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Tēnā koe Gareth

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

Thank you for your submission dated 19 December 2025 on the Dental Council's (Council) proposed budget, levies and fees for 2026/27. Your submission was discussed by the Council at its meeting on 27 January 2026.

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.

### Overall Concern

***Questioning whether the scale and timing of the proposed APC and disciplinary levy increases are proportionate to demonstrated regulatory risk or current activity. And whether a phased approach to the reserve adjustments would be more appropriate.***

### Annual Practising Certificate (APC) fee movement

The Council acknowledges your comments about the APC fee increase and reserve management.

The total APC fee is made up of three elements as follows:

- the amount required to fund each profession's share of budgeted net Council expenditure and profession specific expenditure;
- the capital replacement reserve (CRR) fee historically used to fund capital expenditure; and
- a top up/refund to return the operational reserve to the minimum budgeted level.

The increase in the overall APC fee for dental technicians and clinical dental technicians is driven by a need to replenish the operational reserve back to the minimum level, coupled with the end of CRR refunds which had previously been applied to offset the APC fee but is no longer available. Excluding these one-off items, the APC fee required to cover the budgeted 2026/27 operational expenditure has reduced year on year as follows:

Dental technicians and clinical dental technicians	2025/26 \$	2026/27 \$
APC fee	1,018.47	947.24
Capital replacement reserve fee / (refund)	(62.97)	0.00
Minimum reserve top-up / (refund)	(150.70)	36.65
<b>Total APC fee</b>	<b>804.80</b>	<b>983.88</b>

As can be seen from the above table, the APC fee year on year has reduced by \$71.23 (2025/26: \$1,018.47, 2026/27: \$947.24) and the 2026/27 total APC fee of \$983.88 is \$34.59 lower than the baseline fee of \$1,018.47 in the 2025/26 year.

#### *Minimum reserve top- up or refund*

A minimum reserve refund occurs when, in the previous year, the Council spent less than it collected through the APC fee (i.e. the \$150.70 refund per practitioner in 2025/26). Where more money is spent than has been received through the APC fee, the Council will seek a top-up in the APC fee for the following year.

As is the case for 2024/25, the Council overspent on monies it raised. This overspend related to an increase in inquiries, fitness to practise issues for the profession, and unexpected costs for a legal proceeding. The legal proceeding related to NZDSOS' challenge of a statement issued jointly by the Council and the Medical Council. The costs of the proceeding were borne equally (per practitioner) across the professions, including the technology professions. This has required a top-up of \$36.65 per practitioner in the current budget.

The 2026/27 budget has been developed with a strong focus on keeping overall costs low while still ensuring Council can meet its core regulatory functions. Savings have been made through a deliberate slowing of the delivery of the Council's strategic initiatives both in 2025/26 and in the 2026/27 budget, resulting in a reduced operational budget for 2026/27 and savings in the current 2025/26 forecast. Unused spending has been returned by way of the 'minimum reserve refund' adjustment, reducing the overall net APC fee for the professions.

As in previous years, the costs assumptions attributed directly to the professions - as opposed to the profession's share of the Council's general functions of regulation, education, and operations - remain at a modest level. This is reflective of the risk profile and historic activity seen in the dental technician and clinical dental technician professions. However, this means that in a year of high activity or unexpected costs, the operational reserve is required to fund the overspend. This was the case in the 2024/25 financial year, with additional activity seeing the dental technicians and clinical dental technicians operational reserve drop to a closing balance at 31 March 2025 of \$4.5k. Due to the timing of our budget processes, the replenishment of reserve balances from 31 March 2025 occurs in the 2026/27 budget and fees setting cycle. This shows the importance of holding minimum reserves; as the Council holds only modest reserves these funds can be fully depleted in a relatively short time where activity has increased. For this reason, it is important that the Council returns the operational reserve back to the minimum required in one budget cycle.

The Council has taken a very conservative approach to the setting of the APC fee across all professions.

#### **Disciplinary Levy Concerns**

***Concerns about being asked to fund a materially increased disciplinary reserve in the absence of any current or recent disciplinary cases.***

Historically, the Council has had modest disciplinary activity for the technician professions and the \$27k reserve was sufficient to fund unexpected cases. 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.

In this budget cycle, the Council determined that the minimum disciplinary reserve for dental technicians and clinical dental technicians needed to rise from \$27k to \$50k to be financially prudent. This is compared to \$100k for the other non-dentist professions. While the Council believes the cost of a simple low-complexity case going through a professional conduct committee and the Tribunal would likely be \$100k, given the lower probability of a conduct matter the increased reserve represents a risk based proportionate approach for the technology professions based on their discipline history but it would not be financially prudent to not cater for an increased reserve given the known cost levels.

#### **APC Fee Increase and Reserve Management**

***Greater predictability and smoother adjustments would support both compliance and confidence in the regulatory system.***

As detailed above, the need to rebuild the minimum operational reserves is separate from the winding down of the capital reserve which had allowed for the return of funds to practitioners. The minimum reserve

balance needs to be replenished due to activity and expenditure for dental technicians and clinical dental technicians in the 2024/25 financial year. This top up of funds would have been required in this budget cycle regardless of the position of the capital reserve.

In the last two APC cycles, the Council has refunded material amounts back to technician practitioners from the capital reserve (2024: \$74.26, 2025: \$62.97 per practitioner). The Council's decision, in line with the good practice guidelines set by the Office of the Auditor General (OAG), to change how it allowed for the amortisation and depreciation of its assets provided relief to practitioners facing the impact of considerable cost inflation over the prior two years. Unfortunately, this reserve is now closed and there is no more money to return to practitioners.

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 the Council can return any unused funds in the next fee/levy setting process. This meets the good practice guidelines published by the OAG which states that the Council 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.

Annually resetting the reserves back to the minimum required does, by its nature, lead to fluctuations across years.

### **Workforce and Affordability Impacts**

***Significant increases in APC fees and levies risk discouraging retention within the profession and may act as a barrier to re-entry for practitioners considering returning to the workforce.***

Your concern regarding increased APC fees and disciplinary levies negatively impacting the workforce is noted and something we are mindful of.

The 2026/27 budget was prepared to ensure that costs for practitioners were kept as low as possible, as seen by the reduction of strategic plan initiatives and resulting reduction in operational costs. The Council must ensure that the fees and levies are set at a rate that allows it to effectively and efficiently carry out its functions, including the recovery of net Council expenditure and the maintenance of appropriate minimum 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 Council operations through to 31 March 2027.

We look forward to working with NZIDT 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