



# Health Profession Agreement

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

### 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**

**Nursing and Midwifery Board of Australia**

and

**The Australian Health Practitioner Regulation Agency (Ahpra)**

<p>Signed for and on behalf of Ahpra by:</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 Nursing and Midwifery Board of Australia by:</p>  <p>Signature of the Board Chair Associate Professor Lynette Cusack</p> <p>Date 01 October 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.

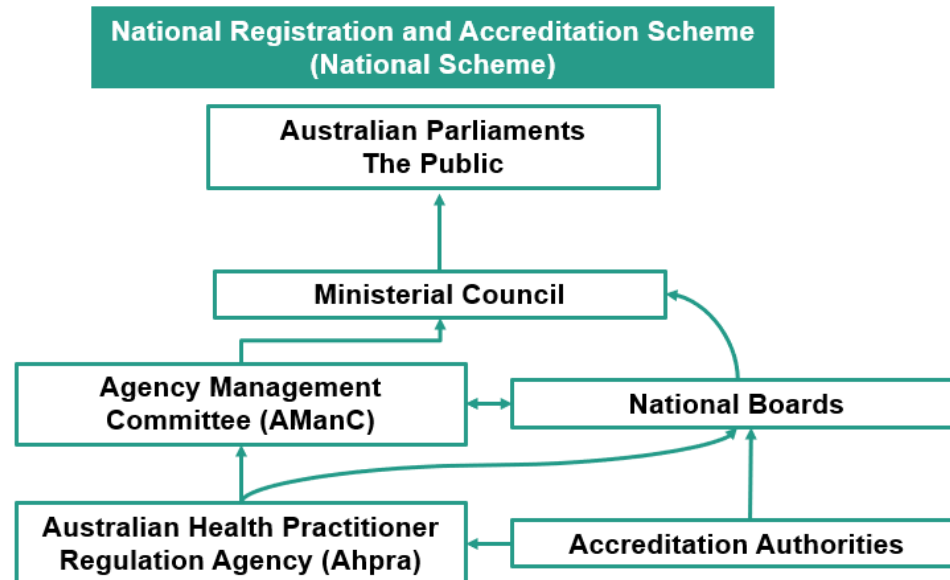
As a key component of the overall governance arrangements, this framework articulates the accountabilities of key entities arising from their roles and functions in the National Scheme. Ahpra, its governing Board (the Agency Management Committee (**AManC**), the National Health Practitioner Boards (**National 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	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.1.2	
1.1.3	
1.1.4	
1.1.5	
1.1.6	
1.1.7	

1.2 Notifications	
Core	Profession Specific
1.2.1	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
1.2.2	
1.2.3	
1.2.4	

<b>1.3 Compliance</b>		
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	

<b>1.4 Legal Services</b>		
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.	
1.4.4	Defend and/or resolve any litigation brought against the Board and respond to complaints lodged with external bodies against the Boards.	
1.4.5	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	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
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	

2.2 National Board Services		
Core		Profession Specific
2.2.1	Provide secretariat and administrative support for National Board Meetings	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
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.	

### 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

<b>4.1 Development</b>	
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	

<b>4.2 Implementation</b>	
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.	
4.2.3 Deliver regular HPA and strategy performance reports.	

## 5. Policy

<b>5.1 Policy</b>	
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	



<b>5.2 Accreditation</b>	
<b>Core</b>	<b>Profession Specific</b>
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.	

<b>5.3 Research</b>	
<b>Core</b>	<b>Profession Specific</b>
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	

<b>5.4 Data</b>	
<b>Core</b>	<b>Profession Specific</b>
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	

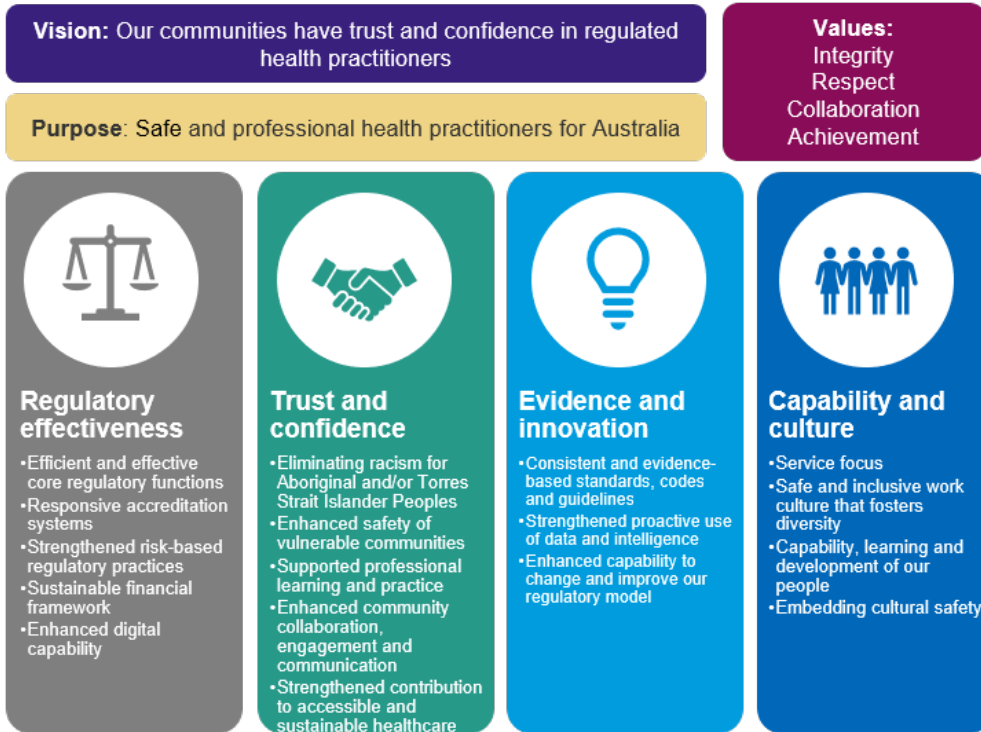
<b>5.5 Finance</b>	
Core	Profession Specific
5.5.1 Provide analysis, support and advice on financial plans, fee setting and annual budgets	<i>Profession-specific services, as listed in the National Board's regulatory plan and annual budget.</i>
5.5.2 Make provision for fees payable by health practitioners	
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 <sup>1</sup> to assess progress and validate readiness for the next stage.	

<b>5.6. Risk management</b>	
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"> <li>• Professional Indemnity</li> <li>• Directors and Officers</li> <li>• Crime</li> <li>• Cyber Liability</li> <li>• Business Travel</li> <li>• Workers compensation</li> <li>• Corporate Practices Protection</li> <li>• Industrial Special Risk</li> </ul>	
5.6.3 Business continuity planning, preparation, response and recovery approaches for any form of critical incident	

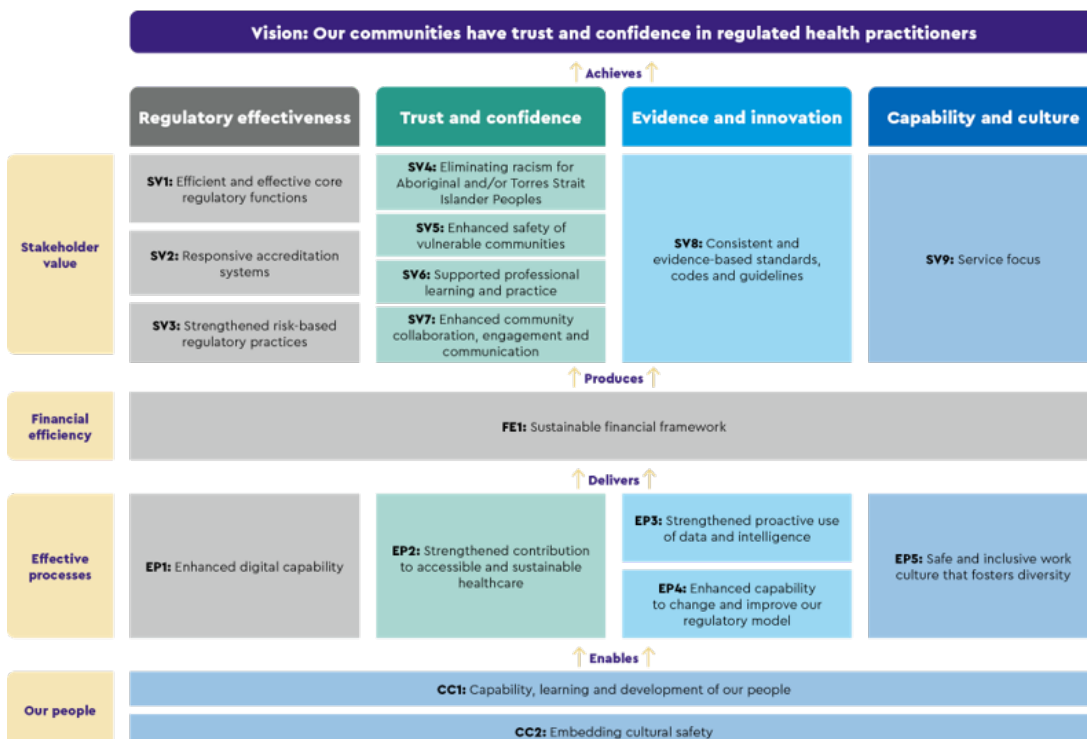
<sup>1</sup>Major projects are those classified as high value and high risk to the National Scheme and will generally require a detailed business case. For these projects, at each Stage Gate, a review is undertaken assessing the project against its specified objectives at the particular stage in the 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



# Regulatory Plan 2021-2025

Effective 1 July 2021 (updated June 2023)

National Scheme strategic theme	Strategic outcomes	Related NMBA initiatives	
Regulatory effectiveness	<b>SV1:</b> Efficient and effective core regulatory functions <b>SV2:</b> Responsive accreditation systems <b>SV3:</b> Strengthened risk-based regulatory practices <b>FE1:</b> Sustainable financial framework <b>EP1:</b> Enhanced digital capability	<b>To deliver responsive accreditation systems for approved nursing and midwifery programs of study</b>	
		Oversight of Australian Nursing and Midwifery Accreditation Council (ANMAC) arrangements	Monitor ANMAC assignment of the accreditation function for nursing and midwifery. <b>(SV2)</b>
		<b>To implement strengthened risk-based regulatory practices to support safe and effective delivery of care by nurses and midwives</b>	
		International regulators	Collaboration and consultation on any projects identified and commenced by international regulatory partners including ongoing involvement in the International Nurse Regulator Collaborative (INRC) project <i>Feasibility of developing regulatory mechanisms to support mobility of nurses across the INRC member jurisdictions</i> <b>(SV3)</b>
		Accurate database of students	refinement of the student register to create an accurate database of current students in all programs of study to inform and improve: <ul style="list-style-type: none"> <li>○ workforce planning</li> <li>○ management of students</li> <li>○ student engagement</li> </ul> <b>(SV1, SV3, EP1)</b>
		Scope and context of practice	Development of fact sheets to provide information for nurses, midwives, students, employers and the general public about the role of enrolled nurses, registered nurses, nurse practitioners and midwives <b>(SV3)</b>
		Maternal, child and family health practitioners	Review the NMBA's role and responsibility in relation to maternal, child and family health practitioners <b>(SV3)</b>
Trust and	<b>SV4:</b> Aboriginal	To continue our ongoing work towards being a trusted resource for safe practice within the professions, through better collaboration, engagement and communication with practitioners and other key stakeholders, including about the role and responsibilities of the NMBA	

National Scheme strategic theme	Strategic outcomes	Related NMBA initiatives	
confidence	and/or Torres Strait Islander Peoples cultural safety <b>SV5:</b> Enhanced safety of vulnerable communities <b>SV6:</b> Supported professional learning and practice <b>EP2:</b> Enhanced community collaboration, engagement and communication <b>EP3:</b> Strengthened contribution to sustainable healthcare	Stakeholder engagement – current registered practitioners	Development of broader strategies that distinguish the roles of the NMBA and Ahpra Development of targeted engagement strategies and activities for each stakeholder cohort Information forums and professional learning webinars <b>(SV6, EP2)(SV6, EP2)</b>
		Stakeholder engagement – website	Review of NMBA website including restructuring layout and updating relevant content <b>(EP2)</b>
		Stakeholder engagement – employers	Development and implementation of strategy to improve engagement with employers <b>(SV6, EP2, EP3)</b>
		Stakeholder engagement – students	Further development of student specific website and policy resources to improve student and new graduate communications journey with the NMBA and Ahpra <b>(SV6, EP2)</b>
		Stakeholder engagement – activities and events	Ongoing stakeholder engagement utilising virtual platforms: <ul style="list-style-type: none"> <li>○ information forums</li> <li>○ professional learning webinars</li> <li>○ other stakeholder engagement activities</li> </ul> <b>(EP2)</b>
		<b>To support the nursing and midwifery professions to deliver culturally safe care and improve health outcomes for Aboriginal and Torres Strait Islander people</b>	
		Improving nurses and midwives understanding of health and cultural needs of Aboriginal and Torres Strait Islander people to produce consistency and quality improvement in matters of Aboriginal and Torres Strait Islander health and cultural safety across the National Scheme.	Partner with relevant Aboriginal and Torres Strait Islander stakeholders to develop strategies that improve the provision of culturally safe and effective care by nurses and midwives <b>Project 1</b> Educating nurses and midwives on the collaborative role they have with Aboriginal and Torres Strait Islander Health Practitioners to provide culturally safe healthcare and improve the health outcomes for Aboriginal and Torres Strait Islander Peoples – joint project with Aboriginal and Torres Strait Island Health Practice Board of Australia*

National Scheme strategic theme	Strategic outcomes	Related NMBA initiatives	
			<p><b>Project 2</b> An analysis of coronial tribunal findings of deaths in custodial settings of Aboriginal or Torres Strait Islander Peoples that involved a nurse or a midwife</p>
			<p><b>Project 3</b> Improving nursing and midwifery understanding of health and cultural needs of Aboriginal and Torres Strait Islander Peoples</p> <p>3 stages:</p> <ul style="list-style-type: none"> <li>a) Improve provision of culturally safe care by nurses and midwives to Aboriginal and Torres Strait Islander People</li> <li>b) Improve management of nurses and midwives where instances of culturally unsafe practice are identified.</li> <li>c) Review of NMBA standards, codes and guidelines to ensure the Cultural Safety and health of Aboriginal and Torres Strait Islander Peoples are addressed</li> </ul>
			<p><b>Project 4</b> Strategies for Aboriginal and Torres Strait Islander nursing and midwifery education reform</p>
Evidence and innovation	<p><b>SV7:</b> Consistent and evidence-based standards, codes and guidelines</p> <p><b>EP4:</b> Enhanced capability to change and improve our regulatory model</p>	<p><b>To demonstrate an enhanced capability to change and improve our regulatory model for the nursing and midwifery professions</b></p>	
		Conditions on registration for nurses and midwives (post notification)	<p>Conduct research and develop appropriate strategies to identify and address issues.</p> <p>Development of standardised education modules for nurses and midwives post notification (<b>EP4</b>)</p>
		Health and performance assessment – data review	Review of health and performance notifications against draft thresholds ( <b>EP4, EP5</b> )

National Scheme strategic theme	Strategic outcomes	Related NMBA initiatives	
	<p><b>EP5:</b> Strengthened proactive use of our data and intelligence</p>	Nurse and Midwife Support	Develop strategies to address, relevant to the NMBA's regulatory role: <ul style="list-style-type: none"> <li>○ Notification navigator</li> <li>○ Wellbeing program</li> <li>○ New graduate enhancement <b>(EP5)</b></li> </ul>
International qualified nurses and midwives (IQNMs)		Interim review of the NMBA's model of assessment for IQNMs <b>(EP4)</b>	
		Part 1 – IQRN OSCE preparation program development Part 2 – Review of current IQNM orientation modules Part 3 – <b>Evaluation of the IQNM experience when navigating all intersecting components of the end-to-end Ahpra/NMBA assessment (streams A, B and C1) and registration processes (EP4)</b>	
		Development of new trans-jurisdictional registration pathway for internationally qualified registered nurses <b>(SV7, EP4)</b>	
		Establishment of second multi-profession examination site <b>(EP4)</b>	
Midwifery workforce review		A comprehensive exploration of the Australian midwifery workforce <b>(EP4, EP5)</b>	
New Zealand Nursing Council enrolled nurse		Map scope and education changes in NZ (Trans-Tasman Mutual Recognition Act implications) <b>(EP4)</b>	
<b>To continue to develop consistent and evidence-based standards, codes and guidelines for the nursing and midwifery professions</b>			
Review into the approach of Re-entry to Practice	A collaborative review into the approach of re-entry to practice for nurses and midwives that will engage government, employers and education providers  Alignment of Policy: Re- entry to practice policy with revised Registration standard: Recency of practice <b>(SV7)</b>		
		Guidelines for nurses who perform non-surgical cosmetic procedures	Development of guidelines for nurses who work in the non-surgical cosmetic space that are based on the draft multi-profession guidelines and include the additional content identified in the mapping and allow for contextualisation through a nursing lens

National Scheme strategic theme	Strategic outcomes	Related NMBA initiatives	
		Guidelines for privately practising nurses	Development of guidelines to address broader issues on all privately practising nurses such as: <ul style="list-style-type: none"> <li>○ Professional indemnity insurance issues</li> <li>○ Health records documentation <b>(SV7)</b></li> </ul>
		Review of standards, codes and guidelines	Scheduled reviews: <ul style="list-style-type: none"> <li>– Registration standard: Endorsement as a nurse practitioner (Includes review of Safety and quality guidelines for nurse practitioners) <b>(SV7)</b></li> </ul>
			– Registration standard: Endorsement for scheduled medicines for midwives <b>(SV7)</b>
			– Safety and quality guidelines for privately practising midwives <b>(SV7)</b>
			– Registered nurse standards for practice <b>(SV7)</b>
			– Enrolled nurse standards for practice <b>(SV7)</b>
			Fact sheet: Registration as a nurse and paramedic (dual registration)
			Common (all Boards) registration standards (Ahpra Multi-profession policy unit to manage) <b>(SV7)</b>
		Registration standard: Endorsement for scheduled medicines designated registered nurse prescriber	Consultation regulation impact statement Final submission of proposed registration standard and guidelines to COAG Council <b>(SV7)</b>
Capability and culture	<b>SV8:</b> Service focus <b>CC1:</b> Capability, learning and development of our people <b>EP6:</b> Safe and inclusive work culture	<b>To provide a safe and inclusive work culture for all national, state and territory board members of the NMBA and strengthen their capability, learning and development.</b>	
		Board development and engagement	Professional development activities <b>(CC1, EP6)</b>
		Board orientation	Development of an orientation program capturing all national, state and territory board members <b>(CC1, EP6)</b>



## Schedule 4: Fees payable by health practitioners

### NURSING AND MIDWIFERY BOARD OF AUSTRALIA

NMBA		National Fee		
Registration type		2023-24	Change	2024-25
	Note			
Application fee for general registration		318.00	-	318.00 0%
Application fee for recent graduates of approved programs of study leading to registration as a nurse or midwife, excluding bridging programs and re-entry to practice programs	3	93.00	-	93.00 0%
Application fee for provisional registration		318.00	-	318.00 0%
Application fee for non-practising registration		37.00	-	37.00 0%
Application fee for endorsement of registration		180.00	-	180.00 0%
Registration fee for general registration		185.00	-	185.00 0%
Registration fee for provisional registration		185.00	-	185.00 0%
Registration fee for non-practising registration		37.00	-	37.00 0%
IQNM assessment (assessment and orientation)		410.00	-	410.00 0%
Multiple Choice Question (MCQ) Exam for IQNM (Enrolled Nurse)	2	250.00	-	250.00 0%
Objective Structured Clinical Exam (OSCE) for IQNM	2	4,000.00	-	4,000.00 0%
IQNM Initial assessment review		300.00	-	300.00 0%
IQNM Preliminary (internal) review		575.00	-	575.00 0%
IQNM Tertiary (External) review		2,500.00	-	2,500.00 0%

Application fee for fast track application	1	60.00	-	60.00 0%
Late renewal for general registration	1	30.00	-	30.00 0%
Late renewal for provisional registration	1	30.00	-	30.00 0%
Late renewal for non-practising registration	1	5.00	-	5.00 0%
Replacement registration certificate	1	20.00	-	20.00 0%
Copy of the register (if application is assessed as in the public interest)	1	2,000.00	-	2,000.00 0%
Verification of registration status (Certificate of Registration Status)	1	50.00	-	50.00 0%

NSW Fee **										
2023-24				2024-25						
Board	Council	Total	NSW Rebate / (Surcharge)	Board	Council	Total	NSW Rebate / (Surcharge)	Change Board	Change Council	Change NSW Rebate / (Surcharge)
98.00	87.00	185.00	-	98.00	87.00	185.00	-	-	-	-
98.00	87.00	185.00	-	98.00	87.00	185.00	-	-	-	-
23.00	14.00	37.00	-	23.00	14.00	37.00	-	-	-	-

\*\* NSW fees confirmed by Health Professional Councils Authority (HPCA) and approved by Health Minister.

Note 1: These fees are consistent across all professions and remain unaffected by annual indexation increase

Note 2: An internationally qualified nurse and/or midwife (IQNM) must successfully complete Orientation Part 1 and a multiple choice question (MCQ) exam prior to the OSCE.

Fees for the Registered Nurse and Midwife MCQs are set by the MCQ provider

Note 3: A recent graduate is a person whose qualification for registration was awarded not more than two years prior to the date of their application for registration

## Schedule 5: Summary of National Board's annual budget

### NURSING AND MIDWIFERY BOARD OF AUSTRALIA

#### Operating Statement – summary budget 2024/25 and notes

Item	\$
<b>Income</b>	
Registration (see note 1)	82,779,200
Application	9,593,510
Interest and Investment Income	3,153,204
Late Fees and Fast Track Fees	380,000
Exam Fees	11,136,500
Other	5,449,700
<b>Total Income</b>	<b>112,492,114</b>
<b>Expenses</b>	
Board and Committee (see note 2)	2,756,569
Legal, tribunal costs and expert advice (see note 3)	3,698,645
Accreditation (see note 4)	3,475,947
Office of the Health Ombudsman (Queensland)	2,186,187
Other direct expenditure (see note 5)	13,321,045
Indirect expenditure (see note 6)	89,018,334
<b>Total Expenses</b>	<b>114,456,728</b>
<b>Net Surplus (Deficit)</b>	<b>(1,964,614)</b>

1. Registrant numbers	<p>The budget for registration income is based on the following:</p> <ul style="list-style-type: none"> <li>• Number of registrants invited to renew at 31 May 2024 renewal period: 496,818</li> <li>• Net registration growth FY24/25.....4.8%</li> <li>• Lapse rate of renewals:.....3.6%</li> </ul>
2. Board and committee expenses	<p>This covers the meeting costs of the National Board and its committees' obligations under the National Law. 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). The costs do not include the significant Board and committee costs, including sitting fees, related to notifications (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 (included in "indirect expenditure" below).</p>
4. Accreditation	<p>Accreditation expenses include the costs of funding provided to the Australian Nursing and Midwifery Accreditation Council (ANMAC) for accreditation functions. It also includes the costs of the Accreditation Committee which is overseeing the assessment of overseas qualified nurses and midwives.</p>
5. Other direct expenditure	<p>Costs associated with the Board's work on registration standards, policies and guidelines. Refer to the 2024/25 work plan for further details.</p> <p>This includes the following activities:</p> <ul style="list-style-type: none"> <li>• costs involved in consultation with the community and the profession</li> <li>• engagement of consultants necessary to support the Board's work</li> <li>• publication of material to guide the profession, such as the Board's newsletter</li> <li>• Board member professional development</li> <li>• policy development and projects</li> <li>• funding of the external nurses and midwives' health program, and depreciation charges for the IQNM Transformation Program intangible asset.</li> </ul>
6. Indirect expenditure	<p>Indirect expenditure includes all resources, systems and infrastructure managed by Ahpra to support the National Boards and committees, to manage core regulatory functions including registration, notifications, compliance, accreditation, and professional standards, along with support services and a contribution to strategic initiatives. These costs are allocated between cost activity 1 – 3 listed below.</p> <p>Cost activity 4 includes the continuation of the Business Transformation program.</p> <p>Effective from 1st July 2024, indirect expenditure are shared by the National Boards using a detailed allocation methodology that has been approved by all National Boards.</p> <p>The allocation of Ahpra's cost activities are as follows:</p> <ol style="list-style-type: none"> <li>1. Registration costs \$31.7m</li> <li>2. Notification costs \$36.6m</li> <li>3. Compliance costs \$9.9m</li> <li>4. Strategic Projects \$10.8m</li> </ol>

## 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"> <li>• Ahpra and National Boards demonstrate our values and behavioural attributes</li> <li>• Our systems and processes support Ahpra staff, National Boards and their committees to feel safe and included</li> </ul> <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"> <li>• Reduce patient risk</li> <li>• Maximise availability of safe and competent practitioners</li> <li>• Minimise regulatory burden</li> </ul> <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 (RPC).</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.

