



DENTAL NEWSLETTER

August/September 2017

Dental Conflict of Interests?

We note that Dr Mark Dyer and Dr Anders Blomberg both have held ADA offices and/or are holding offices. Both promote themselves as dental advisors to health funds. Across Australia a huge number of dentists, many of them members of the ADA, are hugely impacted by the activities of health funds. These are designed to make substantial margins on extras cover at the expense of dentists and dental patients. The question is do dentists believe that dentists who are members and who are office bearers in the ADA have a conflict of interest when they act as consultants to health funds?

Smile Inc. – Mike Timoney – Carl Burroughs

We note that Smile Inc. is not an Australian Company and wonder why its promoters don't use an Australian registered company.

In the past Mike Timoney was CEO of Bartercard UK Pty Ltd a position from which he resigned on 20 June 2003 reportedly selling his interest in the company.

We note that the company made a loss for the UK financial year to 30 April 2003 of £1,396,939. Its shareholder funds at 30 June 2002 were £2,513,515, shareholder funds at 30 June 2003 had shrunk to £1,117,526 and at 30 June 2004, 10 months after Mr. Timoney's resignation, the company shareholder funds were minus £311,238, having lost £1,428,764 in the year.

Way back in 2007 we commented on the interesting cast of personalities associated with the original start-up of Dental Partners Pty Ltd including Carl Burroughs who has since had the misfortune of a couple of liquidated companies, numerous company name changes and who was promoted back in Dental Partners first launch as being 'the founder and principal' in a company which turned out to be owned by a different company, which turned out to be owned by somebody who lived in Fiji. Refer to www.synstrat.com.au dental publications.

We note that in the attempt to launch the first Dental Partners Pty Ltd Mike Timoney promoted himself as having had significant corporate success in the UK without saying exactly what it was. He actually ran Bartercard UK of which he was a significant shareholder but resigned on 20 June 2003 after creating a significant loss, see above.

There were other people associated with the original Dental Partners Pty Ltd who had unusual profiles, whilst a prominent dentist and a prominent dental specialist both resigned quickly from its board. That company was quietly put aside and another company with a similar name but with a different A.C.N rose phoenix like. That Dental Partners was sold to the New Zealand Abano Group and subsequent press reports indicate Mike Timoney being in a legal fight with the new owners.

In Australia we note that Mr. Timoney promoted a dental practice conducted by his ex-wife on the Gold Coast, he then started up Dental Partners Mark 1.

Given the fact that Smile Inc. is not an Australian company we think that dentists should take extreme care and seek appropriate professional advice if contemplating selling part of their practice into the scheme promoted by Mr. Burroughs and Mr. Timoney.

Why was Joe's Practice so good?

This story is on page 46 of **Synstrat Dental Stories**. It is a must read for dentists. It details good and bad practice experiences but names and some details have been changed to preserve identities. It contains valuable insights for practice owners and intending buyers as to what works best and what doesn't. To obtain a copy of this publication, make a tax deductible donation of at least \$30 to the **Delany Foundation**, a charity which brings hope and opportunity into the lives of young people deprived of education in Australia, Papua New Guinea, Kenya and Ghana. Once you have made your donation, please email confirmation of your donation along with your postal address to natasha@synstrat.com.au and a copy will be sent to you. Donations can be made by mail to:

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Or via direct debit to the Delany Foundation Ancillary Trust, BSB 062 784 CBA account number 4050 5402. Should you have any difficulties, contact Matthew Mahoney on 0419 202 787 or 02 9600 8184.

Financial Planning and Life Insurance for Dentists

Synstrat is experienced at providing financial plans for dentists.

These take into account dental practice profitability and benchmarks, as well as ownership of premises and other family assets and financial issues.

Telephone Graham Middleton, Cameron Darnley or Roger Armitage, each of whom are experienced financial planners, on 03 9843 7777. Cameron can also assist with life insurance. Synstrat Management Pty Ltd holds its own licence. It is not obliged to recommend the products of a particular bank or insurance company.

For an appointment with Graham Middleton, or if interstate a telephone conference, ring Jenny O'Brien 03 9843 7777. Charges apply. Jenny will explain charges and information required.

North Korea and USA Nuclear Threat

Immediately such a threat is carried out North Korea loses. Russia, China and the USA all realise that this is so. Russia and China were both allies of North Korea in the Korean War, but had placed sanctions on it. China which maintains a treaty with it has indicated that they will only support it if it is not the aggressor.

Immigration and High Rise Units

Immigration is a sleeping issue for the next Federal Election. There is a growing reaction against major city growth, transport deficiencies and traffic gridlock in Sydney, Melbourne and Brisbane. Calls for immigration cuts will become more strident in the approach to the next federal elections and politicians will act.

Forward approvals of high rise unit profits are reported as falling steeply as the market is saturated. The built in project delays means that periodically massive oversupply emerges before falling market demands signal a halt.

Family Law Property Settlements

Synstrat has many years' experience providing objective and impartial practice valuations which enable the parties to settle and move on with their lives. Where the parties have jointly appointed Synstrat to value the practice it is rare for our valuation to be challenged. Where parties use an accountant / other valuer who does not have substantial experience in valuing dental practices the results are often bizarre and open to challenge which adds to delay and costs.

For assistance concerning family law property settlements speak to Graham Middleton or David Collins on 03 9843 7777.

Dental Practice 101 & Goodwill

It is vital to remember that you are in the personal relationship business and that demand for your continuing dental services is a by-product of the quality of your relationship with existing patients.

An existing practice which maintains good relationships with a substantial patient base will easily beat off competition from new practice start-ups because the existing practice has a large personal referral base. Unless the dentists involved in the start-up practice has a significant profile in the area, which creates a referral base, that practice will take many years to build into a viable practice business. In the meantime the existing practice will continue to receive new patient referrals. This is the reason existing practices have, often substantial, proprietorship value.

AMA Attacks Health Funds Junk Policies

The President of the AMA has publically attacked health funds for promoting 'junk' policies designed to allow patients to avoid the health levy surcharge but are of little benefits to patients who are angry when they find out that required treatment is not covered.

Synstrat notes that this goes hand in hand with misleading advertisements heavily directed towards with extras with large funds rationing actual benefits made making a huge gross profit margin on the extra's cover.

The AMA attack is merely the latest in a long series of well credentialed criticism of the health funds.

Senate Submission regarding Health Funds

A copy of a senate submission related to health funds made by Graham Middleton on the urging of dentists and Senator Xenophon can be viewed at www.synstrat.com.au under Dentistry Publications. We are informed that the submission was accepted and that its content is protected by Parliamentary privilege.

Primary Health Care Limited – Huge Loss

Primary Health Care reported a huge loss of \$516,900,000 for the 2017 financial year due to its medical centre division and underperforming sites. Its dental operations are buried beneath this in the accounts and cannot be separately identified.

Practice Accounting & Valuation Services

Synstrat is the only accounting group in Australia which maintains an active, continuously updating database of dental practice benchmarking performance. This is essential in assessing and advising performance of a practice and in valuing practices. Telephone David Collins or Graham Middleton on 03 9843 7777.

*For more information on these topics visit
www.synstrat.com.au*

Register your email address to receive our newsletters electronically, plus additional exclusive information which is only emailed to dentists on our distribution list. Send your details to dental@synstrat.com.au.

THE SYNSTRAT GROUP ARE AUSTRALIA'S MOST EXPERIENCED DENTAL PRACTICE BUSINESS ADVISERS, FINANCIAL ADVISERS, ACCOUNTANTS AND VALUERS
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