ADIA
Australian Dental Industry Association

2019-20 Analysis Australian Dental Industry Intelligence Report

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Australian Dental
Industry Association

The Australian Dental Industry Association is the nation's peak body representing dental product manufacturers and suppliers.

Our vision is for an industry that empowers oral health professionals to advance the health and well-being of all Australians.

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Chapter 1 – Overview Of The Australian Dental Industry

IBISWorld has provided the ADIA with historical and forecast data regarding the Australian Dental Industry. A data model has been created using multiple Government and non-Government sources. This model includes 13 product and service splits with historical time series data, and analysis regarding the COVID-19 pandemic and key drivers of industry performance. Figures are presented in constant 2019-20 dollar terms.

Note: Due to differences in definitions and methodologies, comparisons with previous Australian Dental Industry Intelligence reports are not advised. For example, the market for providing administrative support to oral health professionals/dental practices is now included under the 'Dental industry services' segment, while this was excluded in prior reports. However, historical data has been provided and allows for trend analysis.

1.1 Value Of The Australian Dental Industry

The value of the Australian Dental Industry is expected to have increased at an annualised 0.1% over the five years through 2019-20, to total just under $3.1 billion. Several trends have influenced the industry over the past five years, which have been primarily driven by the performance of the downstream Dental Services industry. According to IBISWorld's Dental Services in Australia (September 2020), the number of dental practices in the industry has increased strongly over the past five years. Australia's ageing and growing population has supported demand for dental services over the period. The number of dental practices in Australia has expanded and increased demand for products and services supplied by the Australian Dental Industry, boosting its market size.

Australian Dental Industry Market Size*

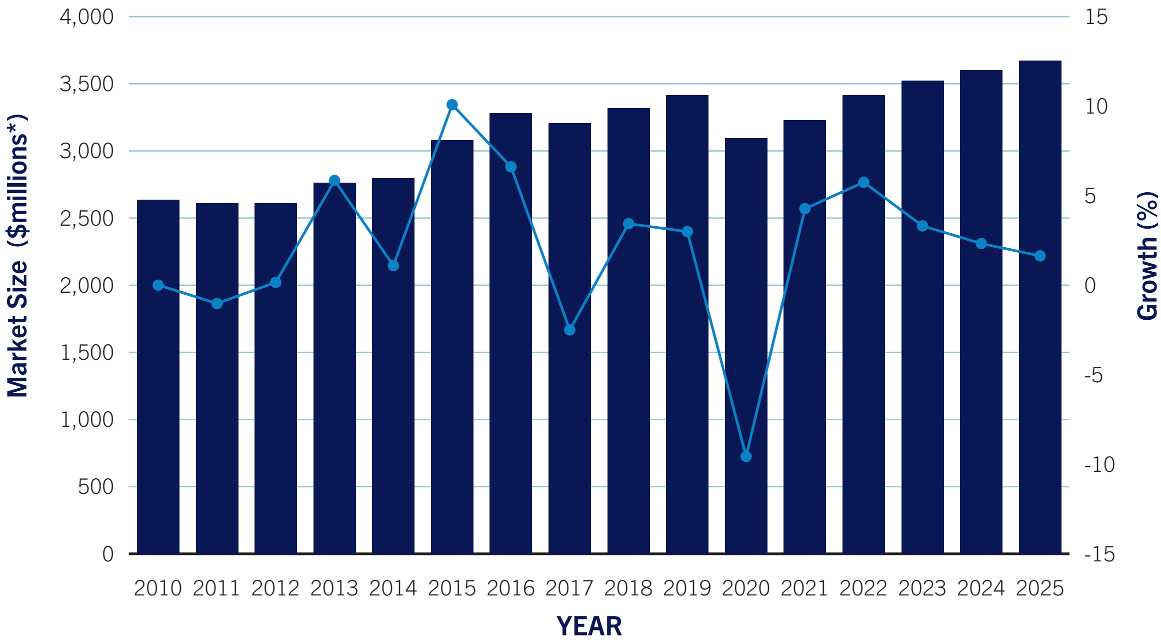
	Products	%	Services	%	Total	%
2009-10	1,364.0	N/C	1,270.8	N/C	2,634.8	N/C
2010-11	1,327.6	-2.7%	1,281.5	0.8%	2,609.1	-1.0%
2011-12	1,260.2	-5.1%	1,352.6	5.5%	2,612.8	0.1%
2012-13	1,330.9	5.6%	1,434.4	6.0%	2,765.3	5.8%
2013-14	1,346.4	1.2%	1,450.1	1.1%	2,796.5	1.1%
2014-15	1,502.7	11.6%	1,574.3	8.6%	3,077.0	10.0%
2015-16	1,633.0	8.7%	1,647.3	4.6%	3,280.3	6.6%
2016-17	1,583.5	-3.0%	1,618.8	-1.7%	3,202.3	-2.4%
2017-18	1,659.0	4.8%	1,651.9	2.0%	3,310.9	3.4%
2018-19	1,745.9	5.2%	1,664.9	0.8%	3,410.8	3.0%
2019-20	1,655.5	-5.2%	1,431.3	-14.0%	3,086.8	-9.5%

Source: IBISWorld
*in constant 2019-20 dollars

However, the COVID-19 pandemic is constraining the performance of oral health professionals/dental practices, which is putting pressure on firms in the Australian Dental Industry. The size of the Australian Dental Industry is expected to have declined by 9.5% in 2019-20. While most dental practices can operate freely again after COVID-19 restrictions have been lifted, ongoing restrictions in Victoria and reduced consumer spending power are still limiting the performance of the Dental Services industry, which is constraining demand for firms in the Australian Dental Industry. Further analysis on the COVID-19 pandemic is provided below.

The market has two major segments: dental products (including over-the-counter sales) and Services to dental practices. The dental products segment represents the wholesale value of a range of products supplied to oral health professionals/dental practices, including dental instruments, furniture and consumables. The dental products segment also includes over-the-counter products such as toothbrushes sold to oral health professionals/dental practices and retailers. The dental products segment is expected to total over $1.6 billion in 2019-20, representing just over 50% of the overall Australian Dental Industry. The second segment, Services to dental practices, includes a variety of services provided to oral health professionals/dental practices, including professional training, subcontracting, and repair and maintenance to equipment. Collectively, services provided to dental service providers are expected to total just over $1.4 billion in 2019-20.

Australian Dental Industry



Source: IBISWorld
*in 2019-20 constant dollars

1.2 Demand Determinants

A key driver of the Australian Dental Industry's performance is downstream demand from firms in the Dental Services industry. Several factors influence demand for dental services. These factors include dental service costs relative to household incomes, population growth, private health insurance coverage, oral health, natural teeth retention rates, and recognition of the effects of oral diseases and problems.

The affordability of dental services affects demand, with some people deferring dental services when incomes are low, economic conditions are uncertain or they lack dental insurance coverage. Emergency and other repair dental work can be expensive for the average consumer, forcing them to delay repair work or cut down on preventative visits. Consumers with private health insurance extras cover are more likely to visit their dentist as their coverage fully or partially subsidises check-ups and repair work. Declining incomes during the COVID-19 pandemic are expected to constrain consumer demand for dentistry work, limiting demand across the supply chain.

Basic preventative programs affect dental health in the community. These include water fluoridation, public education campaigns (including those that promote less cariogenic diets), adequate self-care and protection from various hazards and injuries, and publicly funded dental health programs. School dental programs can instil the need for strong oral care from an early age, potentially increasing the likelihood that consumers will visit their dentist for preventative work in the future.

1.3 Key Performance Drivers

Disposable income

Household disposable incomes affect demand for dentistry services, as households often perceive many dental treatments as costly and deferrable. Households with higher disposable income are also more likely to have private health insurance, which lowers dental treatment costs. Increased dental work among the Australian population drives demand for products and services supplied by the Australian Dental Industry. Conversely, a fall in disposable incomes can prompt some households to defer non-essential dental work, threatening demand for dentistry products and services.

Consumer incomes have been constrained over the past five years, due to weak growth in wages and rising unemployment as a result of the COVID-19 pandemic. However, total disposable income shot up in 2019-20, as Government social assistance payments to households rose strongly. In addition, the household saving ratio increased during the pandemic, as households tried to save money and restrictions limited their ability to spend. As a result, while consumer incomes rose in 2019-20, spending on dental services dropped due to the sharp rise in the household savings ratio.

Population

Australia's population also drives demand for dental services, which influences demand for products and services supplied by the Australian Dental Industry. Australia's population has grown over the past five years, increasing the number of dental practices in the country. This trend has supported demand for the Australian Dental Industry. However, population growth in 2019-20 and 2020-21 is expected to be limited by low net migration while the Federal Government keeps border restrictions in place due to the COVID-19 pandemic.

Private health insurance membership

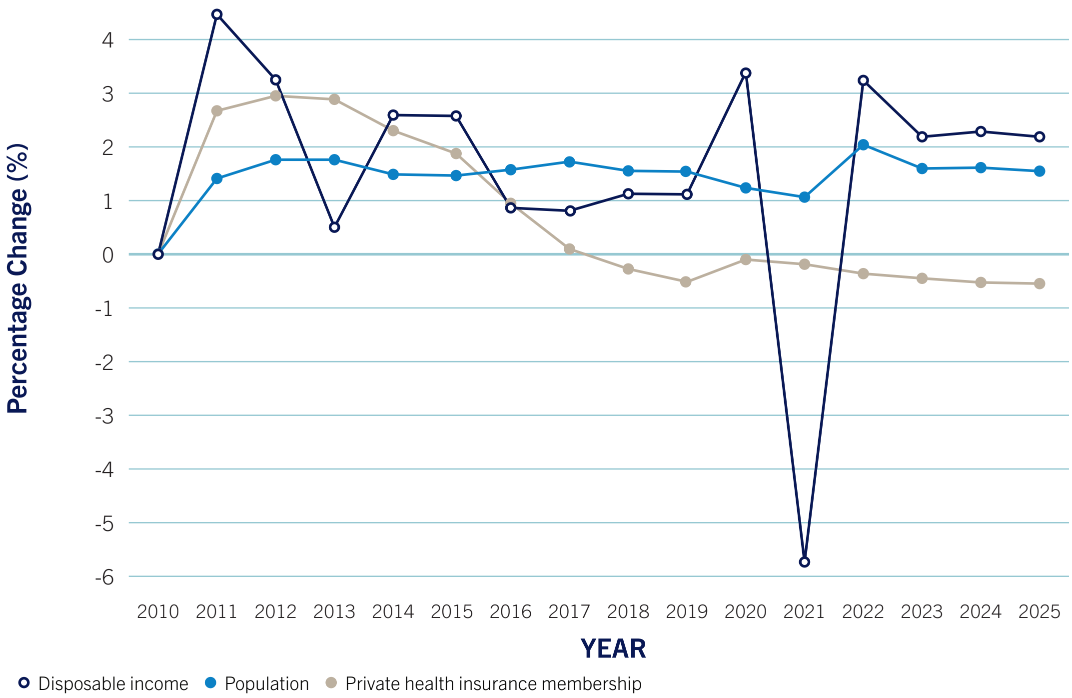
The proportion of the population with private health insurance extras cover influences demand for dental services, as Medicare does not cover most dental services. Consequently, increased demand for dental work from Australians with private health insurance cover provides an opportunity for revenue growth for the Australian Dental Industry. However, private health insurance membership numbers are falling despite private health insurance reforms introduced by the Federal Government on 1 April 2019. Concerns about affordability and value are likely to discourage uptake of private health insurance by younger people.

COVID-19

The COVID-19 pandemic has significantly affected the Australian Dental Industry. Level three restrictions implemented in March 2020 led to the deferral of most routine dental treatments, with a limited number of dental practitioners providing urgent treatment and emergency services. Most dental service providers temporarily closed their dental practices in April, before reopening in the following month. This negatively affected demand for dental products and services. In the ADIA's COVID-19 Business Update Survey Results (2020), 60.0% of businesses surveyed stated that

they were running limited capacity operations as a result of the pandemic. Restrictions have now eased in most states and territories, providing a boost to the Australian Dental Industry. However, Victoria's second wave of COVID-19 and subsequently tightened restrictions put pressure on firms that are based in Victoria, or those that provide goods and services to dental practices in the state. However, dental practices in metropolitan Melbourne have been able to provide non-urgent services since 28 September 2020, providing that they have a COVIDSafe Plan in place.

Key Performance Drivers



Source: IBISWorld

1.4 Outlook

Dentistry operational activity is expected to pick up in 2020-21, as the Government increasingly eases COVID-19 restrictions. As a result, demand for dental products and services is anticipated to pick up during the year. According to IBISWorld's Dental Services industry report (September 2020), the industry is expected to expand by 0.8% in 2020-21, to total $10.1 billion, driving up demand for the Australian Dental Industry. As a result, the size of the Australian Dental Industry is expected to increase by 4.4% in 2020-21, to total $3.2 billion. However, the economic downturn caused by the COVID-19 pandemic is expected to limit growth. Consumers are anticipated to have less spending power in 2020-21, limiting demand for dental services and limiting upstream demand for products supplied by the Australian Dental Industry. In addition, private health insurance membership number are likely to decline and weigh down the number of dental procedures during the year.

Over the next five years, the negative effects of the COVID-19 pandemic are likely to wane. As consumer incomes recover and Australia's population grows, demand for dental services is anticipated to rise, increasing demand for products and services supplied by the Australian Dental Industry. The size of the Australian Dental Industry is expected to grow at an annualised 3.4% over the five years through 2024-25, to total $3.7 billion.

Chapter 2 – Dental Products

The Australian Dental Industry supplies a range of dental products to oral health professionals/ dental practices. This chapter includes products manufactured in Australia and products imported from overseas. Similar to other manufacturing sectors, imports make up the majority of dental products in Australia. Imports of dental products have increased strongly over the past decade. The United States makes up the majority of dental product imports, with just under one-third of the total value of imports. Other major importing countries include China, Germany, Mexico, Japan, Thailand, the United Kingdom and Ireland.

The dental products market has been split into specialised and over-the-counter products. The specialised dental products segment is expected to have increased at an annualised 0.4% over the five years through 2019-20, to total $988.7 million. The expansion of the Dental Services industry has provided some opportunities for increased sales of specialised dental products over the period. However, weak income growth and declining per-capita health insurance membership have constrained demand for dental services, limiting demand for upstream product suppliers.

The COVID-19 pandemic has further limited demand for dental products, as many dental practices were temporarily closed during March and April 2020. Revenue generated through specialised dental products is expected to have fallen by 9.4% in 2019-20, due to weakened demand from dental practices during the COVID-19 pandemic.

Specialised dental products have been split into the following categories: Dental instruments; Orthodontic and restorative products; Consumable products; Imported dental laboratory products; Infection control products; Imaging equipment; Imaging products; and Other products.

Specialised Dental Products

	Imported dental laboratory products	Orthodontic and restorative products	Consumable products	Infection control products	Dental instruments	Imaging equipment	Imaging products	Other	OTC
2009-10	118.5	175.0	147.4	51.9	241.2	43.3	14.4	90.2	482.1
2010-11	104.3	174.7	158.0	58.4	198.0	40.1	13.4	98.2	482.6
2011-12	101.0	184.4	155.5	49.9	210.8	36.8	12.3	94.0	415.5
2012-13	104.3	190.7	177.4	47.7	214.6	38.7	12.9	106.0	438.6
2013-14	106.9	188.9	159.0	44.0	253.6	35.0	11.7	96.3	451.0
2014-15	132.3	210.3	165.3	39.6	272.3	37.7	12.6	98.2	534.4
2015-16	160.0	244.4	153.3	34.8	324.8	41.4	12.0	89.9	572.4
2016-17	168.8	242.2	152.7	35.7	303.4	40.0	11.6	87.4	541.7
2017-18	163.4	239.6	150.8	35.5	338.3	41.0	11.9	87.7	590.8
2018-19	174.9	252.2	153.9	37.8	333.7	38.1	11.1	89.7	654.5
2019-20	181.9	215.6	126.9	40.7	318.6	28.8	8.3	67.9	666.8
CAGR	6.6%	0.5%	-5.1%	0.5%	3.2%	-5.3%	-7.9%	-7.1%	4.5%
2019-20	4.0%	-14.5%	-17.5%	7.7%	-4.5%	-24.6%	-24.6%	-24.3%	1.9%

Source: IBISWorld

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Domestically produced dental laboratory products are included in chapter 3.2, which will understate the true value of the specialised dental products segment.

The market value for over-the-counter products has increased at an annualised 4.5% over the five years through 2019-20, to total $666.8 million. Australia's growing population has driven demand for oral hygiene products at the retail level. For more information, please refer to Chapter 2.9.

2.1 Dental Instruments

Dental instruments represent one of the largest product segments in the dental products market. This category includes hand and mechanical instruments, and fittings. Products include dental drills, handpieces, measuring gauges, apparatus for administering anaesthetic gases and dental articulators. The size of the dental instruments market is expected to have increased at an annualised 3.2% over the five years through 2019-20, to total $318.6 million. Demand for dental instruments has risen over the period, as indicated by the rising value of dental instrument imports. However, this category is anticipated to have declined by 4.5% in 2019-20. The COVID-19 pandemic resulted in the deferral of routine examinations and treatments, limiting demand for dental instruments and fittings.

Segment products

This segment includes dental drill engines, whether or not combined on a single base with other dental equipment; air turbine operated dental drill engines, comprising at least an operating handpiece and air supply controller; dental articulators; apparatus for administering anaesthetic gases used in dental sciences and dental occlusal programming units; dental handpieces

and accessories; instruments (such as articulating forceps, awls, bone files, brushes, chisels, excavators, files, forceps, measuring gauges, mirrors, pliers/wire cutters, rubber dams, saws, scalpels, scissors and tweezers); instrument accessories (such as sharpeners); and other instruments, fittings and appliances used in dental sciences (excluding some allocated to other categories).

2.2 Orthodontic And Restorative Products

The orthodontic and restorative products category contains a range of products used by dentists to provide orthodontic or restorative work, including dental cements and instruments/fittings not included in the dental instruments category, such as wires, brackets and retainers. The size of the orthodontic and restorative products market is expected to have increased at an annualised 0.5% over the five years through 2019-20, to total $215.6 million. However, the number of endodontic and restorative services provided in Australia has declined over the past five years, as indicated in the Australian Government's Medicare statistics, limiting sales of products in this category.

In addition, weakened demand for orthodontic and restorative services during the COVID-19 pandemic is expected to have caused this category to decline by 14.5% in 2019-20.

Segment products

This segment includes Dental cements and other dental fillings, and bone reconstruction cements; Fillings; Endodontics (cavity cleaners, dispensers/guns, organisers, pathfinders, removers,

rings and rulers and stoppers), impression materials and accessories; Dental wires and screws; Retainers; Brackets; Aligners; and Dental instruments, consumables and fittings primarily related to orthodontic and restorative dental work.

2.3 Consumable Products

Consumable products are single-use items that are used to provide dental services. Products in this category include adhesive dressings, wadding, bandages and paper products. This category also includes syringes and needles that are often used for anaesthetic purposes. The size of the consumable products market is expected to have decreased at an annualised 5.1% over the five years through 2019-20, to total $126.9 million. However, this decline has primarily occurred due to a high base year in 2014-15. In addition, this category is expected to have decreased by 17.5% in 2019-20, driven by the COVID-19 pandemic, and the deferral of routine examinations and treatments by dental practices.

Segment products

This segment includes Adhesive dressings and other articles having an adhesive layer, impregnated or coated with pharmaceutical substances for dental uses; Wadding (including cotton wool and absorbent cotton) impregnated or coated with pharmaceutical substances for dental purposes; Gauze, bandages and similar articles, impregnated or coated with pharmaceutical substances for dental uses; Syringes; Needles; Drinking Cups; Paper products; Debris collectors, Saliva ejectors; Brushes; and Other consumable products not elsewhere classified.

2.4 Imported Dental Laboratory Products

This category represents the value of imported dental laboratory products, which include artificial teeth, modelling pastes, dental wax and dental fittings. Sales of these products are separate from the products manufactured by domestic dental laboratories and are often more generic in nature. Sales and service costs from domestic dental laboratories can be found in chapter 3.1. A wholesale mark-up has been applied to import values and they are presented in constant 2019-20 dollar terms.

The value of imported dental laboratory products is expected to have increased at an annualised 6.6% over the five years through 2019-20, to total $181.9 million. The value of imported dental laboratory products has increased strongly over the period, despite the depreciating Australian dollar making imported products relatively more expensive. Imported dental laboratory products come from a range of countries, with the largest being Mexico (36.1% in 2019-20), the United States (25.1%), China (10.4%) and Switzerland (6.5%). Despite import disruptions caused by the COVID-19 pandemic, the value of imported dental laboratory products increased by 4.0% in 2019-20.

Segment products

This segment includes Artificial teeth; Modelling pastes, and preparations known as dental wax or dental impression compounds; and Dental fittings.

2.5 Infection Control Products

Dental service providers purchase infection control products to minimise the likelihood of infections during dental treatments or surgery. This category includes sterile dental adhesion barriers made of various materials, haemostatic agents, latex and other gloves for dentistry; cleaning solutions and sterilising products. The value of infection control products is expected to have increased at an annualised 0.5% over the five years through 2019-20, to total $40.7 million. Rising need for infection control products during the COVID-19 pandemic has driven most of this increase, with an estimated 7.7% rise in category value in 2019-20.

Segment products

This segment includes Sterile surgical or dental adhesion barriers (whether or not absorbable) of various materials, sterile tissue adhesives, sterile absorbable dental haemostatics, gloves of various material, sterilising products, cleaning solutions and skin cleaners; and Other infection control products not elsewhere classified.

2.6 Imaging Equipment

Imaging equipment includes capital items such as X-ray machines (intra-oral and extra-oral) and cameras. This category has declined at an annualised 5.3% over the five years through 2019-20, to total $28.8 million. This decline has primarily been driven by trade disruptions for imported imaging equipment caused by the COVID-19 pandemic. This category is expected to fall by 24.6% during 2019-20. Prior to the COVID-19 pandemic, this category was growing due to the rising digitisation of dental services, similar to trends across the general health sector.

Segment products

This segment includes Apparatus based on the use of X-rays for dental use including radiography or radiotherapy apparatus (excluding computed tomography apparatus); Apparatus based on the use of alpha, beta or gamma radiations (including radiography or radiotherapy apparatus) for dental uses; Cameras; and Other imaging equipment not elsewhere classified.

2.7 Imaging Products

Imaging products include products that are required to use imaging equipment, such as film and processing chemicals. This category has declined at an annualised 7.9% over the five years through 2019-20, to total $8.3 million. This fall has primarily been driven by declines in the imaging equipment category during the COVID-19 pandemic, with this category expected to fall by 24.6% in 2019-20. In addition, the increasing digitisation of dental health services has limited demand for traditional products like film.

Segment products

This segment includes Radiography accessories, films (intraoral and extraoral), film holders, film mounts, chemistry, protective equipment, screens and cassettes, sensors and viewers; and Other imaging products not elsewhere classified.

2.8 Other Products

A range of other dental products are supplied to dental service providers. Collectively, these products are expected to account for $67.9 million in 2019-20, with the value of this segment falling by an annualised 7.1% over the five years through 2019-20. This decline has primarily occurred due to a fall of 24.3% in 2019-20, as dentist practices cut back on spending on capital items such as furniture during the COVID-19 pandemic. In this category, furniture such as dentist chairs, benches, units and tables are collectively expected to account for over $20 million in 2019-20.

Segment products

This segment includes Dental furniture (such as operating tables, examination tables, hospital beds with mechanical fittings) and parts; Dental chairs, benches and stools; and Other products not elsewhere classified.

2.9 Over-The-Counter Products

Over-the-counter products represent both sales to dental service providers, and wholesale sales to retailers and other businesses that sell to consumers. Key products in this category include dentifrices, dental floss and mouthwash. The market value of this category has increased at an annualised 4.5% over the five years through 2019-20, to total $666.8 million. Australia's growing population has been a key driver of this growth. However, declines in consumer spending power during the COVID-19 pandemic have reduced demand for premium products in this category, limiting growth to 1.9% in 2019-20. Within this category are four main product lines: Dentifrices, dental floss, mouth washes and tooth brushes.

- The total value for dentifrices in the Australian market is expected to total $343.1 million in 2019-20, representing a 4.1% annualised increase over the past five years.
- The total value of tooth brushes (both electric and hand powered) is expected to total $174.7 million in 2019-20, representing annualised growth of 8.2% over the past five years.
- The total value of mouth washes and other oral hygiene products is expected to total $125.0 million in 2019-20, representing annualised growth of 2.3% over the past five years.
- The total value of dental floss in the Australian market is expected to total $23.0 million in 2019-20, with this figure being similar five years previous.

Segment products

This segment includes Dentifrices (including toothpastes and other preparations for teeth and denture cleaners) for oral or dental hygiene (excluding mouth washes and oral perfumes); High tenacity yarn of nylon or other polyamides used to clean between the teeth (dental floss) in individual retail packages; Yarn used to clean between the teeth (dental floss) in individual retail packages (excluding high tenacity yarn of nylon or other polyamides); Preparations for oral or dental hygiene (including mouth washes, oral perfumes) (excluding dental floss, dentifrices and yarn used to clean teeth between the teeth); Tooth brushes (both electric and hand powered).

2.10 Methodology

The value of the specialised dental product market was taken from the average cost structure benchmarks of firms in IBISWorld's report Dental Services in Australia, which incorporates data from the Australian Bureau of Statistics' Dental Services (1997-98) and Health Care Services (2009-10) reports. Product categories were estimated using 10-digit import data from the Queensland Government Statistician's Office (Australia-wide data). For imports that needed a split between medical, dental and veterinary, the amount allocated to dental products was based on the relevant sizes of the corresponding downstream industry (i.e. IBISWorld's report Dental Services in Australia). A wholesale margin was applied to import totals using calculations in the cost structure of firms in the IBISWorld report Medical and Scientific Equipment Wholesaling in Australia. Domestic production estimates were then added to import totals to calculate the product category splits. Some assumptions in prior editions of the Australian Dental Industry Intelligence Reports (Deloitte 2016-17) were used. Figures are presented in constant 2019-20 dollar terms.

To avoid double counting, products have been allocated to the most relevant category rather than being included in multiple categories. Unfortunately, deeper product category splits cannot be obtained due to lack of reliable data.

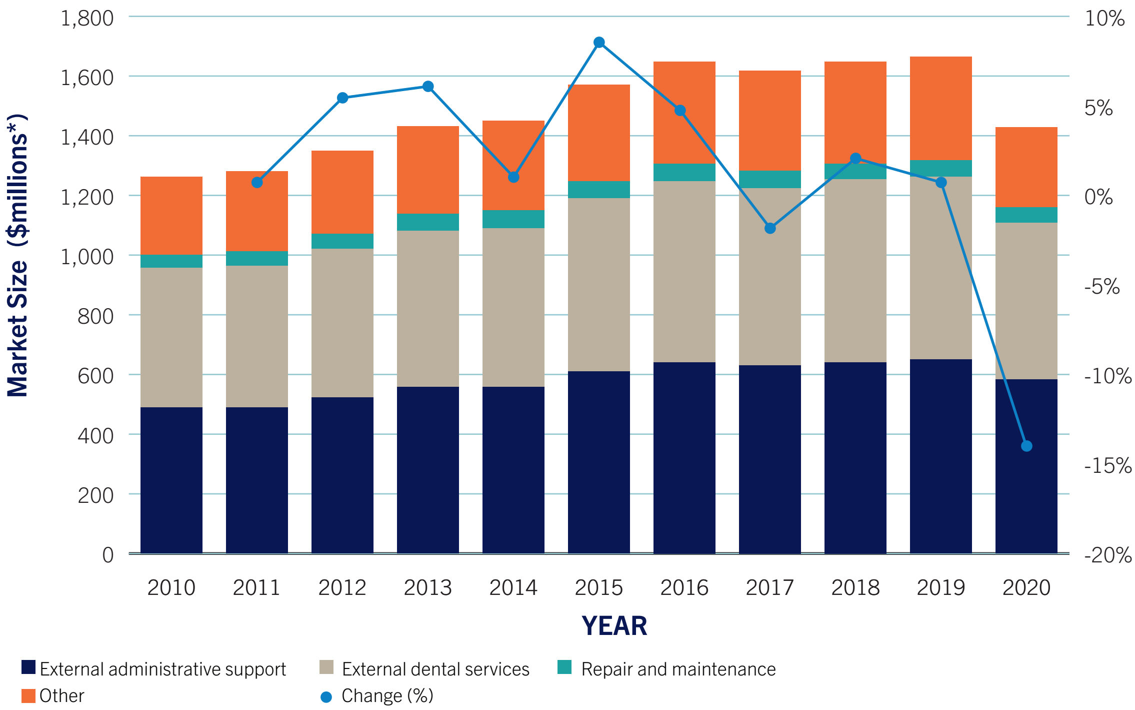
For over-the-counter products, import values were obtained through 10-digit import data from the Queensland Government Statistician's Office (Australia-wide data). Domestic production values were estimated through IBISWorld's Soap and Cleaning Compound Manufacturing in Australia report. A wholesale margin was then applied to the total domestic demand value. Figures are presented in constant 2019-20 dollar terms.

Chapter 3 – Services To Dental Practices

The Australian Dental Industry also provides a range of services to dentist service providers. These include external dental services, the provision of staff to dental practices, external administrative support, professional and educational training, insurance, and repair and maintenance work on capital items.

Collectively, the market size for providing these services to dental service providers is expected to have declined at an annualised 1.9% over the five years through 2019-20, to total just under $1.4 billion. However, most of this decline has been driven by a projected 14.0% fall during the COVID-19 pandemic. Dental practices have been cutting down on unnecessary spending during the pandemic, as temporary closures and weakened consumer demand have put downwards pressure on dental service revenue.

Services To Dental Practices



Source: IBISWorld
*in 2019-20 constant dollars

3.1 Provision Of External Administrative Support

Payments to administrative businesses for support services accounts for the largest share of the Services To Dental Practices market. According to the ABS, dental service providers often outsource administrative, secretarial or similar support services to specialised firms, with dental practices paying a management/ service fee for this subcontracted work. This category includes firms offering accounting, secretarial, human resources, facilities management, payroll and billing services. Figures are presented in constant 2019-20 dollar terms.

This category is expected to have declined at an annualised 0.8% over the five years through 2019-20, to total $590.7 million. This decline has been primarily driven by the cutting back of unnecessary spending during the COVID-19 pandemic, with revenue projected to fall by 9.9% during 2019-20. Prior to the pandemic, this category was largely growing as more dental practices outsourced non-core work.

3.2 Provision Of External Dental Services

In the Services To Dental Practices market, external dental services accounts for a significant share of revenue. External dental laboratory services make up the bulk of this category, with dental service providers requiring a range of products and services from external laboratories. This category includes both the sales of products made by external laboratories (such as dental fittings, crowns and dentures) and the service cost associated with external laboratory work. Imported products are excluded from this category and are included in Chapter 2.4. Figures are presented in constant 2019-20 dollar terms.

This category is expected to have declined at an annualised 1.9% over the five years through 2019-20, to total $525.9 million. This decline has been primarily driven by declines in the number of dental services provided during the COVID-19 pandemic, which has limited demand for dental products such as crowns and veneers. The market size of this category is expected to have declined by 14.4% in 2019-20.

3.3 Repair And Maintenance

The repair and maintenance category has declined at an annualised 1.3% over the five years through 2019-20, to total $47.3 million. According to the ATO, firms in the Dental Services industry spend approximately 0.6% of their revenue on repair and maintenance work on capital items. The total value of this category has fallen by 1.3% during the COVID-19 pandemic, as dental practices scaled back on spending during periods of forced closures.

3.4 Other Service Markets

Dental practices also require a variety of other external services. These include the provision of staff to dental practices, insurance premiums, and professional and educational training. Collectively, these costs have fallen at an annualised 3.9% over the five years through 2019-20, to total $267.4 million. This has been primarily driven by an expected 23.0% decline in 2019-20, as dental practices have reduced spending during the COVID-19 pandemic. For example, dental practices have spent less on professional and educational training to scale back costs. Figures are presented in constant 2019-20 dollar terms.

3.5 Methodology

The market size of Services To Dental Practices was estimated using the revenue and the average cost structure benchmarks of firms in IBISWorld's report Dental Services in Australia, which incorporates data from the ABS's Dental Services (1997-98) and Health Care Services (2009-10) reports. Repair and maintenance expenses were estimated using the ATO's statistics on expenses, which is provided for the three-digit level and includes firms in the Dental Services industry.

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