

Consultations  
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*Sent via email only*

**Submission:**

**Consultation on proposed 2023/24 budget, fees and levies**

The Association's Board thanks you for the opportunity to comment.

**1. No annual report**

It is difficult to make useful observations regarding forward expenditure without knowledge of recent expenditure in the form of an annual report. It is also not possible to ascertain what outcomes Council has achieved over the last year or so and what is hoped to be delivered in the coming period.

**2. Rent**

The further 17.2% rental increase on top of the large increase in the previous year is again of real concern and is heavily impacting the levies of practitioners. At a time where general commercial rents are under pressure as offices are commonly looking at downsizing and shifting operations to more flexible working environments, we request the following:

- Could Council disclose more details on the former premises lease that continues to be amortised? Please disclose exactly what the issue is, how many years ago it arose, how it has arisen, what insurance was in place (if any) to mitigate the risk and what actions have been taken to exit the lease and why these appear to have not been successful? Is the amortisation a cash cost and if not, do those costs need to be passed on to practitioners as part of the current/proposed levies or could they be excluded?
- The Association would like to understand the total figure of cost for this over the entire period from when it occurred until when Council expects to exit the lease.
- Does Council have a longer-term plan regarding its premises and ways it can reduce the burden of these costs on practitioners?

**3. Dental Council, Te Hā and ARM fees**

The 31% increase to Dental Council, Te Hā and ARM fees is a sizeable jump relating to the new Te Hā Committee. Please advise what these additional costs involve and provide more details on the expected outcomes these costs are likely to achieve and what processes are in place in order to measure the achievement of these outcomes?

**4. IT expenditure**

IT expenditure has been budgeted to increase at rates far higher than the general inflationary adjustments of 7% identified in the budget. Although we acknowledge your comments around costs relating to website and a new service agreement, again the 56% jump is an alarming one that provides further burden to practitioners. Please

advise the need for such an increase and how the increased expenditure is helping the Council reach improved outcomes?

5. **Allocation of expenses**

When the expenditure is broken down by profession, there is a large deficit budgeted for dentists and other practitioners have much lower deficits budgeted or even surpluses in the cases of Therapists and Oral Health Therapists. Please advise the reason for the disproportionate budgets? Also, the proposed levy increases are higher for Therapists and Oral Health Therapists on a percentage increase basis than they are for dentists, even though those professions are budgeting surpluses as opposed to the deficits for dentists. Please advise the reason for this?

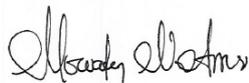
6. **Budgeted Council operating income**

The overall budgeted increase in total Council operating income is 26%. This is significantly higher than the raw budgeted increase in levies and the budgeted increased number of total practitioners. Please provide a breakdown of how this figure has been reached and how much of this income is budgeted recovery of some of the increased costs for projects outlined such as Education and Accreditation, Registration, Competence Assessments and Reviews (which all budget large increases in the current year)? Can you confirm the levels of expected recoverability of these costs?

7. **Budget deficits**

The large overall budgeted deficit for the second year in a row brings into question the long-term sustainability of Council activities. Please advise what plans are in place to ensure Council is able to fulfil its duties in a sustainable manner on a longer-term basis?

Yours sincerely,



**Dr Mo Amso**

**Chief Executive**

**NZDA**