor from Christchurch



## Reduced APC and other Fees

As a result of an extensive strategic planning exercise and a financial review process, OCNZ has been able to reduce the APC fee paid by osteopaths for the annual practising certificate from \$1000 (ex GST) in the previous financial year to \$750 (ex GST). With a reserves policy in place and some careful budget decisions, we hope to maintain the reduced fee for the two subsequent financial years.

On 31 March 2009 there were 376 Osteopaths in New Zealand with practising certificates. At the same time there were 522 Osteopaths on the Register, 146 of whom were inactive (those who are registered, but do not have an Annual Practising Certificate). 32 registrations were granted during the year; 12 were Unitec graduates, 7 registered under the TTMRA agreement and 13 came from overseas having passed the entry examination.

## Accreditation of Training Provider

The OCNZ carried out its first accreditation review of Unitec, the provider of the prescribed qualification for registration (Bachelor in applied science (human biology) / Master's in Osteopathy). The accreditation was carried out using a model jointly developed by the Australian and New Zealand jurisdictions, with the team being composed of osteopaths and academics from both countries. The programme had recently been restructured and was granted conditional accreditation for a period of three years, full accreditation status to be granted subject to compliance with additional information requests. The accreditation of Unitec was an important milestone for OCNZ, establishing that the programme meets the agreed standards and compares favourably to international quality benchmarks and this was achieved in collaboration with our Australian counterparts.

## Overseas Assessment Exam

Ensuring that all osteopaths that are seeking registration in New Zealand are competent to practise is an important function of Council. The Council has been approached by the Osteopathic professional bodies with concerns that the overseas assessment process is a barrier to skilled

migration and creating a workforce issue. We have undertaken to review the rational, format and cost of the overseas assessment process in 2009/10.

Overseas osteopaths who wish to practise in New Zealand must have an osteopathic qualification approved by Council and sit a clinical assessment. 20 international osteopathic graduates were assessed with a 70% pass rate. Achieving an IELTS test score of 7.5 is a requirement for those whose first language is not English and/or those who completed their osteopathic qualification in a language other than English.

## Collaboration with Australia

The Trans-Tasman Mutual Recognition Act (1997) (TTMRA) requires that the OCNZ works with the Australian osteopathic regulatory authorities on standards in practice, common standards for registration and accreditation of training providers. Council members attended the annual meeting with the Australian regulators and have worked closely on common policies, especially accreditation. The 2008 meeting was held in Christchurch, New Zealand and hosted by the OCNZ.

The Osteopathic profession in Australia is to move to a national registration scheme under proposed reforms.

The OCNZ has agreed to work towards forming a joint advisory, accreditation and policy body with Australia. This will ensure that the profession maintains 'equivalency' as per the TTMRA. Co-operation on policy development will allow resources to be pooled and synergies and cost savings for the regulatory authorities in both jurisdictions.

## Council Meetings

In the 2008-2009 financial year the Council had 4 Council meetings in Wellington and one in Christchurch, supported by several subcommittee meetings (by teleconference). Annette Instone was the Registrar throughout the whole period.

## Continuing Professional Development

OCNZ established a compulsory programme of Continuing Professional Development (CPD) in 2006 based on the competency framework developed for the profession in 2004. The competency framework is based on capabilities required for practice and is grouped into six domains:

- Clinical skills
- Communication
- Cultural competence,
- Legal requirements
- Ethical requirements
- Professional development

2008 / 09 was the final year of a three year cycle. Training in legal / ethical considerations and professional development issues was undertaken by all registrants.

OCNZ's CPD programme helps ensure that osteopaths maintain their competence. Each year every osteopath is required to complete 25 approved CPD credits and maintain an up-to-date first aid certificate. Council is reviewing the programme for the future.

## Scope of Practice Review

Council has commenced a wide ranging review of the scope of practice. It is important that the scope of practice reflects the reality of professional life. As a mature and diversified profession the issue of additional scopes of practice are under consideration.

## The Osteopathic Workforce

Statistics collated for the 2008 Health Workforce Annual Survey show that there were slightly more male than female osteopaths working in New Zealand at that time and that more than 80 percent worked in the North Island.

Of the 271 osteopaths who responded to the survey, 60% had UK based qualifications, around 26% had gained their osteopathic qualification in New Zealand and around 10% had gained their qualification in Australia. New Zealand has a higher ratio of osteopaths to population than both Australia and the UK.

Nearly 30% of survey respondents indicated that they are aged 50 or over. 14 of those reported that they are over 60. The number of APC holders at year end showed a net increase of 10 (366 to 376).

## Registration Criteria

The qualifications required for Registration are:

All applicants must either:

- Hold a Master of Osteopathy awarded by Unitec New Zealand *or*
- Pass an assessment or examination set or approved by the Council (Applicants must provide evidence of osteopathic qualifications in order to sit this exam and must show that they are competent in English if English is not their first language and they did not complete their osteopathic qualification in English.)

Under the Trans-Tasman Mutual Recognition Act 1997 all osteopaths registered with an Australian state or territory authority may also apply for registration in New Zealand.

## Registration Statistics for the 2008/2009 Financial Year

### Examination Statistics

No. of Sits	20 over 12 exam days
Passes	13
Of those, second sitting	0
No. of fails	7
Of those, second fail	1
Unadjusted Pass Rate	65%

## Registration Statistics

No. of Unitec graduates registered	12
No. of overseas practitioners registered	UK 12 France 1
No of TTMRA registrations	7
Total new registrations	32
Number on the Register at 31/3/09	522
Number on Register at 31/3/08	490
Number with practising Certificates at 31/3/09	376
Number with practising Certificates at 31/3/08	366
Number Inactive at 31/3/09	146
73 have been inactive for more than 3 years	
Number Inactive at 31/3/08	124
73 have been inactive for more than 3 years	

# Annual Practising Certificate

All registered osteopaths must apply for an annual practising certificate by 31 March 2009 in order to continue practising. Applicants must provide evidence that they have complied with CPD requirements.

## Fees

Fees for registration and for an annual practising certificate for the period 1 April 2008 to 31 March 2009 including GST:

Application to register	\$675.00
Practising certificate, if practising more than 10 hours per week	\$843.75
Practising certificate, if practising 10 hours or less per week	\$562.50

Application for an annual practising certificate (if not paid until after 31 March while holding a practising certificate during the previous year if practising for:

More than 10 hours per week	\$943.75
10 hours or less per week	\$662.50
Practising certificate, if newly qualified osteopath (i.e. applicants who completed their course in the period 1 April 2008 to 31 March 2009)	\$421.85

Practising certificate for part-year  
1 October to 31 March \$562.50

Practising certificate for part-year  
1 January to 31 March \$281.25

Application for recognition of non-approved CPD undertaken more than three months previously \$100.00

Examination Fee	\$3,375.00
Examination Review	\$1,125.00

## Contacting the Council

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PO Box 10-140  
Wellington 6143  
New Zealand

Street Address:  
Level 3, Freemason House,  
195 – 201 Willis Street  
Wellington 6011  
New Zealand

Tel: [64 4] 474 0747

Fax: [64 4] 474 0709

Email: [registrar@osteopathiccouncil.org.nz](mailto:registrar@osteopathiccouncil.org.nz)

Website: [www.osteopathiccouncil.org.nz](http://www.osteopathiccouncil.org.nz)

# Osteopathic Council of New Zealand

## Statement of Financial Performance for the year ended 31st March 2009

	Note	2009	2008
Operating Revenue			
Examination Fees		60,000	73,777
Practising Certificates		256,279	315,111
Recoveries		5,465	5,669
Registration		21,975	18,600
<b>Total Operating Revenue</b>		<b>343,719</b>	<b>413,157</b>
<b>Other Revenue</b>			
Interest Income		53,155	55,018
Other Income		2,157	535
<b>Total Other Revenue</b>		<b>55,312</b>	<b>55,553</b>
<b>Total Revenue</b>		<b>399,031</b>	<b>468,710</b>
Expense			
Advertising		1,209	3,312
Audit Fees		2,912	2,710
Authority Member Fees		23,980	48,887
Bank Charges		5,474	5,830
Catering		851	1,104
Chair Fees		16,421	3,863
Committee Fees		28,704	14,977
Competence Compliance		2,254	0
Conferences & Seminars		5,746	432
Contract Fees		6,362	2,488
Depreciation	5	3,329	0
Examination Costs		58,494	38,140
Expensed Equipment		2,298	0
Hire of Plant & Equipment		689	836
HPDT Costs		0	6,438
Legal Fees		8,162	9,868
Personnel and Training Costs		65,033	542
Postage		4,053	2,935
Printing & Stationery		5,970	5,037

# Osteopathic Council of New Zealand

## Statement of Financial Performance for the year ended 31st March 2009

Professional Fees	35,502	22,164
Secretariat Operating Costs	22,315	0
Service Charges	43,290	115,455
Teleconferences	2,074	867
Telephone	818	3,931
Travelling Expenses	35,998	40,968
Website Development	145	0
<b>Total Expense</b>	<u>382,083</u>	<u>330,784</u>
Net Income	<u>16,948</u>	<u>137,926</u>

## Statement of Movements in Equity for the year ended 31st March 2009

	2009	2008
	\$	\$
Equity at the beginning of the year:	600,032	426,106
Net Surplus/(Deficit) for the year:	16,948	-137,936
Equity at the end of the year:	616,980	600,032

# Statement of Financial Position

## As at 31st March 2009

	Notes	2009	2008
		\$	\$
<b>Current Assets</b>			
Westpac Cash Management Account		36,783	6,383
Westpac Cheque Account		50,776	222,606
Westpac Term Deposits		737,829	644,311
Accounts Receivable		244	0
Accrued Income		8,577	7,448
Loans to Health Regulatory Authorities			
Secretariat Limited		5,000	0
<b>Total Current Assets</b>		<b>839,229</b>	<b>880,748</b>
<b>Non Current Assets</b>			
Investment in Health Regulatory Authorities	3		
Secretariat Limited		20	0
<b>Fixed Assets</b>	<b>5</b>	<b>6,372</b>	<b>0</b>
<b>TOTAL ASSETS</b>		<b>845,601</b>	<b>880,748</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable		72,427	35,385
GST Payable		8,631	20,623
Income in Advance		138,664	224,708
KiwiSaver Deductions Payable		454	0
PAYE Payable		1,522	0
Withholding Tax Deductions Payable		6,923	0
<b>Total Current Liabilities</b>		<b>228,621</b>	<b>280,716</b>
<b>Equity</b>			
Retained Earnings		600,032	462,106
Net Income		16,948	137,926
Total Equity		<b>616,980</b>	<b>600,032</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>845,601</b>	<b>880,748</b>

Chairperson:

*Angie McPike*

Registrar:

*a-c Justice*

Date:

*28<sup>th</sup> Sept. '09*

Date:

*28 September 2009*

# Notes to and forming part of the Financial Statements

## 1. Statement of Accounting Policies

### Reporting Entity

The Osteopathic Council is constituted under the Health Practitioners Competence Assurance Act 2003. These financial statements have been prepared in accordance with the Financial Reporting Act 1993.

The Council qualifies for differential reporting as it is not publicly accountable and is not large. The Council has taken advantage of all applicable differential reporting exemptions.

### General Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and on the basis of historical cost. Reliance is placed on the fact that the business is a going concern.

### Specific Accounting Policies

#### (a) Annual Practising Certificate income.

Annual Practising Certificate Income is recorded only upon receipt. No Accounts Receivable are recognised and receipts for Annual Practising Certificates issued for future years are shown as Income Received in Advance.

#### (b) Goods and Services Tax.

The Financial Statements have been prepared on a tax exclusive basis with the exception of Accounts Receivable and Accounts Payable which include GST.

#### (c) Investments.

Investments are recognised at cost. Investment income is recognised on an accruals basis where appropriate.

#### (d) Income Tax.

The Council is registered as a charitable entity under the Charities Act 2005. It is exempt from Income Tax.

#### (e) Property Plant and Equipment.

Property Plant and Equipment are shown at original cost less accumulated depreciation.

Depreciation has been calculated over the expected useful life of the Assets at the following rates:

Office Equipment 20% - 100% straight line

**(f) Changes in Accounting Policies.**

There have been no Changes in Accounting Policies.

All accounting policies have been applied on a consistent basis with those of the previous period.

## **2. Contingent Liabilities and Commitments**

There are no contingent liabilities at the end of the year. (2008: Nil)

There are no capital or other commitments at the end of the year (2008: Nil)

## **3. Investment**

The Council has an undivided 1/5th share in the issued share capital of Health Regulatory Authorities Secretariat Limited (HRAS). The consideration of \$20 is not yet paid.

## **4. Related Party Transactions**

HRAS provides administrative services to the Council on a non-profit cost recovery basis.

The cost of those services for the period was \$22314.

The five shareholding boards in Health Regulatory

Authorities Secretariat Limited have each advanced \$5,000 to that company to provide it with working capital.

## **5. Property Plant and Equipment**

Fixed Assets 2009	Original Cost	Accum. Depn	Closing Book Value
Office Equipment	9701	3329	6372

## **6. Financial Management Agreement**

Health Regulatory Authorities Secretariat Limited (HRAS) has been established to provide business management support to the New Zealand Chiropractic Board, the Dietitians Board, the Podiatrists Board of New Zealand, the Optometrists & Dispensing Opticians Board and the Osteopathic Council of New Zealand (collectively 'the entities'). HRAS provides financial management support to each of the entities according to a number of conditions:

1. Each of the entities holds an undivided share in HRAS; that company was formed to provide management support to those entities.

2. Each of the entities contributes an equal sum to the working capital of HRAS.

This amount has been set initially at \$5,000 each.

3. HRAS is not to make a profit from its business partnership with the entities.

4. Each board will be invoiced monthly for an equal amount equivalent to the expenses incurred by HRAS in managing its own business.

5. Each board will also be invoiced monthly for those direct costs and expenses that HRAS has incurred on its behalf.

6. At the end of each month and the financial year, HRAS will show a nil financial balance on all its operations.

At 31st March 2009 the HRAS Statement of Financial Position showed net assets of \$100.

**AUDIT REPORT**  
**TO THE READERS OF**  
**OSTEOPATHIC COUNCIL OF NEW ZEALAND'S**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

The Auditor-General is the auditor of the Osteopathic Council of New Zealand (Council). The Auditor-General has appointed me, Robert Elms, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Council, on his behalf, for the year ended 31 March 2009.

**Unqualified Opinion**

In our opinion, the financial statements of the Council on pages 2 to 6:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
  - the Council's financial position as at 31 March 2009; and
  - the results of its operations for the year ended on that date.

The audit was completed on 28 September 2009, and this is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Members of the Council and the Auditor, and explain our independence.

**Basis of Opinion**

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.



Accountants &  
Business Advisers

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

#### **Responsibilities of the Members of the Council and the Auditor**

The Members of the Council are responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Council as at 31 March 2009 and the results of its operations for the year ended on that date. The Members of the Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

#### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Council.

Robert Elms  
PKF Martin Jarvie  
On behalf of the Auditor-General  
Wellington, New Zealand



Accountants &  
Business Advisers

**Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements of the Osteopathic Council of New Zealand (Council) for the year ended 31 March 2009 included on the Council's website. The Council is responsible for the maintenance and integrity of the Council's website. We have not been engaged to report on the integrity of the Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 28 September 2009 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.