

Dental Council's Budget & Fee/Levy Consultation

Proposal for:

- Draft 2022/23 budget
- Annual practising certificate fees and disciplinary levies for oral health practitioners
- **Other fees** (registration, examination, competence, accreditation, and other miscellaneous fees)

Issued: Friday 8 October 2021

Submissions close: 5pm, Wednesday 24 November 2021

Summary of consultation proposals

The Dental Council is consulting on:

1. The proposed 2022/23 budget (summarised in Table 2 and detailed further in Tables 3 and 4).
2. The 2022/23 annual practising certificate (APC) fees and disciplinary levies excluding GST:

Profession	Proposed APC fee	Proposed disciplinary levy	TOTAL Proposed Fee/Levy 2022/23	Increase or decrease from 2021/22
Dentists and dental specialists <i>(Detailed in Table 5)</i>	880.47	57.47	937.94	Decrease
Oral health therapists <i>(Detailed in Table 6)</i>	693.02	(1.09)	691.93	Increase
Dental hygienists and orthodontic auxiliaries <i>(Detailed in Table 7)</i>	696.68	(19.22)	677.46	Decrease
Dental therapists <i>(Detailed in Table 8)</i>	901.08	12.32	913.40	Decrease
Dental technicians and clinical dental technicians <i>(Detailed in Table 9)</i>	699.58	(16.64)	682.94	Decrease

3. All other fees (registration, examination, competence, accreditation and other miscellaneous fees) with a proposed CPI adjustment equivalent to 2.0%

Figures in this consultation document are exclusive of GST, except where stated as GST inclusive in Tables 5 to 9.

The proposed dentists and dental specialist APC fee and disciplinary levy shall apply from 1 October 2022. All other fees and levies proposed shall apply from 1 April 2022.

The Council will give effect to any change in APC fees and disciplinary levies by placing a notice in the New Zealand Gazette.

Feedback and Submissions

Details of how to make submissions and provide your feedback are outlined in section 5 on page 6 of this document.

Submissions close at **5pm on Wednesday 24 November 2021**.

1. Introduction

The Dental Council (the Council) sets annual practising certificate (APC) fees and disciplinary levies for oral health practitioners¹ under sections 130 and 131 of the Health Practitioners Competence Assurance Act 2003 (the Act). This consultation document sets out proposals on the Council's:

- draft 2022/23 budget
- proposed APC fees and disciplinary levies for oral health therapists, dental hygienists, orthodontic auxiliaries, dental therapists, dental technicians and clinical dental technicians for the practising year 1 April 2022 – 31 March 2023
- proposed APC fees and disciplinary levies for dentists and dental specialists for the practising year 1 October 2022 – 30 September 2023
- proposed registration, examination, competence, accreditation and other miscellaneous fees effective from 1 April 2022.

2. Background

The Council follows the good practice guidelines established by the [Office of the Auditor-General](#) and the Treasury. The Council's budget, fees and levies are calculated on a full cost recovery basis. The Council endeavours to cover all costs over a one-two year period and is committed to operating in a cost effective and fiscally responsible way for our practitioners, while balancing our obligations to protect the public.

The level of APC fee per practitioner depends on:

- the budgeted number of practitioners
- direct profession income and expenditure budgets, and
- minimum reserve levels set for each profession and carried forward from the previous year.

A minimum level of reserves for each profession is maintained in accordance with the Council's [Level of Reserves Policy](#).

To maintain appropriate operational reserves and sustain financial viability, the Council:

- budgets and forecasts prudently
- rations and prioritises resources, and
- adjusts APC fees to meet operational activities and to provide a buffer against an unknown number of competence cases, appeals or judicial reviews.

All financial tables other than Table 1 are included in Appendix 1.

The proposed 2022/23 APC fees and levies calculated from the budget, include an adjustment of a refund or a top up to the required minimum reserve funds by profession, to provide a net proposed fee and levy charged for the 2022/23 year (refer tables 5 – 9).

¹ Dentists, dental specialists, oral health therapists, dental hygienists, orthodontic auxiliaries, dental therapists, dental technicians, and clinical dental technicians.

The proposed budget for the financial year to 31 March 2023 will be set in the context of the ongoing risks created by the COVID-19 pandemic, the associated financial impacts on practitioners and the requirement for all professions to continue to maintain minimum levels of reserves. The Council is also faced with other unquantifiable factors including timing for borders to open that will allow overseas practitioners to move to New Zealand.

As a result of the above the proposed budget for the financial year to 31 March 2023 aims to be fiscally responsible and utilise professional reserves, when possible, to reduce costs to practitioners during the COVID-19 climate as well as continue to meet obligations to the public.

3. Proposed 2022/23 budget

Overall position

The Council has budgeted for an overall deficit of \$564k (Table 2) in the 2022/23 year.

The proposed 2022/23 budget has been prepared to allow the Council to fulfil its regulatory functions including the implementation of its strategic projects for cultural safety and the development of a more transparent compliance framework that is evidence-informed, risk-based, responsive, and proportionate to the risks or harms being managed. This is aligned with the [governments expectation for good regulatory practice](#).

How Council allocates expenditure to the professions

Net Council expenditure is determined by the Council's income (interest earned on term deposits) less the Council's expenditure. As per last year's budget consultation, the Council allocates net Council expenditure to each profession based on the number of practitioners who hold an APC in that profession (Table 1).

Net profession expenditure that can be accurately quantified and attributed is directly allocated to specific professions.

Table 1: Estimated APC holders by profession used for allocating net Council expenditure

APC - Practitioners numbers	Actual 2018/19	Actual 2019/20	Actual 2020/21	Actual 2021/22	Est. 2022/23
APC - Dentists	2440	2,532	2,601	2,660	2,720
APC - Therapists	399	378	357	328	306
APC - Hygienists	389	390	396	383	370
APC - Technicians & CDT	342	329	329	326	328
APC - OHTs	533	609	663	759	864
Total practitioners	4,103	4,238	4,346	4,456	4,588

Overview of proposed budget income and expenditure

The Council's 2022/23 budget has assumed an inflationary adjustment of 2%.

The total proposed Council expenditure has increased by a total of 5.5% compared with last year (Table 3).

Rent is expected to increase to \$227.3 (budget 2021/22: \$135k) as the impact of the previously recognised onerous lease continues to be amortised and Council relocates to permanent premises on The Terrace.

Council and its committees have budgeted costs proposed of \$328.3k which is slightly higher than the 2021/22 budget of \$292.5k but in line with the 2021/22 forecast as a result of the allowance for the new Maori Advisory Board Committee of Council that supports the Council to achieve its Te Tiriti obligations across its regulatory functions.

The level of inquiries from practitioners (particularly dentists and the Dental Association) during COVID-19, and subsequently, is expected to result in expenditure for legal fees and external advice in the current year. A budget of \$252.3k has been allowed in 2022/23 (budget 2021/22: \$27.9k) for pandemic and other costs.

Recertification expenses of \$196.5k have been included in the proposed budget relating to the further development of the case management taxonomy within the Council's registry. In addition, exploring adverse treatment impact assessment tools associated with the newly developed professional competencies - initially for the dentists/dental specialist scopes of practices. This will support Council to refine the regulatory tools used for notifications, competence reviews and programmes.

Disciplinary costs are proposed to be budgeted at \$333.8k (budget 2020/21: \$637.3k). This is a substantial decrease on the current years costs that relate to a complex case with a significant number of patients involved. The proposed budget includes one anticipated complex case with a reduced volume of patients involved, that lowers associated legal costs to be heard by the Dentist Health Practitioners Disciplinary Tribunal (HPDT). The discipline levy under the Act (section 131) funds both the professional conduct committee (PCC) and HPDT costs with Council policy allocating these funds to profession specific disciplinary reserves.

Capital expenditure

Capital expenditure of \$25k is proposed to be budgeted for in 2022/23 (2021/22: \$120k). This allows a fiscally prudent estimate for the replacement of out of warranty/ end of life ICT equipment, particularly laptops.

As a result of the nominal budgeted capital expenditure, and the COVID-19 financial environment, the proposed CRR APC fee is \$nil per practitioner. This will reduce the impact of APC fees on practitioners and is at the same rate as the current year.

4. Adjustments to other fees

As recommended in [section 2.20 of the Office of the Auditor General's Principles for Setting Fees](#), the Council undertook a comprehensive review of its other fees in 2020 to ensure they remained appropriate, valid and relevant. As a result of this review, the Council to increase all other fees by the Consumer Price Index (CPI) of 2.0% as sourced from the [Reserve Bank Monetary Policy Statement May 2021](#).

5. Feedback and submissions

The Council invites all practitioners and other individuals or organisations with an interest in this proposal to comment. We welcome and value all submissions, but please note, multiple, identical submissions do not carry any more weight than a single submission.

The consultation document will also be available on our website for feedback from any interested member or sector of the public.

The Council will consider all submissions and feedback received prior to making a final decision on the draft 2022/23 budget and proposed fees outlined in this document.

The Council will give effect to any change in APC fees and disciplinary levies by placing a notice in the New Zealand Gazette.

All submissions received and the name of the submitter will be published on our website and will remain publicly available. Published submissions from individuals will include your name and your profession, if you are a registered health practitioner. All other personal and contact details will be removed.

We will not publish any submissions we consider derogatory or inflammatory.

As this is a public consultation, “in confidence” information will only be accepted under special circumstances. Please contact us before submitting material in confidence.

Your submissions must reach us by **5pm on Wednesday 24 November 2021**.

Please send your submissions to:

Dental Council
PO Box 10-448
Wellington 6140
Email: consultations@dcnz.org.nz

Yours sincerely

A handwritten signature in black ink that reads "Marie Warner". The signature is written in a cursive, flowing style.

Marie Warner
Chief Executive

Appendix 1: 2022/23 proposed budget

Table 2: Consolidated Dental Council surplus / (deficit)

Dental Council financial performance	2022/23	2021/22	2020/21
\$	Proposed Budget	Budget	Actual
Summary			
Total Council operating income	4,263,541	3,841,664	4,067,196
Total Council disciplinary income	146,605	618,846	527,437
Total Council income	4,410,146	4,460,510	4,594,633
Total Council operating expenditure	4,640,403	4,077,874	3,710,508
Total Council disciplinary expenditure	333,800	637,300	368,048
Total Council expenditure	4,974,203	4,715,174	4,078,556
Total Council surplus / (deficit)	(564,057)	(254,664)	516,077

Table 3: Council expenditure prior to allocation to the professions

Dental Council Expenditure prior to allocation to the professions			
For the period ended	31 March 2023	31 March 2022	31 March 2021
	Proposed Budget	Budget	Actual
	\$	\$	\$
Administration expenses			
Salaries	1,985,651	1,773,709	1,562,400
Staff welfare, training, ACC levies and recruitment	130,254	99,270	369,429
Telephone call charges and services	22,705	21,240	21,286
Photocopying, printing, postage and couriers	21,420	21,000	13,528
Doubtful debts/(doubtful debts recovered)	-	-	52,027
Office expenses	35,700	35,000	44,308
Publications and media monitoring	12,240	12,000	8,691
Audit fees	18,360	18,000	17,670
Advertising	-	1,500	-
Rent and building outgoings	227,311	135,000	24,869
Insurance	75,480	63,000	60,600
Bank charges	49,980	49,000	63,622
Legal	20,000	11,200	14,049
Finance	-	-	-
Professional Fees	20,000	30,000	27,197
Amortisation and Depreciation	171,881	252,833	206,306
Loss on disposal of assets	3,000	3,000	25,796
Total administration expenses	2,793,982	2,525,752	2,511,779
Council project and profession expenses			
Dental Council and ARM - fees and expenses	328,273	292,452	288,524
Information technology	173,808	170,400	318,103
New Zealand and international liaison	83,149	83,149	(3,685)
Strategic and organisational planning - projects	114,799	163,156	64,932
Registration and recertification standards	28,152	27,600	14,671
Pandemic and other costs	252,284	27,870	78,176
Workforce data analysis	13,770	13,500	14,800
Education and accreditation	140,078	168,240	86,131
Examinations	8,707	10,500	-
Registration	84,900	30,400	12,477
Recertification	196,500	148,500	47,103
Complaints	147,700	142,055	117,571
Fitness to practise	4,000	4,000	5,639
Competence assessments and reviews	275,100	275,100	160,821
Operational - overhead recoveries	(4,800)	(4,800)	(6,534)
Discipline - sundry expenses	4,800	4,800	6,534
Discipline - professional conduct committees	144,000	157,500	77,246
Discipline - Health Practitioners Disciplinary Tribunal	165,000	455,000	284,268
Discipline - disciplinary case appeals	20,000	20,000	
Total Council project and profession expenses	2,180,221	2,189,422	1,566,777
Total expenditure	4,974,203	4,715,174	4,078,556

Table 4: Budgeted operating surplus / (deficit) by profession

2022/23 Budgeted Surplus / (Deficit) by Profession Prior to Allocation	Council	Dentists	Hygienists	Therapists	Technicians	Oral Health Therapists	Total
Income							
From Recertification (APC Fees)	-	2,394,883	252,199	268,521	235,059	536,394	3,687,056
From Discipline Fees	-	156,326	(6,958)	3,672	(5,592)	(842)	146,605
From Other Activities	25,675	448,692	14,477	9,377	17,544	60,720	576,485
Total Income	25,675	2,999,901	259,718	281,571	247,010	596,272	4,410,146
Expenditure							
General administration (Secretariat)	2,792,910	-	-	-	-	-	2,792,910
Council depreciation and amortisation	174,881						174,881
Council ongoing workstreams	703,629	-	-	-	-	-	703,629
Council strategic expenditure	114,799	-	-	-	-	-	114,799
Profession ongoing operational workstreams	-	784,528	11,300	31,957	14,400	12,000	854,185
Profession ongoing discipline workstreams	-	307,000	2,600	11,000	6,600	6,600	333,800
Profession project expenditure							-
Total Council Expenditure	3,786,218	1,091,528	13,900	42,957	21,000	18,600	4,974,203
Net surplus (deficit)	(3,760,543)	1,908,373	245,818	238,614	226,010	577,672	(564,057)
Profession net other income to balance APC fee	(3,585,663)	(335,836)	3,177	(22,580)	3,144	48,720	(3,889,038)
2022/23 Budgeted Surplus / (Deficit) by Profession After Allocation							
Allocation		60.6%	8.1%	6.6%	7.5%	17.2%	100.0%
Income							
From Recertification (APC Fees)	-	2,394,883	252,199	268,521	235,059	536,394	3,687,056
From Discipline Fees	-	156,326	(6,958)	3,672	(5,592)	(842)	146,605
From Other Activities		464,246	16,547	11,081	19,465	65,146	576,485
Total Income	0	3,015,454	261,788	283,275	248,932	600,698	4,410,146
Expenditure							
General administration (Secretariat)		1,691,919	225,174	185,365	209,002	481,450	2,792,910
Council depreciation and amortisation		105,941	14,100	11,607	13,087	30,146	174,881
Council ongoing workstreams		426,252	56,729	46,700	52,655	121,294	703,629
Council strategic expenditure		69,544	9,256	7,619	8,591	19,789	114,799
Profession ongoing operational workstreams	-	784,528	11,300	31,957	14,400	12,000	854,185
Profession ongoing discipline workstreams	-	307,000	2,600	11,000	6,600	6,600	333,800
Total Council Expenditure	0	3,385,184	319,159	294,247	304,334	671,280	4,974,203
Net surplus (deficit)	0	(369,729)	(57,371)	(10,973)	(55,402)	(70,582)	(564,057)

Table 5: Proposed 2022/23 APC fee and disciplinary levy for dentists and dental specialists

Proposed APC fee and disciplinary levy	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Proposed
APC Fee	855.15	741.20	907.38	922.06
Capital replacement reserve	84.10	25.91	-	-
Minimum reserve top-up / (refund)	(64.82)	16.98	(130.59)	(41.59)
Total APC fee	874.43	784.09	776.79	880.47
Disciplinary levy	190.55	189.97	244.39	112.87
Minimum reserve top-up / (refund)	(43.82)	-	(1.18)	(55.39)
Total disciplinary levy	146.73	189.97	243.21	57.47
Total proposed APC fee and disciplinary levy excl GST	1,021.16	974.06	1,019.99	937.94
GST	153.17	146.11	153.00	140.69
Total Proposed APC fee and disciplinary levy incl GST	1,174.33	1,120.17	1,172.99	1,078.64

Table 6: Proposed 2022/23 APC fee and disciplinary levy for oral health therapists

Proposed APC fee and disciplinary levy	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Proposed
APC fee	710.64	675.22	677.64	735.64
Capital replacement reserve	84.10	25.91	-	-
Minimum reserve top-up / (refund)	(42.65)	38.32	(75.98)	(42.63)
Total APC fee	752.09	739.45	601.66	693.02
Disciplinary levy	12.76	11.38	9.81	8.53
Minimum reserve top-up / (refund)	(114.01)	(30.58)	(1.17)	(9.62)
Total disciplinary levy	(101.25)	(19.20)	8.64	(1.09)
Total proposed APC fee and disciplinary levy excl GST	650.84	720.25	610.30	691.93
GST	97.63	108.04	91.54	103.79
Total proposed APC fee and disciplinary levy incl GST	748.47	828.29	701.84	795.72

Table 7: Proposed 2022/23 APC fee and disciplinary levy for dental hygienists and orthodontic auxiliaries

Proposed APC fee and disciplinary levy	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Proposed
APC fee	419.03	629.59	707.85	789.81
Capital replacement reserve	84.10	25.91	-	-
Minimum reserve top-up / (refund)	233.65	81.62	216.51	(93.13)
Total APC fee	736.78	737.12	924.36	696.68
Disciplinary levy	15.72	13.70	12.27	7.18
Minimum reserve top-up / (refund)	(14.61)	(2.84)	(25.50)	(26.40)
Total disciplinary levy	1.11	10.86	(13.23)	(19.22)
Total proposed APC fee and disciplinary levy excl GST	737.89	747.98	911.13	677.46
GST	110.68	112.20	136.67	101.62
Total proposed APC fee and disciplinary levy incl GST	848.57	860.18	1,047.80	779.08

Table 8: Proposed 2022/23 APC fee and disciplinary levy for dental therapists

Proposed APC fee and disciplinary levy	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Proposed
APC Fee	524.78	787.12	789.44	874.36
Capital replacement reserve	84.10	25.91	-	-
Minimum reserve top-up / (refund)	233.56	54.29	629.13	26.72
Total APC fee	842.44	867.32	1,418.57	901.08
Disciplinary levy	12.88	18.50	59.83	36.91
Minimum reserve top-up / (refund)	(59.34)	18.68	74.71	(24.59)
Total disciplinary levy	(46.46)	37.18	134.54	12.32
Total proposed APC fee and disciplinary levy excl GST	795.98	904.50	1,553.10	913.40
GST	119.40	135.68	232.97	137.01
Total proposed APC fee and disciplinary levy incl GST	915.38	1,040.18	1,786.07	1,050.41

Table 9: Proposed 2022/23 APC fee and disciplinary levy for dental technicians and clinical dental technicians

Proposed APC fee and Disciplinary Levy	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Proposed
APC fee	606.30	756.86	726.42	789.23
Capital replacement reserve	84.10	25.91	-	-
Minimum reserve top-up / (refund)	(35.42)	58.55	289.42	(89.65)
Total APC fee	654.98	841.32	1,015.84	699.58
Disciplinary levy	20.10	65.33	21.57	19.64
Minimum reserve top-up / (refund)	53.85	-	(102.77)	(36.29)
Total disciplinary levy	73.95	65.33	(81.20)	(16.64)
Total proposed APC fee and disciplinary levy excl GST	728.93	906.65	934.63	682.94
GST	109.34	136.00	140.19	102.44
Total proposed APC fee and disciplinary levy incl GST	838.27	1,042.65	1,074.83	785.38

Distance learning - per module	3,262.26	3327.51
Clinical training - per practice area of training	5,583.04	5694.70
Health programme fees ^{1,2,3}		
Drug and alcohol screening programme, set up and administration ^{1,2,3}		
Set-up and administration for the first 12 months	922.50	940.95
Administration fee for each 12-month period thereafter	461.24	470.47
Third party testing - fee per test	132.50	135.15
¹ Fee will be adjusted for any specific requirements of the individual programme and 3rd party costings at the time the programme is established.		
² The practitioner will be charged direct professional fees and travel and accommodation expenses for supervisors, those providing oversight, tutors, course administrators etc. These expenses will be charged on an actual and reasonable basis in accordance with the Dental Council's fees and payments and expenditure decisions and probity policies. Course materials, venue costs and administration expenses such as printing and postage will also be charged based on actual costs.		
³ The practitioner will be charged for secretariat administrative overheads at \$77.98 an hour.		
Education fees		
Application for "removal of exclusion" course approval by providers <u>who do provide training</u> as part of a primary Dental Council accredited qualification	1,917.59	1955.94
Application for "removal of exclusion" course approval by providers <u>who do not provide training</u> as part of a primary Dental Council accredited qualification	4,154.83	4,237.93
Application for approval of courses to equip registered oral health practitioners for registration in an additional scope of practice for course providers <u>who do provide training</u> as part of a primary Dental Council accredited qualification	3,728.40	3,802.97
Application for approval of courses to equip registered oral health practitioners for registration in an additional scope of practice for course providers <u>who do not provide training</u> as part of a primary Dental Council accredited qualification.	6,528.27	6,658.84
Other fees		
Administration fee	76.45	77.98
Application for additional registration advice	503.99	514.07
Secretariat overhead administration fee	76.45	77.98
Supply of certificate of good standing	100.78	102.80
Supply of replacement registration certificate or any other certificate	100.78	102.80
Supply of electronic copy of Register	220.82	225.24