



Optometrists and Dispensing Opticians Board

Te Poari o ngā Kaimātai Whatu me ngā Kaiwhakarato Mōhiti

CONSULTATION – PROPOSAL TO REDUCE DISCIPLINE LEVY FOR OPTOMETRISTS

Released: 6 December 2019

Submissions Due: 17 January 2020

Introduction

- 1 The Optometrists and Dispensing Opticians Board (the Board) is charged under the Health Practitioners Competence Assurance Act 2003 (the HPCA Act) with ensuring that optometrists and dispensing opticians are competent and fit to practise when they apply for registration and on an ongoing basis. Section 130 of the HPCA Act authorises the Board to prescribe fees in relation to its functions, which are:
 - (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 (including competencies that will enable effective and respectful interaction with Maori), 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:

(ja) to promote and facilitate inter-disciplinary collaboration and cooperation in the delivery of health services:

(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.

- 2 Money received from fees is the primary source of income to allow the Board to meet costs associated with its statutory obligations as outlined above. Costs comprise:
 - Direct costs which can be allocated to a single fee item. This may include staff and Board committee time, costs of materials and costs of external services spent specifically on a relevant matter;
 - Indirect costs which include all secretariat administration expenses and staff general administration time which cannot be charged to specific fee activities, such as insurance, accounting services, printing and stationery, Board time spent on general business, and consultations etc.
- 3 The Board is mindful of the impact a new fee or fee increase may have on practitioners and makes every effort to balance fulfilling its statutory responsibilities against such impacts.
- 4 Each year the Board needs to consider whether the fees it has set remain appropriate and sufficient. The main purpose of the review this year was to look at practising practitioner numbers, general and discipline reserve levels, and how the Board was tracking in terms of reducing general reserve levels over the next few years. In order to consider this, the Board reviewed its current financial position and the level of general and disciplinary financial reserves, and confirmed practising practitioner numbers and the percentage split between the two professions. As a reminder, fees charged are directly proportionate to the number of practising practitioners on the Register who will be paying the fee. The more practitioners there are, the less each individual practitioner will pay.
- 5 As a reminder, Optometrist APC fees were increased slightly and a disciplinary fee added this year. Fees for dispensing opticians were maintained. See below.

Profession:	APC Fee Incl. GST:
Optometrist Full Year	\$813.50 (incl. \$64.50 levy)
Optometrist Part Year (2/3rds)	\$542 (incl. \$43 levy)
Dispensing Optician Full Year	\$747 (incl. \$37 levy)
Dispensing Optician Part Year (2/3rds)	\$499 (incl. \$25 levy)

Reserve levels

- 6 As at 31 March 2019, the Board had retained earnings totalling \$496,420. This was confirmed by the Board's Auditor at the conclusion of the Board's annual audit. When broken down between general and discipline reserves, the reserves are as follows:

General reserves as at 31 March 2019	\$474,687
Discipline reserves as at 31 March 2019	<u>\$ 21,733</u>
	\$496,420

- 7 The Board's *Policy on Financial Reserves* currently indicates that the Board will maintain, as far as possible, a general reserve balance of 3 months operating budget or \$150,000, whichever is the lesser. In addition, it stipulates that the Board will maintain a separate reserve of at least \$82,500 available to cover disciplinary cases while waiting for the proceeds of a disciplinary levy to be recovered from registrants. This reserve level is intended to cover three Professional Conduct Committee cases (two for optometrists and one for dispensing opticians) at an average of \$7,500 per case (standard case), and two Health Practitioners Disciplinary Tribunal cases (one for each profession) at an average of \$30,000 per case (standard case).

Discipline reserves

- 8 One case was referred to a PCC for optometrists in the current practising year and one in progress from the previous year concluded. Taking into account discipline costs incurred this year, discipline reserves are currently sitting at \$17,964.40 for Optometrists. Based on reserve policy levels noted above, levies expected to be paid, and anticipated discipline activity between now and 31 March, this leaves an expected shortfall in reserves come 31 March for optometrists of approximately \$13,193.60.
- 9 The Board has determined that it will be necessary to charge a disciplinary levy of optometrists for the 2020/21 practising/financial year to finish replenishing reserve levels, but this will be at a significantly lower level than the levy for the current year.

- 10 There have been no cases referred to PCCs for dispensing opticians in the current practising year and the plan to replenish dispensing optician discipline reserves over a 3-year period remains on schedule. The Board, therefore, does not deem it necessary to change the discipline levy of dispensing opticians for the 2020/21 practising/financial year.

General reserves

- 11 The Board's general reserve level is much greater at present than the \$150,000 stipulated in the Board's *Policy on Financial Reserves* due to an increase in income in recent years and a Board decision not to modify APC fees while conducting its time analysis work which concluded last year.
- 12 As indicated during the fees consultation last year, the Board is reducing its general reserves over a three year period by operating a deficit budget and applying this reduction to practitioner APC fees. 2019/20 was the first year of this three year plan; however, initial predictions for the Board's position come 31 March 2020 are that while the Board will achieve a deficit result, it will not be as big a deficit as planned for due to a reduction in expenditure. This will, however, be compensated for in 2020/21, the second year of the three year plan, as the Board faces additional expenses related to implementation of some of the recent HPCA Act amendments such as performance reviews of health regulators, revising its standards of cultural competence and contributing towards costs associated with the running of the Health Practitioners Disciplinary Tribunal.
- 13 The Board has adjusted its three year plan to account for this year's expected result in the second and third years of the plan. The Board does not, therefore, intend to make any changes to APC fees for the 2020/21 practising/financial year for either profession.

Proposal for 2020/21

- 14 Based on discussions above, it is proposed that APC fees and the levy for dispensing opticians remain the same for 2020/21, but that the levy for optometrists be reduced to \$20.00. The following fee structure is therefore proposed for optometrists for the 2020/21 practising year:

Profession:	APC Fee Excl. GST:	APC Fee Incl. GST:
Optometrist Full Year, incl. \$20 discipline levy	\$669	\$769
Optometrist Part Year ¹ , incl. \$13 discipline levy	\$388	\$513

¹ Part year fee – a reduced 'part-year' APC fee is charged between 30 September and 31 March for the two professions. This fee is set at 2/3 of the full year fee.

Unchanged fees

15 The Board does not propose to make any changes to the following existing fees (inclusive of GST):

<i>Fees payable</i>	
Dispensing optician - Application for an annual or interim practising certificate, including a disciplinary levy of \$37.00	\$747.00
Dispensing optician - Application for an annual or interim practising certificate, where the application is received by the Board after 30 September in the APC year to which the application relates, including a disciplinary levy of \$25.00 (includes new graduates)	\$499.00
Application for an annual or interim practising certificate - for practitioners on the Registers of Optometrists or Dispensing Opticians holding a practising certificate in the year 1 April to 31 March who apply for a certificate for the following year after the expiration of their current practising certificate (after 31 March) and who are still practising after 31 March (<i>in addition to APC fee</i>).	\$240.00
Application for registration from an applicant who holds a prescribed qualification, including TTMR applications and qualifications that have been accepted by the Board under section 15(2) of the Health Practitioners Competence Assurance Act	\$379.00
Application for registration – where the practitioner is a New Zealand or Australian trained graduate registering in their first year of practice since graduating.	\$265.00
Assessment of a qualification under section 15(2) of the Health Practitioners Competence Assurance Act	\$960.00
Maintenance of registration and communication for non-practising practitioners	\$100.00
Maintenance of registration and communication, and recording of continuing professional development credits, for non-practising practitioners	\$306.00
Application for change in scope of practice, where the application is received by the Board within one year of the date the relevant qualification was conferred.	\$153.00
Application for change in scope of practice, where the application is received by the Board more than one year after the date the relevant qualification was conferred.	\$368.00
Supervision session required by the Board	\$115.00
Certificate of Registration	\$30.00
Letter confirming authority to practise	\$30.00
Restoration of name to Register	\$100.00

Certificate of Good Standing	\$30.00
Copy of Register	\$30.00
Application for assessment by the CPD accreditation committee of an individual CPD dossier	\$204.00
Hourly fee for application for assessment of accreditation of online CPD activity	\$75.00
Hourly fee for application for assessment of accreditation of CPD where the activity is not open to all registrants	\$75.00

Summary

- 16 The Board has provided details above of the proposed disciplinary levy for optometrists for the 2020/21 practising year to finish recouping discipline reserves. The Board invites practitioners and stakeholders to provide submissions on this proposal. Attached as **Appendix 1** is a complete schedule of all fees proposed for the year commencing 1 April 2020, including GST.
- 17 A copy of the Board's Annual Report and financial statements for the year ending 31 March 2019 is available on the Board's website located at www.odob.health.nz under 'Publications and resources'.

How to have your say

- 18 Your views on the proposal are welcome. If you wish to make submissions, please provide them in writing **by 17 January 2020**. The Board does not guarantee that submissions received at the Board's offices after this date will be considered.

Submissions can be sent to:

The Registrar
 Optometrists and Dispensing Opticians Board
 PO Box 9644
 Wellington 6141

Email: Lindsey.Pine@odob.health.nz

Appendix 1

Fee Schedule

<i>Fees payable</i>	
Dispensing optician - Application for an annual or interim practising certificate, including a disciplinary levy of \$37.00	\$747.00
All optometrists scopes - Application for an annual or interim practising certificate, including a disciplinary levy of \$20.00	\$769.00
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