

Dental Council Policies: Budgeting, Fee Setting and Cost Allocation

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| Policy | Budgeting, Fee Setting and Cost Allocation |
| Date last reviewed | January 2023 |
| Scheduled review | September 2024 |
| Approved by Council | 7 February 2023 |

Purpose

The purpose of this policy is to:

1. Provide the basis for fee setting and be transparent about what Dental Council budget policies are and ensure fairness in fees being set for professions.
2. Ensure all income and expenditure of the Dental Council (Council) is allocated to professional groups in a fair and transparent way, so that no profession receives a benefit or cross-subsidy from another profession.

Scope

This policy applies to Secretariat staff, Council/Committee members, contractors and third parties engaged by the Council.

Policy

1. Where practical, a user pays philosophy is expected to apply.
2. Where there is a link between items of revenue or expenditure and the professional group, the allocation method should recognise that direct connection.
3. Where there is no link, then the allocation method should reflect the best fit in terms of registrant, practitioner, non-practising registrant or combined group numbers or group revenues.

Each profession will receive shares of revenue and expenditure based on the budgeted professional group's proportion of the overall fully paid APC groupings' practitioner numbers.

4. The method of cost allocation policy is reviewed as part of the annual budget process.
5. When preparing the budget that establishes the fees, consideration is given to the following legislation:
 - (a) The Health Practitioners Competence Assurance Act 2003;
 - (b) Legislation Act 2012;
 - (c) Public Audit Act 2001;
 - (d) Constitution Act 1986; and
 - (e) Other relevant legislation

- Once the annual plan and budgets are approved by Council, any assumption changes/ variances can only be reflected in the projected forecast financial statements (rather than changes to the consulted and approved budget).

Any significant changes/ variances are reported to the Audit and Risk Management Committee (ARM) and are tabled at the next Council meeting if they are material in nature.

- The CEO has delegated authority to shift financial resources within the annual approved budget of up to \$50,000.

Responsibilities

| | | Responsibility |
|-------------|----------------------------|--|
| Operational | Financial Accountant | Prepare the budget in consultation with budget owners. |
| | Corporate Services Manager | Review the budget. |
| | Chief Executive Officer | Quality assure and challenge the budget. |
| Governance | ARM | Review and recommend the budget to Council |
| | Council | Approve the budget. |

References

- Level of reserves policy
- Expenditure decisions and probity policy

Version

| Version | Reason for Update | Approved by | Date |
|---------|---|-------------|--------------|
| 1 | To reflect 2017/18 timetable, time recording and consolidation of proposed dentist APC fee and disciplinary levy consultation with the budget | Council | 7 Nov 2016 |
| 2 | To reflect updates to secretariat structure and the introduction of the oral health therapist profession from 1 November 2017 | Council | 29 Sept 2017 |
| 3 | To reflect adjustment to the CEO delegated financial authority. | Council | 15 Oct 2018 |
| 4 | To separate out process, simplification and consolidation of text, and removal of self-evident definitions, to improve readability | ARM | 19 Oct 2020 |
| 5 | Update of titles. | Council | 7 Feb 2023 |