



Health Profession Agreement

Occupational Therapy Board of Australia

and

The Australian Health Practitioner Regulation
Agency

2020-2025

Head Agreement

Preamble

The purpose of the Health Practitioner Regulation National Law (**the National Law**), as in force in each state and territory, is to establish the National Registration and Accreditation Scheme (**the National Scheme**). The National Scheme has six key objectives set out in s.3(2) of the National Law. In summary, the objectives are to:

- protect the public
- facilitate workforce mobility for health practitioners,
- facilitate high-quality education and training of health practitioners,
- facilitate assessment of overseas-trained health practitioners,
- facilitate access to health services, and
- development of a flexible, responsive and sustainable health workforce.

In accordance with the 2019 policy directions from the Council of Australian Governments (COAG) Health Council, the protection and safety of the public is the paramount consideration when administering the National Scheme.

Fifteen National Boards and the Australian Health Practitioner Regulation Agency (**Ahpra**) work in partnership to deliver these objectives, as well as the objectives of the National Scheme Strategy 2020-2025. Ahpra and National Boards have clear accountabilities for the separate and shared functions that contribute to achieving these objectives.

This Health Profession Agreement (**HPA**) is a statutory instrument under the National Law. Under the National Law, the Occupational Therapy Board of Australia (**the National Board**) and Ahpra are required to negotiate in good faith and attempt to come to an agreement on the terms of the HPA. Although the National Board does not have the power to enter into contracts generally (s.32(2)(a)), the National Law clearly intends that the Board will agree and execute an HPA with Ahpra.

Accountability Framework

The National Scheme Accountability Framework (**the Accountability Framework**) is at Schedule 1 to this HPA. It defines the accountabilities of all relevant entities in the National Scheme arising from their functions under the National Law.

The Accountability Framework is an essential foundational document for the partnership between Ahpra and National Boards as articulated by this HPA, as well as the exercise of delegated functions under the National Law.

The Accountability Framework will be reviewed annually by Ahpra and the Board in line with the other HPA schedules. However, to ensure the effective delivery of functions of the National Scheme, any updates or changes to the Accountability Framework require the agreement of Ahpra and all National Boards.

Purpose of this Agreement

The purpose of this HPA is to make provision for the following, as outlined in s 26(1) of the National Law:

- the fees payable by health practitioners and others in relation to the health profession for which the National Board is established,
- the National Board's annual budget, and
- the services to be provided to the National Board by Ahpra to enable the National Board to carry out its functions under the National Law.

This HPA also describes the relationship between the National Board and Ahpra, where Ahpra is both a governance and regulatory partner, as well as a service provider to the National Board. As such, it

outlines how both Ahpra and the National Board, as statutory entities, work together to achieve the goals of the National Scheme.

Behavioural Attributes

In line with the values articulated in the National Scheme Strategy, the National Board and Ahpra agree to the following behavioural attributes, the purpose of which is to provide guidance to each party in exercising its responsibilities under this HPA:

Value	Attributes
Integrity	<ul style="list-style-type: none"> • In line with our Regulatory Principles, we are fair, transparent, objective and consistent in our decision-making. • We are committed to doing what is right, even when it is difficult or unpopular. • We clearly explain the basis of our actions.
Respect	<ul style="list-style-type: none"> • We recognise diversity and treat everyone equitably and with empathy. • We are present, engaged and person-centred. • We support, and are accountable to each other in a considerate way. • We foster timely, open and civil interactions with all people.
Collaboration	<ul style="list-style-type: none"> • We work with others for a shared purpose (our Mission). • We listen, consider feedback and develop responsive solutions, while enabling others to do the same. • We engage with our stakeholders to build constructive relationships and support cultural safety for Aboriginal and/or Torres Strait Islander Peoples.
Achievement	<ul style="list-style-type: none"> • We actively work together to achieve our Vision. • We empower our people to strive for a culture of excellence and service. • We report accurately and proactively within and external to the Scheme to maintain community trust and practitioner confidence. • We recognise and celebrate our successes.

Period

This HPA is for the period 1 July 2020 to 30 June 2025 inclusive.

Liaison Officers

The National Board agrees to authorise the Chair of the National Board (or his/her nominee) to act as liaison officer with respect to the HPA. Ahpra agrees to authorise the Executive Director, Strategy and Policy to act as liaison officer with respect to the HPA.

Schedules

The following table outlines how the requirements of s. 26(1) of the National Law are represented in the HPA schedules, as well as describing the content of all other schedules.

Schedule 1:	Accountability Framework
Schedule 2:	Summary of Services to be provided to the National Board by Ahpra to enable the National Board to carry out its functions
Schedule 3:	Summary of National Scheme Strategy, implementation map, and National Board's regulatory plan
Schedule 4:	Fees payable by health practitioners
Schedule 5:	Summary of National Board's annual budget
Schedule 6:	Performance and Reporting
Schedule 7:	Equity Framework

The Performance and Reporting framework contained in Schedule 6 provides the mechanism for articulating performance metrics for the purposes of this HPA.

National Scheme Strategy 2020-25

The National Scheme Strategy outlines the shared vision, mission, values and strategic objectives for Ahpra and the National Boards.

Together, Ahpra and National Boards are focused on ensuring the effective implementation of our strategy including supporting and promoting our four strategic themes of regulatory effectiveness, capability and culture, evidence and innovation, and trust and confidence.

Issues management and escalation

Issues management and escalation provides a means to identify, track and resolve partnership issues throughout the life of the agreement ensuring each issue is resolved quickly and effectively between Ahpra and the Board.

An issue is defined as any problem or concern that has the potential to adversely affect the success of the partnership between Ahpra and the Board.

In line with our shared values, Ahpra and the National Board will work constructively to identify and resolve issues in a timely way and at the lowest possible level. Ordinarily, this will be achieved by discussion or negotiation between the relevant Executive Officer, the Chair/nominated National Board member and any other relevant Ahpra senior staff (generally at the level of a National Manager) with responsibility for a relevant functional area (e.g.: registrations, policy etc.).

In the event an issue remains unresolved, at the operational level it must be escalated in accordance with Ahpra reporting lines, to either the Executive Director, Strategy and Policy or the National Director, Regulatory Governance who will take reasonable steps to facilitate resolution of the issue to the satisfaction of Ahpra and the National Board.

In the event an issue needs to be escalated further, it will be escalated to the appropriate member(s) of Ahpra's National Executive, the Chair of the Agency Management Committee and/or dealt with as a dispute below.

Dispute resolution

The National Board and Ahpra have a commitment to working together constructively and in accordance with our shared values to reasonably prevent any issues escalating into disputes.

For the purposes of this HPA, a dispute is defined as any unresolved disagreement between the Board and Ahpra about the terms or schedules, including the performance of either party, of this agreement.

If a dispute arises, as partners, we will use our best endeavours to resolve the dispute respectfully, fairly and promptly.

If the dispute cannot be resolved, the matter will be referred to the Ahpra Chief Executive Officer and the Chair of the National Board. If the dispute still cannot be resolved, it will be referred to the Chair of Ahpra's Agency Management Committee and the Chair of the National Board.

Either the Chair of Ahpra's Agency Management Committee or the Chair of the National Board may request the appointment of an independent, accredited mediator at any stage in the process. The process for appointment is for both parties to agree to the appointment of the nominated mediator.

If we are still unable to agree on the matter, s. 26(2) of the National Law provides that any failure to reach agreement between National Boards and Ahpra on matters relating the HPA is to be referred to the Ministerial Council (as that term is defined in the National Law) for resolution. The National Board and Ahpra agree that this is a step of last resort that will not be taken unless all prior steps have been exhausted.

Review

The National Board and Ahpra agree to review the HPA head agreement at least every five years in line with the review of the National Scheme Strategy, or earlier with the agreement of all National Boards and Ahpra.

The supporting schedules will be reviewed and agreed annually by Ahpra and the National Board.

Publication

Once agreed, both the HPA head agreement and schedules will be published on the Ahpra and the National Board websites respectively.

This Agreement is made between

Occupational Therapy Board of Australia

and

The Australian Health Practitioner Regulation Agency (Ahpra)

<p>Signed for and on behalf of Ahpra by:</p> <p><i>Martin Fletcher</i></p> <p>Signature of Chief Executive Officer Mr Martin Fletcher</p> <p>Date 04 September 2020</p>	<p>Signed for and on behalf of the Occupational Therapy Board of Australia:</p> <p><i>Julie Brayshaw</i></p> <p>Signature of the Board Chair Ms Julie Brayshaw</p> <p>Date 07 September 2020</p>
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Schedule 1: Accountability Framework

National Registration and Accreditation Scheme Accountability Framework v.1.8 (November 2019)

All entities in the National Registration and Accreditation Scheme (**the National Scheme**) are ultimately accountable to the public through the Ministerial Council. The [agreement between Australian Governments](#) on the design of the National Scheme creates interdependent statutory authorities with no single point of accountability for all National Scheme functions. The [Health Practitioner Regulation National Law Act, as enacted in each State and Territory \(the National Law\)](#) creates the legal basis for the National Scheme.

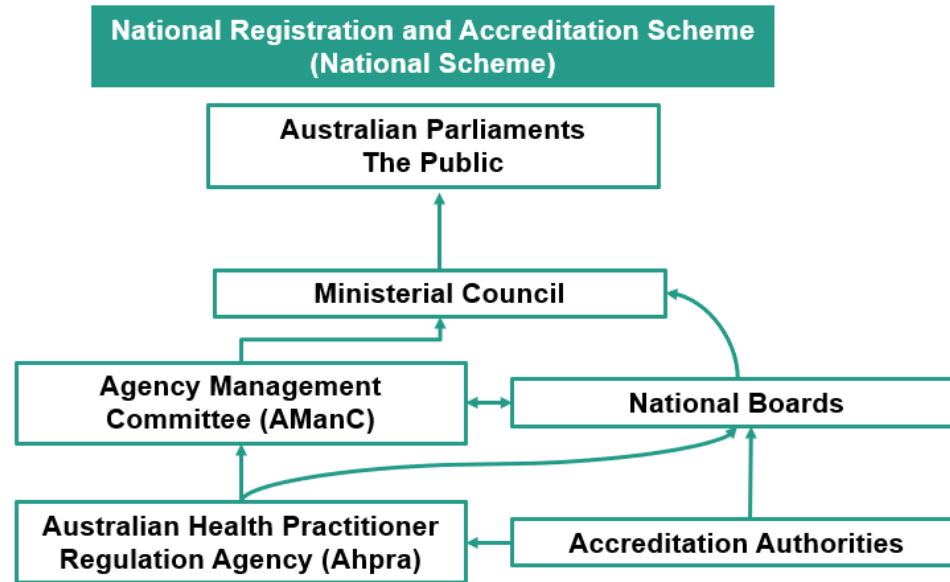
As a key component of the overall governance arrangements, this framework articulates the accountabilities of key entities arising from their roles and functions in the National Scheme. Ahpra, its governing Board (the Agency Management Committee (**AManC**), the National Health Practitioner Boards (**National Boards**) and their accreditation authorities are all entities created by National Law. Their powers and functions are prescribed in the National Law, the [Health Practitioner Regulation National Law Regulation 2018 \(National Law Regulation\)](#) or otherwise, conferred by applicable legislation. However, accountabilities for National Scheme entities also arise from statutory instruments, including policy directions from the Ministerial Council and from statutory agreements or other negotiated agreements.

External agencies, contractors or consultants cannot be held directly accountable for delivering the functions of an entity under the National Law. The mechanism for assigning responsibility for such functions is the contract or agreement that governs the provision of services. Under the National Law, only Ahpra can enter into contracts with external entities and accountability as to the management of the contract rests with the delegate approving the contractual arrangements.

Accountability can be delegated by an accountable person or entity to another person or entity. This framework is also designed to support the exercise of delegations in the National Scheme under section 37 and schedule 7 section 29 of the National Law. As a general principle, decision-making within Ahpra is delegated to the lowest reasonable level, having regard to the knowledge, experience and capabilities required to exercise the responsibility. Delegators must specify any conditions or limitations placed on the exercise of delegated powers and functions. For example, if a health profession National Board requires assurance that a decision will only be made with appropriate clinical input, this can be specified in the Instrument of Delegation to Ahpra. Ahpra is then responsible to ensure compliance with that specification when exercising the responsibility.

The Health Profession Agreement (section 26 of the National Law) with each National Board codifies the relationship with Ahpra as both a governance and regulatory partner and service provider.

Visual representation of accountability



The Ministerial Council is ultimately accountable for the National Scheme

Ultimate accountability for the performance of the National Scheme resides with the parliaments of each State and Territory of Australia, through the Ministerial Council. Under the National Law, the Ministerial Council may provide policy directions to Ahpra and the National Boards, approve registration standards, make regulations and approve certain other recommendations from National Boards in respect of specialist registration, or endorsements on registration. The Ministerial Council is also accountable for appointing the AManC and National Boards and can remove appointed members in specific circumstances. The annual report provided to the Ministerial Council and tabled in each Parliament is a key component of how Ahpra and National Boards are accountable to the Ministerial Council and parliaments.

The Agency Management Committee (AManC) is accountable for National Scheme performance

As the governing board for the National Scheme, AManC has a principal role in the approval, monitoring and reporting of performance of the National Scheme strategy as well as directing and controlling the affairs and policy directions of Ahpra. The AManC is accountable for National Scheme performance, including the establishment of regulatory procedures and general administration of the National Scheme. To enable it to perform its executive functions, Ahpra has powers to employ staff and enter into contracts.

Accountable to all Australian Parliaments, the Ministerial Council, the justice system, Administrative and Regulatory bodies for:

- all acts and things done by Ahpra.
- corporate governance, including Workplace Health and Safety for all physical and virtual work locations controlled by Ahpra.
- operational performance of the National Scheme.
- delivering Ahpra functions required by the National Law, including specific regulatory powers under Part 7.
- oversight and leadership on significant whole of scheme accreditation issues, including governance, accountability and transparency issues.
- compliance with relevant obligations set by other regulators.
- financial management in relation to the administration of the Agency Fund.
- appointment of the CEO, conferral of powers and delegations to the CEO.

Accountable to National Boards for:

- setting, monitoring and reviewing performance of the National Scheme Strategy.
- services provided by Ahpra to enable the Board to carry out its regulatory functions, including finance and communications.
- executing and managing contracts with accreditation authorities on the advice, and with approved terms and conditions, from the relevant National Board.
- executing and managing contracts for services with external providers on the advice, and with approved terms and conditions, from the relevant National Board.
- ensuring that Ahpra's operations are carried out efficiently, effectively and economically.

The Chief Executive Officer is accountable for the delivery of Ahpra’s functions

The Chief Executive Officer is accountable for delivery of Ahpra’s functions through an employment contract with and delegated authority from the AManC. The CEO also has a partnership responsibility with each National Board under the Health Profession Agreements.

Accountable to the Agency Management Committee for:

- implementing the National Scheme Strategy.
- delivery of Ahpra functions including specific regulatory powers under Part 7.
- delivery of services to National Boards.
- conferral and exercise of delegated functions by Ahpra.

Accountable to National Boards and their committees for:

- Effective, efficient and economic delivery of regulatory procedures and services consistent with the Health Profession Agreements.

National Boards are accountable as the principal regulatory decision-makers

National Boards are the principal regulatory decision-makers in the National Scheme, with delegated functions undertaken by Ahpra and by their committees including, where relevant, State, Territory or Regional Boards. National Boards are accountable to the Ministerial Council and Australian Parliaments for regulatory policies, the quality of their regulatory decisions, and through the court system and relevant administrative review bodies for the legality of their regulatory decisions. While National Boards can propose regulatory procedures, they do not establish or administer them. Without the power to employ staff or enter into contracts, National Boards rely on the partnership with Ahpra for the services provided under the HPAs.

Accountable to the Ministerial Council and Australian parliaments for:

- proper exercise of functions under National Law, including regulatory policies and the quality of their regulatory decisions.

Accountable through the justice system, administrative and regulatory bodies for:

- the legality of regulatory decisions, including by delegates. This can also include adequacy of standards, codes, guidelines, delegations and probity of decision-making processes.

Accountable to the AManC for:

- partnership responsibilities with Ahpra under the HPA, including provision of information to enable Ahpra to perform its financial management functions.
- informing and supporting the development of the National Scheme Strategy

Accreditation Authorities are accountable for the delivery of specific accreditation functions.

An accreditation authority may be an external entity, or a committee established by a National Board. The National Law creates a 'separation of powers' between National Boards and accreditation authorities by clearly specifying distinct decision-making roles in accreditation functions. Ahpra formalises arrangements for performance and funding of accreditation functions through contracts with external entities and terms of reference (TOR) for committees. Ahpra has facilitated the development of standardised agreements and TORs incorporating performance metrics and developed a cross-profession reporting model for accreditation authorities. These provide an overarching reference document for National Boards and Ahpra to assess the work of accreditation authorities.

Accountable to National Boards and their committees:

- the performance of accreditation functions as described in the contract with Ahpra or the relevant ToR.

Accountable to Ahpra for:

- delivery of funded accreditation activities, including compliance with performance measurement processes and reporting obligations, through an accreditation contract with Ahpra, or an approved ToR, on behalf of the National Board.

Schedule 2: Summary of services to be provided to the National Board by Ahpra to enable the National Board to carry out its functions

In the event of any exceptional circumstances, outside of the annual review of schedules, any changes to Schedule 2 will be negotiated with National Boards.

1. Regulatory services, procedures and processes

1.1 Registrations		
Core	Profession Specific	
1.1.1	Develop, implement and regularly review nationally consistent procedures for the registration of health practitioners	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.1.2	Manage practitioner registration, renewal and audit	
1.1.3	Maintain a public register of health practitioners	
1.1.4	Maintain a register of health practitioner students	
1.1.5	Provide an online registration services to health practitioners	
1.1.6	Support the National Boards in the operation of examinations	
1.1.7	Maintain list of approved programs of study for all professions	

1.2 Notifications		
Core	Profession Specific	
1.2.1	Develop, implement and continuously improve nationally consistent risk assessment procedures	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.2.2	Manage the end to end notification process ensuring legality, efficiency, effectiveness and continuous improvement	
1.2.3	Engage clinical advisors to enhance Ahpra's understanding of profession specific issues that impact safe, professional practice	
1.2.4	Establish and maintain relationships with co-regulatory authorities, indemnity providers and other stakeholders with an interest in ensuring safe delivery of health care to patients	

1.3 Compliance		
Core	Profession Specific	
1.3.1	Review, implement and continuously improve nationally consistent compliance policy, processes and systems	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.3.2	Manage practitioners with registration restrictions (conditions and undertakings), suspension or cancellation	
1.3.3	Undertake the intake and assessment of offence complaints, assessment of all advertising offence complaints and the ongoing management of low and moderate risk advertising complaints under the <i>Advertising Compliance and Enforcement Strategy</i> .	
1.3.4	Manage the development and maintenance of the National Restrictions Library	
1.3.5	Oversee the ongoing development and reporting of performance measures for monitoring of practitioner's compliance	

1.4 Legal Services		
Core	Profession Specific	
1.4.1	Provide nationally consistent legal advice and management to support effective and lawful registration, notifications and compliance procedures, and hearing panels processes	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.4.2	Conduct all Tribunal and court matters involving Ahpra and the National Boards	
1.4.3	Provide legal advice and services to the Boards to enable it to effectively and efficiently perform its functions and meet its objectives.	
1.4.3	Defend and/or resolve any litigation brought against the Board and respond to complaints lodged with external bodies against the Boards.	
1.4.4	Respond to FOI requests, summonses, subpoenas and other compulsory processes issued to National Boards or in respect of National Board activities.	
1.4.5	Ensure National Boards are compliant with all legislative requirements	

2. Regulatory Governance

2.1 Governance and regulatory advice	
Core	Profession Specific
2.1.1	Develop and administer procedures to support effective and efficient National Board and committee operations
2.1.2	Support the development and implementation of National Board Regulatory Plans, including regular reporting
2.1.3	Provide National Board member orientation, induction, professional development and evaluation programs
2.1.4	Develop and release National Board communiqués, National Board newsletters and news updates
2.1.5	Support working relationships with relevant committees
<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>	

2.2 National Board Services	
Core	Profession Specific
2.2.1	Provide secretariat and administrative support for National Board Meetings
2.2.2	Provide secretariat and administrative support for National Board committee meetings
2.2.3	Provide panel hearing secretariat support
2.2.4	Secretariat and policy support for governance forums, including the Forum of Chairs and its sub-committees
2.2.5	Provide support in the recruitment of members to National Board committees and the List of Approved Persons for panels as requested by National Boards.
<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>	

3. Engagement and Government Relations

3.1 Communication		
Core	Profession Specific	
3.1.1	Develop, implement and review communication strategies, tools and guidelines	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
3.1.2	Review and release National Board media releases	
3.1.3	Develop and maintain National Board website and resources	
3.1.4	Coordinate and manage the production of the Ahpra and National Board annual report and other publications	
3.1.5	Provide communications advice and support for crisis and issue management	
3.1.6	Develop Branding for National Board and Ahpra Communication	
3.1.7	Report on relevant media coverage	
3.1.8	Monitor and manage social media	

3.2 Engagement		
Core	Profession Specific	
3.2.1	Build trust and confidence with external stakeholders, consistent with the National Scheme's strategies on engagement	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
3.2.2	Manage government relations, including advice and reporting to governments and Ministers, corporate secretariat, WHO Collaborating Centre	
3.2.3	Undertake consultation to support National Board strategies and guidelines	
3.2.4	Engage with external advisory groups as needed	
3.2.5	Monitor, support and advise on stakeholder engagement activities	

4. Strategy

4.1 Development	
Core	Profession Specific
4.1.1 Inform and support the development and annual review of the National Scheme Strategy	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget</i>
4.1.2 Provide resources and support to assist with National Board regulatory planning	
4.1.3 Coordinate the annual review, development and execution of the Health Professions Agreements with Ahpra	

4.2 Implementation	
Core	Profession Specific
4.2.1 Promote and ensure organisational alignment to the National Scheme Strategy	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
4.2.2 Promote and ensure management oversight for effective delivery of scheme-level strategic initiatives	
4.2.1 Deliver regular HPA and strategy performance reports.	

5. Policy

5.1 Policy	
Core	Profession Specific
5.1.1 Maintain procedures for the development of registration standards, codes, policies and guidelines	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.1.2 Develop, review, consult on and implement cross-profession standards, codes and guidelines	
5.1.3 Assist National Boards to develop, review and implement cross-profession regulatory policy and profession specific policy	
5.1.4 Provide tools to support regulatory policy development, review and evaluation	
5.1.5 Coordinate work on whole of Scheme, cross-directorate and profession specific regulatory policy issues	

5.2 Accreditation		
Core		Profession Specific
5.2.1	Support National Boards to oversight effective delivery of accreditation functions	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.2.2	Support accreditation committees to deliver the accreditation functions, where applicable	
5.2.3	Maintain procedures for the development of accreditation standards	
5.2.4	Coordinate work on whole of Scheme and multi-profession accreditation policy issues.	

5.3 Research		
Core		Profession Specific
5.3.1	Develop and implement an annual National Scheme research and evaluation plan	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.3.2	Work with National Boards to identify priority cross-profession issues.	
5.3.3	Provide advice and consult with National Boards about proposed research and evaluation projects and develop supporting tools and training	
5.3.4	Broker, participate in and maintain strategic data and research partnerships with external organisations	
5.3.5	Develop and regularly update a research governance framework and evaluation methodologies	

5.4 Data		
Core		Profession Specific
5.4.1	Develop, implement and manage the process and procedures for data access, release and exchange	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.4.2	Develop and maintain core data and statistical infrastructure to support internal and external research and analyses	
5.4.3	Implement processes to improve the quality of our data to ensure it is fit for purpose	

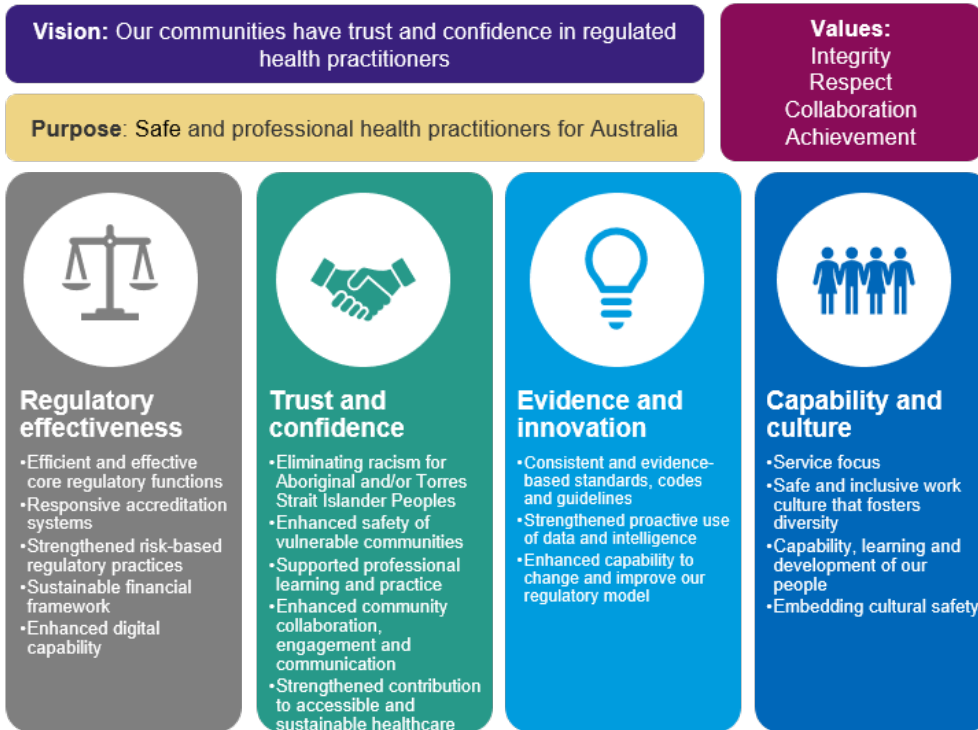
5.5 Finance	
Core	Profession Specific
5.5.1 Provide analysis, support and advice on financial plans, fee setting and annual budgets	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.5.2 Make provision for fees payable by health practitioners	
5.5.3 Develop and maintain the Equity model	
5.5.4 Manage equity investments in accordance with the conservative approach required of the Investment Policy	
5.5.5 Develop and maintain the cost allocation model used to inform the apportionment of Ahpra's costs	
5.5.6 Discretionary/initiative project evaluation, monitoring and benefits reporting	
5.5.7 Provide stage-gated financial reporting for major Scheme-wide projects ¹ to assess progress and validate readiness for the next stage.	

5.6. Risk management	
Core	Profession Specific
5.6.1 Coordinate the development of Board level profession risk assessments and plans	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.6.2 Review and implement all necessary insurances including, but not limited to: <ul style="list-style-type: none"> • Professional Indemnity • Directors and Officers • Crime • Cyber Liability • Business Travel • Workers compensation • Corporate Practices Protection • Industrial Special Risk 	
5.6.3 Business continuity planning, preparation, response and recovery approaches for any form of critical incident	

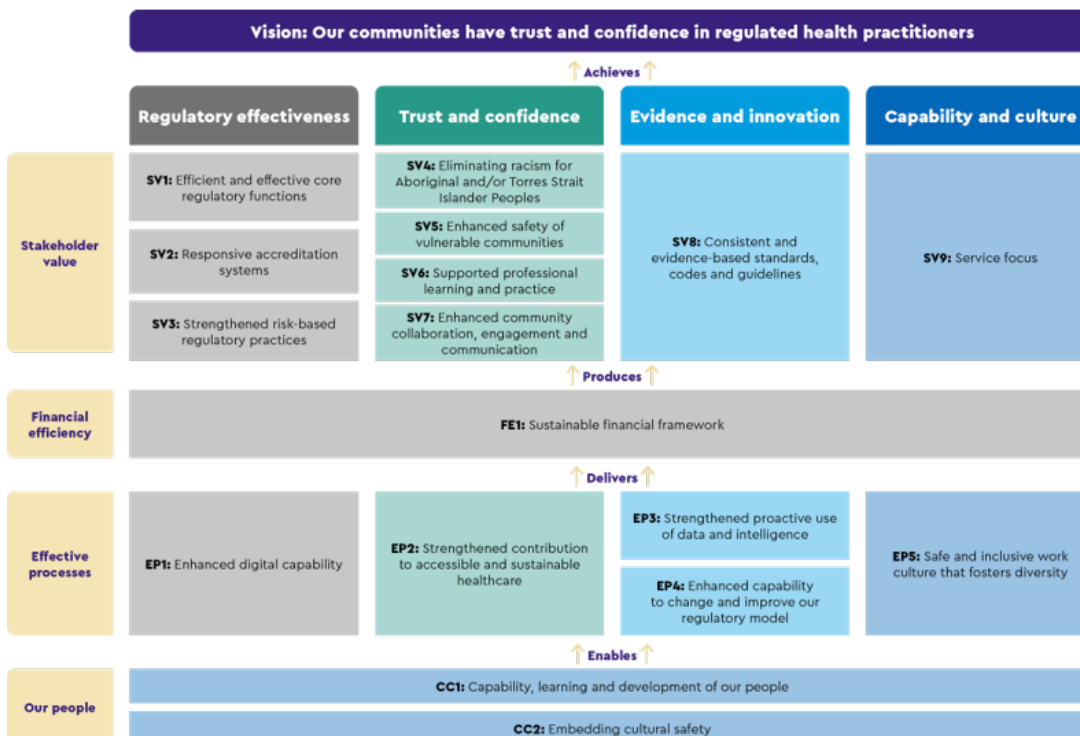
¹Major projects are those classified as high value and high risk to the National Scheme and will generally require a detailed business case. For these projects, at each Stage Gate, a review is undertaken: assessing the project against its specified objectives at the particular stage in the project's life cycle, identifying early the areas that may require corrective action and validating that a project is ready to progress successfully to the next stage.

Schedule 3: Summary of National Scheme Strategy, implementation map, and National Board’s regulatory plan

National Scheme Strategy 2020-25



Strategy implementation map



National Board Regulatory Plan

Initiative	Strategic Theme/Objective	Details
Anti-racism, enhancing culturally safe practice, and increased participation for Aboriginal and/or Torres Strait Islander People <ul style="list-style-type: none"> • As health care users • As health care providers • As health care students 	Trust and Confidence: <ul style="list-style-type: none"> • Eliminating racism for Aboriginal and/or Torres Strait Islander Peoples • Enhanced community collaboration, engagement, and communications 	Promote and advocate for appropriate cultural safety training for occupational therapists and occupational therapy students
NDIS initiative	Trust and Confidence: <ul style="list-style-type: none"> • Enhanced community collaboration, engagement, and communications 	Understand, collaborate, and respond to the intersection between regulation of Occupational Therapists and NDIS drivers and outcomes.
Occupational therapy sectoral changes and workforce initiative	Trust and Confidence: <ul style="list-style-type: none"> • Strengthened contribution to accessible and sustainable healthcare Evidence and innovation: <ul style="list-style-type: none"> • Strengthened and proactive use of our data and intelligence • Enhanced capability to change and improve our regulatory model 	Understand the workforce regulatory barriers to accessing health services to facilitate the continuous development of a flexible, responsive, and sustainable occupational therapy profession.
Regulatory Accreditation Functions	Regulatory effectiveness: <ul style="list-style-type: none"> • Strengthened risk based regulatory practices 	Improve policy and processes for the assessment of overseas qualified practitioners and ensure alignment with the National Law.

Schedule 5: Summary of National Board's annual budget

OCCUPATIONAL THERAPY BOARD OF AUSTRALIA

Income and expenditure budget and notes

SUMMARY BUDGET 2023/24

Item	\$
Income	
Registration (see note 1)	3,442,100
Application	359,320
Interest and Investment Income	229,393
Late Fees and Fast Track Fees	28,600
Other	2,600
Total Income	4,062,013
Expenses	
Board and committee (see note 2)	407,883
Legal, tribunal costs and expert advice (see note 3)	39,984
Accreditation (see note 4)	0
Office of the Health Ombudsman (Queensland)	13,753
Other direct expenditure (see note 5)	258,378
Indirect expenditure (see note 6)	3,824,612
Total Expenses	4,544,609
Net Surplus (Deficit)	(482,596)

BUDGET NOTES

1. Registrant numbers	<p>The budget for registration income is based on the following:</p> <ul style="list-style-type: none"> • Number of registrants invited to renew at next renewal period: 30,008 • Lapse rate of renewals: 1.3%
2. Board and committee expenses	<p>This covers the meeting costs of the National Board and its committees' obligations under the National Law.</p> <p>Costs include sitting fees, travel and accommodation while attending meetings for the Board.</p>
3. Legal, tribunal costs, and expert advice	<p>These costs are incurred in the management of complaints against practitioners (notifications), statutory offences and registration matters. The costs do not include the significant Board and committee costs, including sitting fees, related to notifications. These are included in Note 2 above.</p> <p>Also not included are the material staff costs in each state and territory office relating directly to notifications. These are included in "indirect expenditure" below.</p>
4. Accreditation	<p>Accreditation expenses include the costs of funding, if provided, to the Occupational Therapy Council of Australia for accreditation functions and related projects.</p>
5. Other direct expenditure	<p>Costs associated with the Board's work on registration standards, policies and guidelines.</p> <p>This includes the following activities:</p> <ul style="list-style-type: none"> • costs involved in consultation with the community and the profession • engagement of consultants necessary to support the Board's work • publication of material to guide the profession, such as the Board's newsletter • Board member professional development, and • policy development and projects.
6. Indirect expenditure	<p>Indirect expenditure includes Ahpra costs. Ahpra supports the work of the National Boards and committees by employing all staff and providing systems and infrastructure to manage core regulatory (registration, notifications, compliance, accreditation, and professional standards) and support services in eight state and territory offices.</p> <p>Allocated costs include salaries, systems and communication, property, and administration costs.</p> <p>Ahpra's costs for each key activity are as follows:</p> <ul style="list-style-type: none"> • Registration costs \$1.7m (1.9%) • Notification costs \$1.2m (1.1%) • Compliance costs \$0.5m (2%) • Strategic Projects \$0.4m (3.2%). <p>Ahpra costs also include key strategic initiatives for 2023/24 including the continuation of the Transformation program, National Health workforce program, uplift in cyber, security and risk governance.</p>

Schedule 6: Performance and reporting

This performance reporting program aims to facilitate the timely and effective delivery of functions under the National Law and the continuous improvement of the partnership between National Board and Ahpra.

There are three separate levels of reporting provided to National Boards outlined in more detail below:

1. Strategic Performance Reports
2. Health Profession Agreement Reports
3. Regulatory Performance Reports

Any additional changes to reporting will be decided through consultation and negotiation with National Boards and Ahpra as part of the annual review of this schedule.

Report	Timing	Content	Frequency
Strategic Performance Reports	Report 1 (Q2) April Report 2 (Q4) Oct	Strategic Performance Reports (SPRs) inform National Boards and the Agency Management Committee on our progress towards achieving the objectives of the National Scheme Strategy 2020-2025, through an aligned set of measures, targets and initiatives.	Bi-annual
Health Profession Agreement Reports	Report 1: Dec Report 2: May	Health Profession Agreement (HPA) Reports monitor and report on the health of the partnership between Ahpra and National Boards. The Reports will be based on the below agreed key result areas: <ul style="list-style-type: none"> • Ahpra and National Boards demonstrate our values and behavioural attributes • Our systems and processes support Ahpra staff, National Boards and their committees to feel safe and included <p>Ahpra and National Boards have a strong and responsive partnership under the National Law</p>	Bi-annual
Regulatory Performance Reports	Q1: Nov Q2: Feb Q3: May Q4: Aug	Operational reports that measure whole of Ahpra performance across the following areas: <ul style="list-style-type: none"> • Reduce patient risk • Maximise availability of safe and competent practitioners • Minimise regulatory burden <p>These reports are supplemented by on-demand dashboards (Power BI) and bi-annual performance seminars. Progress reporting against specific action plans and/or targets is provided, as agreed by the Regulatory Performance Committee</p>	Quarterly

Schedule 7 - Equity framework

Overview

Principles of equity

Ahpra and the National Boards work in close partnership to improve the management of equity on behalf of the National Registration and Accreditation Scheme (National Scheme) in the interests of greater cost effectiveness and efficiency to ensure the long-term financial sustainability of the Scheme.

Equity has accumulated both from equity bought into the scheme by National Boards upon the inception of the National Scheme and through subsequent operating surpluses.

Equity serves several important purposes including:

- mitigating against unexpected loss not covered by the National Scheme's comprehensive insurance
- funding capital and strategic initiatives that support the effective and efficient operation of Boards and the Scheme
- offsetting the impact to the financial position due to variance in the operating result.

Guiding principles of equity management include:

- **Joint responsibility:** All Boards are custodians of the Scheme, which exists to support all registered professions. Consideration should be given to the Scheme as a whole.
- **Simplicity:** The management of Equity should strive for simplicity in its application while still delivering on the intended purposes.
- **Efficiency:** Management of equity should be as efficient as possible while maintaining the prudence required to deliver on the purposes.
- **Self-sufficiency:** While the Scheme equity is held for the good of all professions, cross subsidisation amongst professions should not happen without agreement.
- **Transparency:** Equity management will be conducted in an open and transparent way.

Key elements of the Equity framework include:

- a focus on ensuring sustainable levels of equity across the National Scheme
- two discrete equity pools for calculating target equity:
 - Pool one is the National Scheme equity pool
 - Pool two is each National Board's equity pool
- indicative target equity range for each National Board
- a governance framework and business rules for decision making in relation to equity.

By improving the management of equity the following outcomes will be achieved:

- clear accountability and responsibility, improved collaboration, communication and coordination
- increased effectiveness and efficiency
- enhanced trust and confidence in process, oversight and sustainability.

Equity pools for calculating target equity levels

The National Scheme equity pool has two components that make up the target amount:

- funding strategic initiatives with wider benefit to the scheme
- catastrophe risk provision - allowance for rarer large claims that could breach the top limits of insurance or fall into an exclusion of the insurance.

The National Board equity pool has four components:

- funding National Board strategic initiatives
- attritional risk provision – allowance for losses arising from existing notifications and an allowance for losses from future notifications from existing practitioners

- large claims risk provision – allowance for claims that would breach the insurance excess but be covered by Ahpra’s insurance policies
- operational risk provision – allowance for other non-claim related risks that originate from the normal course of operations.

Governance

Ahpra Board

Ahpra Board will be responsible for oversight of the two pools of equity – the National Scheme equity pool and the National Board equity pool. This is to ensure that all operating and capital expenditure aligns to the Scheme objectives as set out in the *Australian Health Practitioner and Regulation Agency National Law (2009)*. It also ensures Ahpra Board is fulfilling its financial management accountabilities as set out in Schedule 1 of the HPA (accountability framework).

Ahpra Board will be accountable for the management and operation of the National Scheme equity pool. This includes the investment in National Scheme strategic initiatives, funding Ahpra’s annual operating budget and distribution of investment income consistent with the financial principles of the Scheme.

Ahpra

Ahpra will be responsible for the management and operation of the National Scheme equity pool. Ahpra is responsible for all equity elements and has the overall responsibility to execute the decisions made by the National Boards and Ahpra Board. This includes:

- advice to support National Boards to achieve agreed indicative target levels of equity based on their profession risk assessments and funding requirements
- managing the fluctuations in the National Scheme equity pool
- developing and managing the process that determines what strategic initiatives will be considered for funding by the National Scheme equity pool
- governance of strategic initiatives funded by either the National Scheme or a National Board
- setting Ahpra’s annual operating and capital expenditure budgets
- advising National Boards on the provision for large claims risk
- advising on fee strategy to optimise Equity position
- managing the process of interest and investment income distribution from interest and investment income earned.

National Boards

The National Boards will be accountable for the management and operation of their respective National Board equity pools including:

- setting indicative target levels of equity within the National Board large claims risk provision
- management of the process to determine what strategic initiatives will be considered for funding by the National Board equity pool
- agreeing the National Boards’ annual operating budget
- fee strategy implications – the role of indicative equity targets in the decision-making process for the National Boards’ fee strategy

The National Boards will be consulted and informed regarding:

- Ahpra’s management of the movements in the National Scheme equity pool
- Ahpra’s governance of strategic investments
- Ahpra’s annual operating budget
- Interest and investment income distributions – the process of determining the efficient allocation of interest and investment income earned

Management accountabilities

Ahpra Board

- Ahpra Board will be responsible for oversight of the two equity pools. This is to ensure that operating and capital expenditure aligns to priorities and objectives of the National Scheme.
- Ahpra Board will be responsible for approving the Ahpra budget.

Chief Executive Officer (CEO)

- Ahpra's CEO will be responsible for ensuring all funding decisions are made in accordance with [Ahpra Administrative authorisations](#).
- The CEO will be accountable for the efficient and effective management of National Scheme equity pool funds through the CFO.

Chief Financial Officer (CFO)

- Ahpra's CFO will be responsible for ensuring that:
 - all financial reporting is accurate and reliable.appropriate financial management policies and procedures are in place to support the effective administration of the equity pools.
 - ensuring all financial decisions are in accordance with Ahpra's financial authorisation limits
 - queries relating to the operation, administration or balances of the equity pools are responded to promptly to enable good and timely decision making.
 - the Scheme has adequate insurance coverage.

Executive Officers

- Executive Officers will
 - collaborate with Ahpra's Finance & Risk directorate on the development of annual National Board budgets and risk profiles.
 - collaborate with Ahpra's Finance & Risk directorate to monitor and advise on Board financial operations.

National Boards

- National Boards will be responsible for:
 - the effective and efficient management of their National Board's equity pool.
 - ensuring that the Board collaborates effectively with Ahpra to ensure the broader objectives of the National Scheme and the Equity Framework are achieved.

Operations – Target setting

National Scheme equity pool targets

Ahpra has discretionary control over its Ahpra Board approved budget expenditure to determine the appropriate allocation of funding for operational, capital and strategic initiatives.

Strategic initiatives funded from the National Scheme equity pool will be subject to the process outlined in Diagram 2 – Strategic initiatives approval process.

The catastrophe risk provision is intended to ensure the Scheme has sufficient overall equity to endure a situation where an unexpected financial loss may arise that is not covered by insurance, or breaches the insurance ceiling. These situations will usually be rare, high risk, high cost events.

Ahpra will provide Ahpra Board and all National Boards with visibility over the plan for recovery through budget planning and five-year financial plan modelling to maintain trust and confidence that National Scheme equity is being managed responsibly.

Equity target ranges within the National Scheme equity pool will only be updated once per year, to align with the timing of National Board budgets and fee decisions. Changes in the value of equity target components will be disclosed to help National Boards understand the movements each year.

National Board equity pool targets

Decisions regarding the use of funds in the National Board equity pool will be managed by each National Board in alignment with the agreed five-year financial plan.

Each board's individual indicative target equity pool will be calculated with regard to a National Board's annual operating budget and its predicted impact on equity, strategic projects, the Board's risk profile and provisions.

The National Board will have discretionary control over their budget expenditure to determine the appropriate allocation of funding to its operational and strategic projects.

Any National Board budget surplus at the end of the financial year will increase the Boards equity position.

Any National Board deficit at the end of the financial year will reduce the Boards equity position.

Accumulated surpluses resulting in excess equity may inform a future fee strategy and/or investments in strategic projects dependent on the needs of the National Board.

Equity targets within the National Board equity pool will only be updated once per year, to align with the timing of National Board budgets and fee decisions.

Operations - Management of equity shortfalls to target

National Boards

Equity targets for each National Board will be a range that is based on the sum of the following components:

- The National Board equity pool target
- The allocated share of the Scheme strategic initiatives component
- The allocated share of the Scheme catastrophic risk component

A National Board equity balance that is forecast to fall below the recommended indicative target equity will trigger a review to understand and take appropriate action to remediate.

The Board will be consulted and presented with options to rebuild their equity through the budget planning process.

If the National Board equity is fully depleted and in negative balance, unfunded costs will be met from Scheme equity reserves or by drawing upon short term cash reserves of working capital. Urgent remedial action will be proposed by Ahpra and undertaken by the National Board to replenish equity reserves as soon as possible and to reimburse the broader Scheme equity drawn upon.

To ensure there is no cross subsidisation, the value of any financial support provided to a National Board that has an equity deficit will be indexed by the average rate of return on Scheme financial assets. This will ensure the financial return on invested equity balances for other National Boards is not impacted by the temporary negative equity balance of a single National Board.

National Scheme

The equity target for the National Scheme is the sum of all National Board equity targets. A National Scheme equity balance that is forecast to fall below the recommended indicative equity target will trigger a review to understand and take appropriate action to remediate.

Reporting requirements

Annual reports

Total equity and individual National Board equity will align to the current reporting arrangements.

Ahpra Board reports

Ahpra Board will receive regular reports on the equity balances of all National Board equity pools and the National Scheme equity pool.

Quarterly reports

The total balance of the National Board's equity and National Scheme equity will be provided to the Board in their quarterly financial report.

Monthly reports

The total balance of the National Board's equity and National Scheme equity will be provided to the Board's Executive Officer.

Dispute resolution

Disputes will be managed in accordance with the issue's management and dispute resolutions sections of the Health Profession Agreement (p. 6).

Review

The Equity framework will be reviewed every five years, or more often as required in consultation with National Boards.

Diagram 1: Equity framework RACI

The RACI below provides an agreed consolidated overview of the feedback from National Boards and Ahpra on ownership of different governance functions.

RACI - Equity element			
	Ahpra Board	Ahpra	National Boards
Indicative target level of risk equity within National Board equity pool	C	R	A
Indicative target level of risk equity within National Scheme equity pool	A	R	CI
Surplus/deficit/replenishment (National Scheme) - how movements in the National Scheme equity pool will be managed	A	R	CI
Surplus/deficit/replenishment (Individual National Boards) – how movements in the National Board equity pool will be managed	C	R	A
Strategic investment (National Scheme) - the process to determine what strategic initiatives will be considered for funding by the National Scheme equity pool	A	R	CI
Strategic investment (Individual National Board) - the process to determine what strategic initiatives will be considered for funding by individual board equity	C	R	A
Strategic investment transition from an individual National Board to National Scheme - the process to determine when a strategic initiative funding from either Board or National Scheme equity pool will cease (normally indicated by project life cycle) and transition to the operating budget	A	R	CI
Budgeted and actual expenditure (Ahpra) - determining the Ahpra annual operating budget and managing the Ahpra annual expenditure, including determining the appropriate allocation of Ahpra expenditure to National Boards.	A	R	I
Budgeted and actual expenditure (Boards) – determining the boards' annual operating budget and managing the boards' annual expenditure	CI	R	A
Large claims risk provision - the provision multiplier for applied for quantifying this provision	CI	R	A
Fee strategy implications - the role of indicative equity targets in the decision-making process for board fee strategy	C	R	A
Interest and investment income distribution - the process of allocating income earned in proportion with equity balances held by the Board, allowing for specially agreed arrangements, consistent with the financial principles of the scheme	A	R	CI

Diagram 1 Glossary

A	Accountable	The one ultimately answerable for the correct and thorough completion of the deliverable or task, and the one who delegates the work to those responsible. In other words, an accountable party must approve work that the responsible party actions. There must be only one accountable specified for each task or deliverable.
R	Responsible	Those who do the work to achieve the task. There is at least one role that is responsible, although others can be delegated to assist in the work required.
C	Consulted	Those whose opinions are sought, typically subject matter experts; and with whom there is two-way communication.
I	Informed	Those who are kept up-to-date on progress, often only on completion of the task or deliverable, and with whom there is just one-way communication.

Diagram 2 – Strategy implementation governance

The current strategy implementation governance framework is provided for information below.

