

New Zealand Psychologists Board Fee/Levy Consultation

Tuesday 12 December 2023

Submissions close: Monday 8 January 2024

Purpose of this consultation:

To invite stakeholder comment on a proposal to increase the Psychologists Board's Annual Practising Certificate (APC) application fees for the 2024/2025 financial year, and the following two years (anticipated).

The Board has reviewed budget forecasts for the next three years and has concluded an increase in APC is required. The Board would like to do this in a transparent way that creates the least financial hardship for practitioners.

There are two proposed options, which can be viewed below. Practitioners are invited to respond with their preferred option.

Background:

1. The New Zealand Psychologist Board (the Board) is the regulatory authority charged under the Health Practitioners Competence Assurance Act 2003 (the Act) with ensuring that Psychologists are competent and fit to practice when they apply for registration and on an ongoing basis. By law, a regulatory authority must generate sufficient revenue to cover its operating costs. To accomplish this, it is empowered by the Act to prescribe fees (refer to s130 of the Act) and to impose a disciplinary levy (under s131 of the Act). The Board receives no funding from the government.
2. The Act (refer s118) 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 psychologists under the Act, and to maintain registers:
 - (c) to consider applications for annual practising certificates:

(d) to review and promote the competence of psychologists:
to recognise, accredit, and set programmes to ensure the ongoing competence of psychologist to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of psychologists:

(e) to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a psychologist may pose a risk of harm to the public:

(f) to consider the cases of psychologists who may be unable to perform the functions required for the practice of the profession:

(g) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by psychologists:

(h) to liaise with other authorities appointed under this Act about matters of common interest:

(i) to promote education and training in the profession:

(j) to promote public awareness of the responsibilities of the authority:

(k) to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under the Act or any other enactment.

3. The fees and levies charged by the Board must be developed in accordance with the principles and guidelines published by the Office of the Auditor-General (OAG) (Guidelines on Charging Fees for Public Sector Goods and Services), Parliament's Regulations Review Committee (RRC), and the New Zealand Treasury (Good Practice Guideline for Setting Charges in the Public Sector). The Board must ensure it takes into account the principles of efficiency, accountability, cost-recovery, and consultation.

4. The funds received from fees and the disciplinary levy allow the Board to meet the costs associated with its statutory obligations as outlined above. These costs comprise:

- **Direct costs**, which are those that can be attributed to a specific fee or levy. This could include, for example, staff or committee time, costs of materials, and/or costs of services purchased
- **Indirect costs**, which are those that cannot be attributed to a specific fee or levy. This could include, for example, Board governance activity, projects, external liaison and consultation, insurance, accounting services, or office supplies.

5. Each year the Board needs to consider whether the fees it has set remain appropriate and sufficient. The Board reviews its current financial position with regards to maintaining its operational and disciplinary reserves. The Board has not collected a disciplinary levy since 2019/20 as the Board considered, until now, it held sufficient reserves to cover costs. In 2021 there was a reduction in APC renewal fees as the Board attempted to run down the general reserve being very cognisant of the cost conscious covid period.

Financial Year	APC Renewal Fee (GST exclusive)	Disciplinary Levy Component
2018/19	\$569.57	\$153.04
2019/20	\$569.57	\$153.04
2020/21	\$479.00	\$0
2021/22	\$426.00	\$0
2022/23	\$426.00	\$0
2023/24	\$426.00	\$0

6. The Board (and most other regulatory authorities) have a policy of maintaining a Disciplinary Reserve. This is to ensure that any extraordinary, unbudgeted discipline-related costs can be met without having to resort to an extraordinary levy on practitioners. The Board wants to make costs as predictable as possible for practitioners.

7. The Disciplinary Levy is applied against expenses incurred through complaint investigations. Section 131 of the Act authorises the Board to impose on every

psychologist a levy for the purpose of funding the costs arising out of the appointment of, and any investigation by, any Professional Conduct Committee, and proceedings of the Health Practitioners Disciplinary Tribunal. The funds raised from this levy cannot be used for any other purpose.

8. The Board aims to maintain a disciplinary reserve at a level to be able to fund two years cases, including judicial reviews or disciplinary matters. This is approximately \$750,000.
9. The Board's Disciplinary Reserve Opening for 2024/2025 will be \$438,266, which is 58% of its cap.
10. The General Reserve has also been depleted over the last few years without increase to cover inflation or additional required work. Budget deficits are planned to continue as we increase the resources required to deliver the Board's strategic plan. Section 130 of the Act authorises the Board to prescribe fees for the issue of a practicing certificate (amongst other things).
11. The Board would like to gradually replenish the reserve over the next few years, and so are proposing an increase split of \$14 to the general reserve and \$36 to the disciplinary reserve on a \$50 per year increase (GST exclusive).
12. It is also proposed that this increase continues for the following two years as we face increasing costs. The disciplinary levy needs to be at around \$100 per practitioner to be sustainable. The intention is to smooth fees and prevent any requirement for sudden large increases in fees.
13. The two options for increasing fees are as follows.

Option One

A \$50 (GST exclusive) increase per year

These increases will be proportional for APC fees less than one year

Year	Increase	To General Fund	Disciplinary Levy	Total APC (GST excl)
2024/25	\$50	\$14	\$36	\$476

2025/26	\$50	\$14	\$36	\$526
2026/27	\$50 (anticipated)	\$14	\$36	\$576

Option Two

Increase then a graduated decrease (GST exclusive)

These increases will be proportional for APC fees less than one year

Year	Increase	To General Fund	Disciplinary Levy	Total APC (GST excl)
2024/25	\$60	\$17	\$43	\$486
2025/26	\$50	\$14	\$36	\$536
2026/27	\$40 (anticipated)	\$10	\$30	\$576

14. The Board will resolve to accept the most favourable option as collated through the feedback. We hope you will take the time to consider and comment on this proposal.

To comment:

Please send us your feedback on this proposal by 9am Monday 8 January 2024. The new fee schedule will be gazetted in time to take effect for the 2024/2025 financial year.

Feedback can be sent to:

Email:

consultation@nzpb.org.nz

Subject line: Fees consultation 2023

Mail:

Fees consultation 2023

New Zealand Psychologists Board

PO Box 9644, Marian Square

Wellington 6141