

Physiotherapy New Zealand Subscription model design Leadership Group Workshop

October 2021

1.0 Background

PNZ is now a unified organisation, and it needs to consider whether its revenue model is still appropriate and what changes might be needed in the future. The PNZ Executive has requested a review of membership subscriptions, building from the previous 2018 report, and including a range of options for subscription setting.

This paper is a briefing paper for a workshop to gain your input in key areas to help guide the development of the updated paper.

2.0 We are seeking your input on these key questions

We are seeking your input on the following:

- Question One: What principles should we use to inform our subscription fee model?
- Question Two: What should we be learning from other Allied Health Professional societies?
- Question Three: What membership types should we have?
- Question Four: How should we best preserve equity for our membership?
- Question Five: How should we define part and full-time?
- Question Six: Should we bundle SIG membership into base fees?
- Question Seven: What other input would you like to provide?

3.0 Next steps

We will complete the review and report to the PNZ Executive.

The PNZ will decide the next steps from there.

Question One: What principles should we use to inform our subscription fee model?

Before fee options can be considered, a set of principles is required to inform how these options might be developed and compared. A set of *draft* principles is summarised below along with their rationale.

Table 1 Potential principles to inform the membership fees review

Principle	Rationale
Use differentiated fee levels to recruit and retain members	A wide membership base in the profession ensures a strong and effective organisation. Fees setting should contribute to recruitment and retention of the different membership types.
Match fees to the value members receive so they can “vote with their wallet”	Members can clearly signal which services they value through what they are willing to pay for – they “vote with their wallet.” PNZ can ensure that fees are used to transparently fund activities of value to members.
Bundle fees to encourage specific behaviours	Bundling can be used to ensure that essential sector strategic services are adequately funded and provided to all members, rather than simply allowing members to “vote with their wallet”.
Special Interest Groups will operate at overall breakeven	Special Interest Groups will operate as a service to the members and will operate at breakeven across all groups. They will not be used for income generation as a de facto increase in membership fees.
Keep fee structures simple to administer	Simpler fee structures will result in simpler administration.
Set total fees income based on policies on reserves and operational surpluses/deficits	PNZ policy specifies a minimum of eight months operating expenses plus any outstanding commitments will be retained in reserves. Total subscription fees and costs need to be balanced against the reserves.

Are these principles correct?

Are there missing principles you want to see added?

Question Two: What should we be learning from other Allied Health Professional societies?

The following table compares PNZ's fee structure with other Allied Health Professional (AHP) societies in New Zealand and offshore. (Note that there has been some simplification of the offers for comparative purposes.)

The following can be observed.

- Complexity of membership options appears to increase as membership numbers grow
- Organisations often tailor their base membership fees to the professional and life circumstances of their members
- Some organisations slowly raise their fees from student to practitioner
- Most organisations offer insurance
- Organisations with special interest groups charge extra for these
- Few organisations have prompt payment provisions and instalment payments
- We have not been able to identify any "corporate rates"
- PNZ has a comparatively complex membership structure.

What can we learn from these other organisations? Should we measure ourselves by these other organisations?

Table 2 Comparison of fee structure of PNZ with other organisations as of August 2021 (see appendix for more extensive summary of PNZ fees)

Amounts quoted include tax (GST in case of PNZ) <div> PNZ¹ pnz.org.nz </div> <div> Australian Physiotherapists Association australian.physio </div> <div> Chartered Society of Physiotherapy (UK) www.csp.org.uk </div> <div> Canadian Physiotherapists Association physiotherapy.ca </div> <div> American Physical Therapy Association www.apta.org </div> <div> Occupational Therapy New Zealand www.otnz.co.nz </div> <div> NZ Speech-language Therapists' Association speechtherapy.org.nz </div> <div> Osteopaths NZ www.osteopaths.nz.co.nz </div> <div> Association of Dispensing Opticians adonz.co.nz </div> <div> Acupuncture NZ www.acupuncture.org.nz </div> <div> Paramedics Australasia paramedics.org </div> <div> NZ Chiropractors Association </div> <div> NZ Medical Association www.nzma.org.nz </div>													
A. MEMBERSHIP TYPES													
Full-time public sector	\$621 ²	AU\$765 ³	£382	YES ⁴	YES	\$572 ⁵	\$536 ⁶	\$549	\$585	\$770 ⁷	\$312	\$1,110	\$888 ⁸
Full time private sector		AU\$800 ¹¹											\$732 ⁹ \$624 ¹⁰
Part-time public sector	\$306	AU\$585		YES		\$346 11-25h \$233 0-10h	\$373						\$480 ¹²
Part-time private sector		AU\$600 ¹³											
Spouse												\$555	\$468
Practising oversea			£239	YES									
Non-practising	\$153	\$430 ¹⁴	£175	YES ¹⁵			\$133	\$136	\$100			\$222	
Teaching			£286		YES					\$257		\$555	
Associate	\$135	FREE	£119			\$233			\$100			\$222	\$468 ¹⁶
Associate overseas	\$135	\$155	£223		YES	\$233							
Dual													
Physio assistant	\$90	AU\$115		YES	YES								
Technologist				YES									
Affiliate	\$340	AU\$115	£60	YES									
Senior												\$555	

¹ Physiotherapy New Zealand – All fees are early bird amounts

² Physiotherapy New Zealand – Full time defined as more than 30 hours per week

³ Australian Physiotherapy Organisation – Full time defined as more than 18 hours per week.

⁴ Canadian Physiotherapists Association – Full time defined as more than 15 hours per week.

⁵ Occupational Therapy New Zealand – Full time defined as 26+ hours per week.

⁶ NZ Speech-language Therapists' Association – Full time defined as 26+ hours per week.

⁷ Acupuncture NZ – 20-year loyalty \$770; 25-year loyalty \$693.

⁸ NZ Medical Association – full time practising doctor.

⁹ NZ Medical Association – full time public hospital specialist.

¹⁰ NZ Medical Association – a General, MOSS, or Vocational Intro doctor.

¹¹ Australian Physiotherapy Organisation – Full time private sector without insurance, AU\$1,055pa.

¹² NZ Medication Association – part time defined as less than 4 sessions a week or on low income, i.e. less than \$80,000 per year).

¹³ Australian Physiotherapy Organisation – Part time private sector with insurance, AU\$775pa.

¹⁴ Australian Physiotherapy Organisation – Includes insurance.

¹⁵ Canadian Physiotherapists Association – Also have options for maternity / paternity / sick / disability leave.

¹⁶ NZ Medical Association – spouse of a member.

Amounts quoted include tax (GST in case of PNZ) <div> PNZ¹ pnz.org.nz Australian Physiotherapists Association australian.physio Chartered Society of Physiotherapy (UK) www.csp.org.uk Canadian Physiotherapists Association physiotherapy.ca American Physical Therapy Association www.apta.org Occupational Therapy New Zealand www.otnz.co.nz NZ Speech-language Therapists' Association speechtherapy.org.nz Osteopaths NZ www.osteopaths.nz.co.nz Association of Dispensing Opticians adonz.co.nz Acupuncture NZ www.acupuncture.org.nz Paramedics Australasia paramedics.org NZ Chiropractors Association NZ Medical Association www.nzma.org.nz </div>													
Retired	\$63	AU\$51	£64	YES	YES	\$92	\$115		\$100		YES	\$222	\$132
Career break / parental leave	Full time \$310.50 Part time \$153		£164									\$222	
Student	FREE	FREE	£42	FREE	YES	\$36	\$50¹⁷	\$61	FREE	FREE	\$25	Minimal	
First year	\$261	AU\$475		YES	YES	\$346	\$482	\$275		\$385	\$25		
First two years	\$261	AU\$475								\$385	\$96	\$555	
First three years													\$276¹⁸
Scaled first 4 years		Increased annually											
FEE CATEGORIES	15¹⁹	16	12	12	10	10	6	4	5	6	6	8	7
COMPLEXITY	HIGH	HIGH	MEDIUM / HIGH	MEDIUM / HIGH	MEDIUM	MEDIUM	LOW	LOW	LOW	LOW	LOW	MEDIUM / LOW	LOW
B. ADDITIONAL SERVICES													
Insurance	add'l	Bundled and add'l	Bundled	add'l		add'l				add'l		add'l	
Special Interest Groups	Individual membership	Individual membership	Individual membership	Individual membership	Individual membership	Individual membership							
Sections					OPTIONAL								
Chapters/Branches					REQ'D²⁰								
C. PAYMENT ARRANGEMENTS													
Membership year	1-Jan	1-Jan	Varies²¹	1-Oct	1-Jan	1-Jun	1-Jan	1-Apr	Unkn	1-Apr	Unkn	Unkn	1 Oct
Prompt pay discount	Early bird 10%	No	No	No	No	Early bird % Unknown	No	No	No	No	No	Unkn	
Payment plans	For hardship Prorated joining 6/3 months		Monthly		Instalment								Prorated joining monthly

¹⁷ NZ Speech-language Therapists' Association – Free for the first year of study.

¹⁸ NZ Medical Association – trainee doctor or Resident Medical Officer (RMO)

¹⁹ PNZ has two types of Affiliate member (although there are only 3 affiliate members in total) – this additional type of affiliate has been counted as an additional fee category. Complementary/Honorary members not counted.

²⁰ American Physical Therapy Association – Chapter fees vary widely based on type of membership and chapter belonged.

²¹ Chartered Society of Physiotherapy (UK) – Includes monthly fees that are 1/12 of annual fees.

Question Three: What membership types should we have?

The following table summarises the key membership types we have, the numbers of members, and the split across membership fees.

Table 3 Membership categories (FY2021)

Membership Type	Member #	Member # %	Membership Fees %
Full Time	1,981	44%	65%
Part Time	1,784	40%	29%
First/Second Year	341	8%	5%
Non-Earner	71	2%	1%
Overseas Member	42	1%	0%
Retired Member	23	1%	0%
Student	252	6%	0%
Physiotherapy Assistant	4	0%	0%
Affiliate Member	3	0%	0%
Complimentary/Honorary	15	0%	0%
Total Membership to 30 June 2021	4,516	100%	100%

84% of the members representing 94% of the membership fee income come from two categories – Full time and Part Time.

What membership types should we have?

Do we have too many, too few, or just the right number?

Question Four: How should we best preserve equity for our membership?

The current membership fee levels take some account of differing life circumstances and differing value received between different membership types. The following table compares the fees as a proportion of full time.

Table 4 Comparison between membership fee levels (FY2021)

	Comparison
Full time	100%
Affiliate	55%
Full time parental leave	50%
Part time	49%
Part time parental leave	25%
First and second year graduate	42%
Non-earner	25%
Retired member	10%
Overseas member	22%
Undergraduate student	0%
Physiotherapy Assistant	14%

There may be other ways we wish to enable equity within or outside of membership types. Your input would be appreciated.

How should we structure membership to preserve equity for all groups?

What changes should we make?

What changes could/should we make outside of membership fee levels?

Question Five: How should we define part and full-time?

94% of membership income comes from full-time and part-time members. Currently part-time fees are set at approximately half the full-time fees.

Full-time work is defined as greater than 30 hours per week. This is close to the Statistics New Zealand definition of full-time work as being 30 hours or more work a week.²²

Both Occupational Therapy New Zealand and NZ Speech-language Therapists' Association define full-time work as 26+ hours per week (the Australian Physiotherapy Association sets this threshold at 18 hours).

There is an opportunity to increase fee equity by changing the threshold hours for defining part-time and full-time work.

The 2020 membership survey indicated the following spread of working hours of full-time and part-time members.

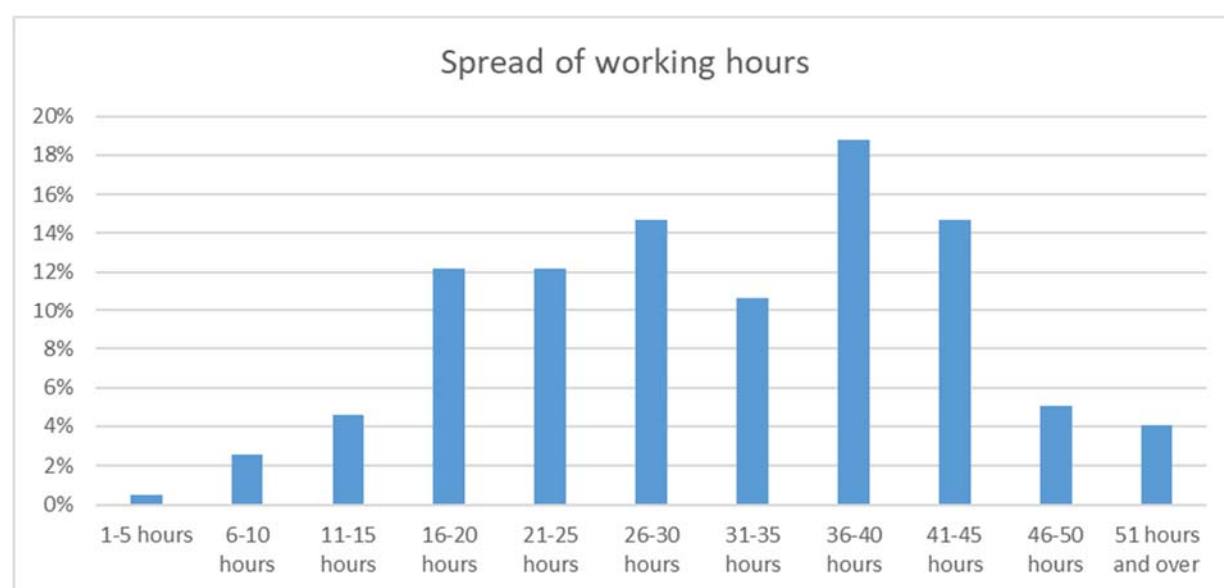


Figure 1 Hours worked per week by full-time and part-time members

The graph appears to show an artificial dip in hours worked around the 31-35 hours per week level. We would expect to see the graph being smoother between 26-30 hours and 31-35 hours. This may be driven by physiotherapists unconsciously reporting their hours modified by their part time or full status as opposed to those hours that could be gathered (for example) through time sheets.

If PNZ moved the part-time definition of hours from 30 hours to 26 hours, this would *potentially* move 535 part-time members to full time (assuming part-time/full-time hours are accurately reported). This would create greater equity between the full time and part time categories. I

If there was no fee change, this could add up to \$147,000 to PNZ income. This could be used to provide an overall reduction of fees of up to 8%.

Should we alter the definition of part-time/full-time for purposes of defining the membership fee?

²² See <http://datainfolplus.stats.govt.nz/Item/example.org/438dbf04-3b3f-446a-b575-2f2df7d6531f#/example.org/ead41c6f-df6e-4afd-bf28-7c307f813bcb/6#>. [Accessed 19 August 2021]

Question Six: Should we bundle SIG membership into base fees?

It has been suggested that some SIG membership be bundled into the base membership fee.

The following tables summarise current SIG membership.

Note that we have included the SEP NZ numbers for information purposes, even though they are not yet part of the unified organisation.

Table 5 SIG membership by membership class (FY2021)

SIG membership	Full Time	Part Time	First / Second Year	Non-Earner	Overseas Member	Retired Member	Student	Physiotherapy Assistant	Affiliate Member	Complimentary / Honorary	Total
Cardio	64	68	12		1					1	146
DHB Leaders	17	9									26
Neuro	208	216	10	9	2			1			446
Neuro Undergraduate							28				28
NZMPA – Associate – Full Time	103	26	30								159
NZMPA – Associate – Part Time		34									34
NZMPA – Graduate – Full Time	103	25	3	1							132
NZMPA – Graduate – Part Time		39									39
NZMPA – Overseas					4						4
Occupational Health	569	271	23	4	1					1	869
Older Adults	125	195	9	8	1				2		340
PAANZ	144	143	5		2						294
PAANZ – Pro rata	4	2	1								7
Paediatric	83	119	9	2	2	2				1	218
PIMH	41	54	3	1		3	1				103
PWMH	80	153	4	2		2					241
SEP NZ [Not part of unified org]	425	243	48	4	6				2	4	732
TOTAL	1,966	1,597	157	31	19	7	29	1	4	7	3,818

Table 6 Number of SIGs belonged to (FY2021)

Number of SIGs belonged to	1	2	3	4	5	6	7	8	Total
Cardio	63	46	22	7	5	2		1	146
DHB Leaders	15	8	3						26
Neuro	172	190	53	20	6	3	1	1	446
Neuro Undergraduate	23	5							28
NZMPA – Associate – Full Time	76	57	17	7	2				159
NZMPA – Associate – Part Time	13	11	8	2					34
NZMPA – Graduate – Full Time	35	41	35	11	6	3	1		132
NZMPA – Graduate – Part Time	16	12	7	3			1		39
NZMPA – Overseas	3	1							4
Occupational Health	442	284	88	35	12	5	2	1	869
Older Adults	108	154	49	14	8	4	2	1	340
PAANZ	104	117	45	18	5	3	2		294
PAANZ – Pro rata	1	5		1					7
Paediatric	125	62	16	8	4	2		1	218
PIMH	18	42	20	11	7	3	1	1	103
PWMH	123	64	27	16	6	2	2	1	241
SEPNZ [Not part of unified org]	331	255	99	27	14	3	2	1	732
TOTAL	1,668	1,354	489	180	75	30	14	8	3,818

Should SIG membership be bundled into the membership fee?

How should this be managed in light of the current different fees between SIGs (see attachment for current SIG fees)?

Question Seven: What other input would you like to provide?

We have identified our key questions based on the key issues we have identified so far in the review. What else would you like to provide input on?

ATTACHMENT: Current fees structure [incl. GST]

Table 7 Current PNZ subscription model as of October 2021 – all fees include GST

A. MEMBER ANNUAL FEE		
Member category	Early bird	Full fee
Full time (>30 hours per week- clinical and management)	\$621.00	\$690.00
Full time parental leave	\$310.50	\$345.00
Part time (30 hours or less per week)	\$306.00	\$340.00
Part time parental leave	\$153.00	\$170.00
First and second year graduate (NZ Graduate)	\$261.00	\$290.00
Non-earner	\$153.00	\$170.00
Retired member	\$63.00	\$70.00
Overseas member	\$135.00	\$150.00
Undergraduate physiotherapy student	\$0.00	\$0.00
Physiotherapy Assistant	\$90.00	\$100.00
Affiliate (added in 2019)	\$340.00	\$340.00
B. INSURANCE		
Insurance	Member	\$98.00
	Undergrad physio student	\$37.00
C. SPECIAL INTEREST GROUPS ANNUAL FEE		
Special Interest Group	Membership class	Annual Fee
Physiotherapy Acupuncture Association of New Zealand (PAANZ) (also has prorated option for joining)		\$120.75
Cardio-Respiratory (CRSIG)		\$35.00
Physiotherapy in Mental Health (PiMH) (Expect to introduce student membership at no fees in 2022)		\$20.00
Neurology Special Interest Group (NSIG)	Member	\$25.00
	Undergrad physio student	\$5.00
Occupational Health Physiotherapy Group (OHPG)		\$35.00
Physiotherapy for the Older Adult (OASIG)		\$25.00
Paediatric Special Interest Group (PSIG) (Expect to introduce graduate membership in 2022)		\$50.00
Sports and Exercise Physiotherapy New Zealand (SEPNZ)	Member	\$80.00
	Undergrad physio student	\$0.00
DHB Leaders		\$30.00
Pelvic Women's and Men's Health (PWMH)		\$40.00
NZ Manipulative Physiotherapists Association (NZMPA)	Graduate	\$95.00
	Associate	\$95.00
	Overseas	\$50.00
	Student	\$0.00
D. OTHER INFORMATION		
Membership year	1 January to 31 December	
Early bird subscription eligibility	If paid by 15 December (for 1 st and 2 nd year graduates, up until 28 February)	
Affiliate members	All affiliate members must be approved by PNZ Executive	
Monitoring	PNZ does not monitor members for eligibility to membership categories	
Prorated memberships	1 Jan to 30 June 100% 1 July to 30 Sept 50% 1 Oct to 31 Dec 25%	
Instalment payments	Full time/part time are eligible – must be paid in full by 31 May	
Payment methods	Credit card, debit card, bank account transfer	