



Summary of the consultation on the Annual Practising Certificate Fees for the year to 31 March 2025 (typically invoiced in March 2024) and other proposed fee changes

8 December 2023

INTRODUCTION

As on 31 March 2023, the Optometrists and Dispensing Opticians Board (ODOB, the Board) had 910 practising optometrists, from a register of 1070. For that same period, there were 197 practising dispensing opticians from a register of 210.

On 13 September 2023, the Board published its public consultation on *The Annual Practising Certificate Fees for the year to 31 March 2025 (typically invoiced in March 2024) and other proposed fee changes*. The consultation closed on 31 October 2023.

SUBMISSIONS

The Board received eight submissions – three organisations and five individual practitioners (all optometrists). The Board considered each submission at its meeting of 16 and 17 November 2023.

The submissions related to four key issues. These are listed below, followed by the Board's responses to each:

2024/2025 APC Fees

- 1. There were concerns regarding the Board's control of expenditures, its reserve levels, and why these increases weren't done more incrementally over several years, to prevent the more significant increases over two consecutive years. Some also challenged whether accumulative inflation over the years is the only driver for the fees increases. Many expressed their disappointment as APC fees are mandatory cost to be registered with the ODOB and to practise their professions.**
 - The Board is aware of the need to structure its fees in a way that closely reflects the costs needed to fulfil our statutory functions under section 118 of the Health Practitioners Competence Assurance Act 2003 (HPCA Act), and that we need to ensure we carry out our functions out as efficiently as far as possible.
 - For the six years to March 2023, the Board increased its Optometrist APC fees by 22% and Dispensing Optician APC fees by 20%. A planned fees review in 2020 was halted due to the ongoing impacts of the COVID-19 pandemic. During this time, the Board instead meet all increases in expenses from reserves and other income.
 - As part of the Board's 2022/2023 transformation programme, the Board has reviewed internal controls including key financial policies, risk management, and overall expenditure. Our 2023 (draft) annual audit report confirms that there are no items of expenditure noted that do not meet the office of the Auditor-General's probity and wastage guidelines. We are constantly working towards a sustainable model.
 - Accumulative inflation is only one of the drivers of the additional costs in recent years and looking ahead. There are also increasing regulation requirements on the ODOB, including the health system reform, that requires more resources. Further examples are explained in detail in the consultation document for the proposed increases.
 - The 2022 increase was an interim measure, as it was not possible to complete the full costing model in 2022. In the 2023 APC fees consultation, the Board indicated a 2024 fees increase was likely as the 2023 fees increases would be insufficient to meet future cash needs.



- The ODOB's APC fees are comparable to other responsible authorities with similar numbers of registrants.
- 2. Two submitters (individual practitioners) indicated that part-time employment after the COVID-19 pandemic, particularly for females and 'older' practitioners, may be more attractive and more common. However, the increased APC fees for part-time practitioners make this unaffordable.**
- The Board acknowledges that any increase to registrants' costs would have a disproportionate impact to those that work part-time in their chosen profession. Historically, practitioners working part-time are often more at risk of being subject to a complaint that may lead to competence and conduct related matters, than those who are full-time; and they still need to meet their full recertification programme.
 - The costs to deliver what is required of the Board is the same for all registrants, regardless of the level of employment (part-time vs full-time) undertaken by individual registrant.
- 3. One submitter (an organisation) raised their concern about the high APC fees for dispensing opticians. They fear this may be a disincentive for them to register or maintain registration.**
- The Board acknowledges their concerns around the high APC fees for dispensing opticians. This was the reason for only proposing an increase of \$10 for the APC fee for dispensing opticians for 2024. Their annual declining numbers were also noted.
 - One of the principles considered when setting fees is whether the pricing will create a barrier to potential registrants. This area is difficult to balance when the registrant group is small (under 200 hold an APC) and a base line of minimum costs need to be recovered without cross subsidisation.
- 4. Other concerns were raised but were out of scope as it was either not within the Board's authority, or suggested that the Board should subcontract some of its core functions set out by the HPCA Act, which cannot be done. These include:**
- The Board was asked to also consider the fact that there have been no increases in funding for Enable Funding Subsidy (EFS) and Ministry of Health Contact Lens Benefit (MoHCB) while APC costs have increased. Unfortunately:
 - the funding required for the Board to fulfil its obligations are not linked to the funding or other income the profession receives, and
 - the Board has no ability or mandate to influence income levels for items like the EFS or MoHCB.
 - Proposals as to who should be responsible for the administration of continuing professional development for practitioners, as alternative sub-contracting arrangements for this may be more cost effective. The Board is responsible for setting the recertification programme (of which CPD is part of), and practitioners' compliance with the recertification programme ensures they are fit and competent to practice which sits within the ODOB's core function as set out by the HPCA Act.

Registration fees

All submitters supported the proposed registration fees increase.



BOARD'S DECISIONS

2024/2025 APC Fees

The Board has taken a cautious approach to the APC fee increase and considered the impact this will have on practitioners. Given the current forecasted deficits for the 2024 year onward, the Board approved the:

- Increased APC fees for optometrists by \$280, and the disciplinary fund to \$37 (included in the APC fees), and
- increase of APC fees for dispensing opticians by \$10, but a reduction of the disciplinary fund levy portion to \$25 (included in the APC fee).

The APC Fees for 2024/2025 will therefore be:

Fee	Approved fee (including disciplinary levy) for 2024
APC fee for optometrist	\$1199.00 (including a disciplinary levy of \$37.00)
Discounted APC fee (if applying for an APC after 30 September)	\$943.00 (including a disciplinary levy of \$25.00)
APC fee for dispensing opticians	\$907.00 (including a disciplinary levy of \$25.00)
Discounted APC fee (if applying for an APC after 30 September)	\$659.00 (including a disciplinary levy of \$13.00)

Reasons for the Board's decision was as follows:

- For the six years to March 2023, the Board has increased its Optometrist APC fees by 22% and Dispensing Optician APC fees by 20%. and was meeting increased expenses from reserves and other income.
- There are increased regulation requirements on the ODOB, including the health system reform, that require more resources. This includes the increased obligations and work arising from the substantial number of legislative changes such as the 2019 HPCA Amendments Act. From June 2020, the ODOB was required to fund the administrative costs of the Health Practitioners Disciplinary Tribunal. Increased expenses also arose from other areas, such as government's COVID-19 public health response and associated legislation, the enactment of the Pae Ora Act 2022, and the Therapeutics Product Act 2023. These had and continue to have a significant impact on the operations and governance of the regulation of health practitioners.
- The Board is currently upgrading its IT systems to better support our regulatory responsibilities. Notably, in November 2022, the Board experienced a significant cyber incident, which was part of a broader multi-agency breach. Although insurance covered most of the costs, the ongoing recovery process continues to be significant. This incident marks the second major cyber event in the past five years.
- Increased Inflation between June 2019 and June 2023, where the consumer price index (CPI) percentages increased from 1.7 to 6% per annum. Wage and salary inflation was often higher as demand for capable people rose over this period too. This is reflected in the costs the ODOB faces in response to inflation from all sources.
- This increase will ensure that our service cost model is effective for our long-term financial resilience, including assist in restoring the necessary reserve levels by the end of the 2025/2026 practising year.

Registration fees

Again, the Board has taken a cautious approach to the registration fee increase and considered the impact this will have on registrations as well as new graduates. The Board approved that all registration application fees be increased by \$100, to include the additional work required to ensure application registrants are fit for registration as per the ODOB's policies and procedures.



The Registration Fees for 2024/2025 will therefore be:

Current fee	Approved fee (including disciplinary levy) for 2024	Change
Registration application for new graduates: \$265.00	Registration application for new graduates: \$365.00	+ \$100.00
Registration application in all scopes, incl. registration via the TTMR pathway: \$379	Registration application in all scopes, incl. registration via the TTMR pathway: \$479	+ \$100.00

Reasons for the Board's decision was as follows:

- The Board has not increased its registration fees since 2013 and has not been recovering the additional costs for this activity.
- There are increased regulatory requirements and risks involved in ensuring that applicants are fit for registration has increased drastically, and these costs needs to be recovered.
- The increased registration fee will also include the cost recovery of \$10.50 to undertake the individual criminal checks ourselves.

Effective date

The Gazette notice has been submitted and will be published in December 2023. This means the increased APC fees and Registration fees will come into effect on 1 February 2024 when the APC renewal applications open for the next practising year for 1 April 2024 to 31 March 2025.

MORE INFORMATION OR FURTHER QUESTIONS

For more information or if you have any questions, please feel free to contact the Registrar at registrar@odob.health.nz.