

26 February 2021

Dear practitioner/stakeholder,

Outcome from 2021/22 proposed budget and fee consultation

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Thank you for your feedback on the 2021/22 proposed budget and fee consultation.

We received twenty-one submissions from a total of 5,070 practitioners and stakeholders. The submissions were considered by the Audit and Risk Management Committee on 26 January 2021 and by Council on 1 February 2021.

Budget and fees approved by Council take effect on 1 April 2021

Council approved the proposed APC fee proposed in the consultation document after considering feedback, revisiting the full year forecast, and considering the work planned and budgeted over the next two years.

Council also approved proposed registration, examination, competence programme, fitness to practice and other miscellaneous fees effective from 1 April 2021 as set out on page 2 of the consultation document as well as proposed changes to annotation of notes, note 2 as set out on page 2 of the consultation document. All other fees have increased by 2%.

The 2020/21 fees were [published in the New Zealand Gazette](#) on 2 February 2021 and take effect from 4 March 2021.

The following table shows the approved APC fee payable for the 2021/22 year (excluding GST).

Profession	Calculated fee \$	Min. operational reserve adj. \$	Net fee \$
Dentists and dental specialists	907.38	(130.59)	776.79
Oral health therapists	677.64	(75.98)	601.66
Dental hygienists and orthodontic auxiliaries	694.52	216.51	911.03
Dental therapists	789.44	629.13	1,418.57
Dental technicians and clinical dental technicians	726.42	289.42	1,015.84

The following table shows the approved disciplinary levies payable for the 2021/22 year (excluding GST).

Profession	Calculated levy \$	Min. disciplinary reserve adj. \$	Net levy \$
Dentists and dental specialists	244.39	(1.18)	243.21
Oral health therapists	9.81	(1.17)	8.64
Dental hygienists and orthodontic auxiliaries	12.27	(25.50)	(13.23)
Dental therapists	59.83	74.71	134.54
Dental technicians and clinical dental technicians	21.57	(102.77)	(81.20)

Key themes of Submissions

APC fees for dental therapists

A key theme in the submissions received from dental therapists was that they considered the APC fee to be high. Several of these submitters noted the dental therapists are a smaller population and that the fee is much higher for them than for other practitioners.

As described in the consultation document the 2020/21 forecast closing operating reserve balance for dental therapists is overdrawn by \$184,965, due to a greater than budgeted decline in practising dental therapist numbers in 2020 and prior years, as noted previously, and only partially recovered in 2020/21 as per the previous year budget consultation paper. In addition \$60,000 of unexpected charges from a District Health Board was allocated to the profession for extended supervision of one of their dental therapist staff to ensure public safety.

After the one-off recovery in 2021/22 Council anticipates APC fees for dental therapists will reduce in the 2022/23 year.

Combining of dental therapists, dental hygienists and oral health therapists

Another key theme in the responses was the suggestion that the dental therapist, dental hygienists and oral health therapist professions be combined.

As both dental therapist, dental hygienist and oral health therapists are named as independent professions within the Health Practitioners Competence Assurance Act 2003 (the Act), Council cannot currently merge them into a single profession.

At this stage, the Office of the Auditor General has determined that cross subsidisation across the independent professions in the Act is not permitted, therefore this is not currently possible.

Council has obtained legal advice on the potential to create an umbrella profession for the Dental therapist, Oral Heal Therapist and Dental hygienists' professions to ensure future sustainability. In addition, conversations around the merging of the profession have been held with the Ministry as this would require a change in legislation. Council expects to consult further on this in 2021/22.

Policy – costs for inquiries and competence remediation

The majority of submissions from practitioners, DHBs, the Ministry of Health and professional associations supported the continuation of the current policies on the allocation of costs for inquiries and competence remediation.

Other themes from submissions

A table summarising the other main themes from the submissions is attached as Appendix 1.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Marie Warner'.

Marie Warner
Chief Executive

Appendix 1: Submission themes and responses

Feedback (and Council's responses) from the submissions to consultation on 2020/21 proposed budget and fees

Theme	Council response
How does a smaller population affect the fee charged?	<p>Council have taken this into account when determining the APC for the 2021/22 budget following consultation on a revised cost allocation methodology in 2019.</p> <p>The level of APC fee per practitioner depends on:</p> <ul style="list-style-type: none"> • the budgeted number of practitioners • direct profession income and expenditure budgets; and • minimum reserve levels set for each profession. <p>As a result of the 2019 consultation Council allocates net Council expenditure based on the number of practitioners who hold an APC in each profession.</p>
Can the dental therapist, dental hygienist and oral health therapist professions be combined?	<p>To combine these professions, Council would be required to cross subsidise one profession with another. The Office of the Auditor General has determined that cross subsidisation is not permitted, therefore this is not possible at this stage.</p> <p>Council has obtained legal advice on the potential to create an umbrella profession for the Dental therapist, Oral Health Therapist and Dental hygienists' professions to ensure future sustainability. In addition, conversations around the possibility of merging professions have been held with the Ministry and key associated association's.</p> <p>We are aware that this potential change would require a change in legislation. Council is still working through the implications and expects once it has addressed all the issues to fully consult with practitioners on this later in 2021/22.</p>
APC fees should be based on affordability.	<p>To assess a fee based on affordability this would require Council to cross subsidise one profession with another.</p> <p>This option is not intended by the Health Practitioners Competence Assurance Act 2003 (the Act) and the Office of the Auditor General has determined that cross subsidisation is not permitted therefore a fee based on affordability would not be possible.</p>
NZDA queries around timing, cultural competency standards, salaries and DHB charges for supervision of a dental therapist.	The Chief Executive responded to the request for information on 26 February 2021
NZDHA queries around reserves and calculation of APC fees.	The Chief Executive responded to the request for information on 26 February 2021
Ministry of Health queries about registration fees for overseas practitioners.	The Chief Executive responded to the request for information on 26 February 2021