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Anna Holyoake  
President – Tūmuaki  
New Zealand Oral Health Association

Email: [president@nzoha.org.nz](mailto:president@nzoha.org.nz)  
[vice-president@nzoha.org.nz](mailto:vice-president@nzoha.org.nz)

Level 7  
22 The Terrace  
Wellington 6011  
  
PO Box 10-448  
Wellington 6140  
New Zealand  
  
Tel: +64 4 499 4820  
[inquiries@dcnz.org.nz](mailto:inquiries@dcnz.org.nz)  
[www.dcnz.org.nz](http://www.dcnz.org.nz)

Tēnā koe Anna

### **Dental Council Consultation on Budget, APC Fees & Disciplinary Levy 2026/27**

Thank you for your submission dated 16 December 2025 on the Dental Council's (Council) proposed budget, levies and fees for 2026/27.

After considering all relevant feedback received the Council has issued an outcome letter for this consultation. The Council has resolved to adopt the proposed budget as consulted on. All fees and levies as detailed in the consultation document will come into effect on 1 April 2026.

The Council's responses to your individual queries and comments are set out below.

#### **Significant and Unpredictable Increases**

#### ***DCNZ proposes substantial increases to APC and disciplinary levy costs for the majority of professions.***

The Council appreciates that in the current climate no cost increase is welcome. As we are limited in what we can do, we have done our best to minimise financial impact on practitioners while still ensuring the Council can meet its statutory obligations.

The overall increase in the combined Annual Practising Certificate (APC) fee and disciplinary levy is driven principally by the increase in the disciplinary levy component imposed on each profession. The Council currently has active disciplinary cases in four of the five oral health professions it regulates. Although the non-dentist oral health professions have had limited conduct matters in recent years, with disciplinary levies based on these minimal budgeted costs, we believe that the Council will incur disciplinary costs in the 2026/27 year for oral health therapists, dental hygienists/orthodontic auxiliaries, and dental therapists. The budget for the 2026/27 year includes disciplinary costs for these professions, and the only way these costs can be funded is through a disciplinary levy.

APC fees for each profession are used to fund operational and project costs specific to that profession. Each profession also funds its share of the Council's general functions of regulation, education, and operations. This shared services model means every oral health profession bears a fair and transparent portion of the Council's overall operational costs as a proportion of the number of practitioners who hold an APC in that profession. The 2026/27 budget was developed with a strong focus on keeping operational costs as low as possible while still being able to meet Council's core functions. This has included a deliberate slowing of the delivery of the Council's strategic initiatives both in 2025/26 and in the 2026/27 budget, which has resulted in a reduced operational budget for 2026/27 and savings in the current 2025/26 forecast. The unused spending has been returned by way of the 'minimum reserve refund' adjustment, reducing the overall net APC fee for each profession for 2026/2027.

This approach has meant that the APC fee for oral health therapists and dental therapists has reduced year on year. While the dental hygienist APC fee has had an overall increase of 8%, this is not driven by an increase in budgeted operational costs for the hygiene profession but because the capital replacement reserve (CRR) has now been fully returned to the professions. In the last two APC cycles, as the Council closed the CRR, each practitioner was refunded material amounts (2024: \$74.26, 2025: \$62.97) which provided relief in the face of cost inflation, but these refunds are no longer available to offset against the budgeted 2026/27 APC fee. There has also been a smaller return of prior year excess reserves to dental hygienists.

Total APC Fee	2025/26	2026/27	% Increase/ (Decrease)	2025/26 excl. CRR refund	% Increase/ (Decrease)
Oral health therapists	868.47	857.85	-1%	931.44	-8%
Dental hygienists and orthodontic auxiliaries	701.67	758.46	8%	764.64	-1%
Dental therapists	933.78	852.06	-9%	996.75	-15%

The annual process for setting fees and disciplinary levies includes using a model that resets each operational and disciplinary reserve to its minimum level, meaning that for each profession we can return any unused funds in the next fee/levy setting process. The alternative is to hold the unused funds and allow the reserve balances to build. This would not meet the good practice guidelines published by the Office of the Auditor General which states we should use or return any funds over a one-to-two-year period to ensure the same practitioner pool who paid each fee is likely to receive the benefit of any refund.

However, resetting the reserves annually back to the minimum required, by its nature, leads to fluctuations across years.

### Volatility in disciplinary costs

The Council understands that there may be concern about the prospect of additional disciplinary levies throughout the year. However, the Council has no control over the number or complexity of disciplinary cases and it has always had the ability to raise disciplinary levies at any time, although it has used this power sparingly and only when it has been required to fund unexpected or increased disciplinary costs which are over the disciplinary reserves. Disciplinary costs can only be borne by the relevant profession.

The Council does not hold excessive levels of reserves 'just in case'; instead it has returned any unused funds to practitioners each year by way of a 'minimum reserve refund' to reduce the overall disciplinary levy. Up until this year, the budgeted in-year activity and minimum reserves held have been adequate to cover disciplinary activity.

The Council's 2024/25 [Annual Report](#) shows a 119% increase in the number of complaints received in since 2019/20. Conduct matters which arose in 2024/25 have now resulted in significant ongoing expenses in 2025/26 and potentially into 2026/27. The serious nature of the concerns raised by the complaints has meant that the Council had no other responsible option but to refer these matters for disciplinary investigation.

### Disproportionate burden on lower-paid scopes

#### ***The effects of the legislative constraint that APC fees cannot be cross-subsidised between professions.***

The Council notes your concern that being unable to cross-subsidise between professions has a detrimental effect on practitioners practising in the lower paid scopes of practice. Unfortunately, cross-subsidisation is not an option under the Act and the Office of the Auditor General reinforces that cross-subsidisation between professions is not permitted.

As the Council has limited options we have no choice but to set fees following legislative requirements.

### Lack of cost-containment strategies

#### ***Request for more detail on disciplinary drivers and mitigation strategies.***

Most complaints and notifications received by the Council are managed with an educative and rehabilitative approach based on an assessment of risk, the practitioner's response to the complaint, and their level of

insight and engagement with the Council. However, complaints which raise serious concerns about a practitioner's practice or behaviour are referred for investigation. Managing conduct complaints can be very complex, time consuming, and expensive. Disciplinary investigations must be carried out by a professional conduct committee funded through the disciplinary levy for the relevant profession. Practitioners are often legally represented, and they can challenge the Council's decision to refer a complaint to a PCC, the PCC's process, and they can appeal decisions made by the Health Practitioners Disciplinary Tribunal.

We are mindful of cost containment strategies and mitigation strategies. Wherever possible we share services for operational activities – for example we share premises with the Pharmacy Council and collaborate wherever possible with other regulators where we seek to achieve similar outcomes. We have enhanced containment strategies by exploring and using more early resolution processes and education wherever possible.

The Council agrees that we all need to work together to identify, mitigate, and reduce the level of complaints and alleged misconduct, to reduce the costs being borne by the oral health professions. We are committed to working across the oral health sector on this. For its part, the Council is working on a compliance strategy, including preparing easy to use guidance about the professional obligations that all practitioners must meet. The Council also manages costs by utilising New Zealand Government procurement agreements, wherever possible, to ensure it is getting relevant supplier concessional rates as negotiated by the government. The Council also aims to utilise the same pool of experienced experts to ensure its processes are as effective and efficient as possible.

### **Increased minimum reserves without rationale**

Historically, for the non-dentist oral health professions, the Council has had modest disciplinary activity with the majority being low complexity cases. The \$27k reserve had in previous years proved adequate to fund these cases and any unexpected activity if required. Council revisits its reserve level each year as part of the budget process.

Alongside the increase in costs relating to investigating conduct matters, the Council is also now seeing cases of a significantly higher complexity. Increasing the minimum reserve allows a consistent approach for unforeseen disciplinary activity within a financial year and helps avoid the need to impose an additional levy to cover costs.

For professions under the umbrella of the Oral Health Therapy association, the disciplinary reserve rising from \$27k to \$100k is required to cover one unexpected PCC that progresses to a Tribunal and is based on the current and quoted projected costs and timeframes for these professions, with a simple case projected to be \$100k this year.

### **Workforce sustainability risks**

The 2026/27 budget was prepared to keep costs for practitioners as low as possible, as seen by the reduced level of strategic initiatives and reductions in operational costs. The Council must ensure that the fees and levies are set at a rate that allows for it to effectively and efficiently carry out its functions, including the recovery of net Council expenditure and the maintenance of appropriate levels of reserves. The Council has a responsibility to ensure public safety by responding to notifications received. It is financially prudent to hold sufficient reserves to cover conduct case costs when they arise. It is also important to be mindful that the Council is imposing a levy for funds to support the Council's operations through to 31 March 2027.

We look forward to working with NZOHA throughout the year and we are happy to discuss any of our budgeting processes or your proposed future recommendations at our 16 February 2026 meeting.

Nāku iti noa, nā



Marie MacKay  
Chief Executive