

Fee setting policy

Purpose

The purpose of this policy is to provide instruction on fee setting and indexation to meet increasing costs, and pricing of supplies and services that are determined by Ahpra and National Boards.

The instructions provide clarity yet allow flexibility in determining regulatory and accreditation fees and increases that support a sustainable financial model for health professions regulation and in pricing and fee setting for the supply of (non-regulatory) goods and services.

Scope

The scope of the policy includes all regulatory fees, accreditation income and pricing of (non-regulatory) supplies and services that are determined by Ahpra and National Boards.

The Policy scope does not extend to grant revenues, interest income and recoveries (e.g. insurance claims).

Policy

1. Principles

This policy is made in accordance with Ahpra's Financial delegations policy to support the efficient and effective administration of the Health Practitioner Regulation National Law Act (National Law). Fee setting is to be conducted with consideration given to the following interests of the National Scheme as administered by Ahpra:

- All applicable legislation, regulatory requirements and accounting standards.
- Principles of best value, economy and efficiency.
- Principles of equity.
- Lawful decisions that will stand up to public scrutiny.
- Corporate and strategic objectives of the National Scheme.
- The financial profile and liquidity requirements of Ahpra's operations.
- Scheme policies and procedures for Code of conduct and Conflicts of interest.
- Reasonable expectations (express and implied) of key stakeholders.
- Specified limits and requirements associated with relevant sub-delegations.

2. Authority for fee setting

Regulatory fees

- 2.1 Ahpra and National Boards will set fees to recover forecasted costs and maintain required levels of equity to regulate health professions for which the Board is established. Each National Board must publish on its website the fees for which provision has been made.
- 2.2 There must be alignment between the expenses of Regulatory activity for each profession and the fees set.
- 2.3 In fee setting, consideration is to be given to Hardship policy, Rules of equity and Cost allocation frameworks.

Accreditation fees

- 2.4 There are two types of accreditation authorities in the National Scheme: external accreditation entities and committees established by the Boards.
- 2.5 Ahpra and National Boards will set fees that fully recover costs; of external accreditation authorities, committees established by the Boards and Ahpra costs to support effective operation.

Practitioner information exchange and other supplies and services

- 2.6 Ahpra will set prices and fees for (non-regulatory) supplies and services with consideration for the purpose and costs of the supply and the business purpose of the customer (i.e. commercial or not for profit).
- 2.7 Pricing will be based on a cost-recovery approach that best meets the Scheme objectives and cost-recovery principles of efficiency and effectiveness. However, efficiency also relates to whether the costs of administering cost-recovery is proportional to the fee.
- 2.8 Where the administrative effort of cost-recovery for a particular supply is seen to be inefficient, a reasonable fee based on expert estimation, principles or purpose of the supply may be set.
- 2.9 Fees for supplies that serve a commercial customer (e.g., private hospital or employment agency), or profit purpose may be priced above cost-recovery and the gap directed to offset the Schemes sunk or fixed costs.

3. Indexation of fees

Regulatory fees

- 3.1 Each National Board regulatory fees strategy will incorporate indexation where necessary to meet forecast cost-recovery requirements and equity targets.
- 3.2 The Reserve Bank Australia (RBA) target for inflation is a range from 2.0 to 3.0%.
- 3.3 The effective Consumer price index (CPI) will be considered when indexing fees.
- 3.4 Indicative indexation will be 0 to 3.0% and up to CPI at the time of fee setting, where this exceeds the RBA Target range – to absorb inflationary cost increases.

Other supplies and services

- 3.5 Where input costs of the supplies increase, the cost-recovery may be indexed in line with third party or wage price changes or other accelerated cost recognition.
- 3.6 Fees and pricing indexation for other supplies and services will occur in accordance with customer contracts and or Consumer price index (CPI).

4. National Boards application, accreditation and registration fees

- 4.1 Ahpra will work with National Boards to agree practitioner registration and accreditation fees on an annual basis.
- 4.2 Where Ahpra and a Board cannot agree on proposed fees, the fee will be held flat until agreement is reached in accordance with the National Law.
- 4.3 Where Ahpra and a Board agree to raise registration fees by indexation as described in 3.4 above, no feedback will be sought from the Ministerial Council.
- 4.4 Where Ahpra and a Board elects to raise registration fees by an amount that is above the higher of 3% or CPI at the time of fees setting, Ahpra will seek (on behalf of the National Board) formal feedback on proposed fee increases from the Ministerial Council prior to finalisation and implementation of fee changes.
- 4.5 For this purpose, Ahpra and the National Board will prepare and approve a business case demonstrating the need for the proposed fee increases.

5. Other National Board fees

- 5.1 Other fees specific to an individual National Board will be reviewed from time to time when either Ahpra or the National Board(s) deem this to be necessary.
- 5.2 Ahpra may deem some fees consistent across all National Boards. These fees are to be reviewed at least once every three years.

6. Goods and service tax (GST)

- 6.1 Where applicable, GST will be collected in the cost-recovery price of goods and services and remitted to the ATO.
- 6.2 As regulatory fees do not constitute a supply (of goods or services) they are not subject to GST.
- 6.3 Accreditation fees are a supply that directly relates to a GST free (Education) supply and therefore do not attract GST.

7. Compliance and record keeping

- 7.1 Compliance with this policy is subject to review as part of the internal quality assurance and internal audit programs.
- 7.2 Any material and substantial breach of this Policy is to be reported and managed as non-compliance with Corporate Policy.
- 7.3 Staff non-compliance with all Ahpra policies and procedures will be managed in accordance with the Code of conduct.
- 7.4 All financial records are to be retained in accordance with Ahpra Records policy.

Related documents

- Refunds policy
- Health Professions Agreement
- Five-year financial projections (for all National Boards)

Relevant legislation

- [A New Tax System \(Goods and Services Tax\) Act 1999](#)
- [Reserve Bank Act 1959](#)

Definitions

| Term | Definition |
|-----------------------------------|---|
| Consumer price index (CPI) | In Australia, the CPI measures the changes in the price of a fixed basket of goods and services, acquired by household consumers ¹ The CPI is regarded as Australia's key measure of inflation. |
| Inflation | The rate of change in CPI over time. |
| Indexation | An adjustment made to the value of a good or service using a variety of predetermined economic variables such as movements in wage rates or costs of living so that the value moves in line with the rate of inflation. |

¹ [ABS FAQs](#)

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| Sunk costs | A historical cost that cannot be recovered - such as set up costs, systems implementation, research, legislation, facility costs and depreciation. |
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Document control

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