

Dental and Health Services in Australia Report 2022

This report provides key statistics about Dental and Health Services in Australia.

The data has been sourced from IBISWorld as well as the Dental Board of Australia and the Australian Prudential Regulation Authority.

The Australian Institute of Health and Welfare (AIHW), and the Department of Health are robust sources of information regarding health-related statistics for IBISWorld. However, they also use a variety of other data sources, such as:

- Taxation statistics sourced from the Australian Taxation Office (ATO)
- Private company data sourced from the Australian Securities and Investments Commission (ASIC)
- Data sourced from catalogues released by the Australian Bureau of Statistics (ABS).

Individual reports will also have additional qualitative information added to assist analysis, which often differs from update to update and can take a variety of forms, such as an industry body publication, a newspaper or even a conversation with an industry operator, to name a few.

Overview of Dental Services

The Dental Services subdivision includes registered general and specialist dental practitioners. The industry also includes dental clinics, through which multiple dentists associate to provide dental services, and dental hospitals that only provide outpatient services. (IBISWorld 2022)

- **COVID-19 restrictions have taken a bite out of industry revenue growth (IBISWorld 2022)**

Overview of Health Services

The Health Services subdivision includes entities that primarily provide direct treatment to patients or perform auxiliary services in support of treatment. Health services entities that provide direct treatment to patients include general hospitals, general practices and physiotherapy clinics, while auxiliary service providers include pathology and diagnostic imaging operators. (IBISWorld 2022)

- **Employers face higher labour costs and shortages as unemployment falls**
The unemployment rate decreased to 3.5% in June 2022, making it the lowest official rate since August 1974. The low unemployment rate has supported real household disposable incomes and consumer sentiment during a period of economic uncertainty. In contrast to businesses, the fall indicates a tightened labour market for employers due to strong pressure to attract and retain employees, while labour has been scarce. **(IBISWorld 2022)**

Dental Services

Figure 1. Dental Services, Source: IBISWorld

"In contrast with other health services, the Dental Services industry is predominantly privately funded. While most individuals pay for dental check-ups and procedures with their own income, some use private health insurance extras cover to subsidise the cost. Therefore, patients with private health cover tend to be more willing to visit their dentist regularly and undergo expensive procedures. In 2018-19, private health insurance companies paid \$2.8 billion in dental benefits for 42.9 million out-of-hospital dental services, although numbers were lower at \$2.6 billion and 39.9 million services in 2019-20 due to the COVID-19 outbreak. A slight fall in private health insurance membership numbers over the past five years has constrained demand growth. Similarly, weak growth in household disposable incomes has also constrained demand, with many Australians opting to defer dental work due to cost." (IBISWorld, 2022)

Health Services

Figure 2. Health Services, Source: IBISWorld

"General hospitals are the subdivision's largest revenue driver, accounting over half of Australia's health services revenue. General practitioners (GPs), clinical specialists and dentists also represent significant revenue streams for the subdivision. Australia's growing and ageing population has supported demand for health services over the past five years. However, the COVID-19 pandemic has limited subdivision expansion, as health services have redirected resources to contain the virus. Consequently, subdivision revenue is expected to grow at an annualised 2.2% over the five years through 2022-23, to \$197.8 billion. The industry's growth rate has been constrained by limited demand for private health services due to the COVID-19 pandemic and ongoing supply disruptions, including state government mandated surgical restrictions and higher staff absenteeism due to isolation requirements. This trend includes an anticipated rise of 0.2% in the current year, with the increasing cost of living likely to lead to many Australians deferring non-essential healthcare services." (IBISWorld, 2022)

Dental Services

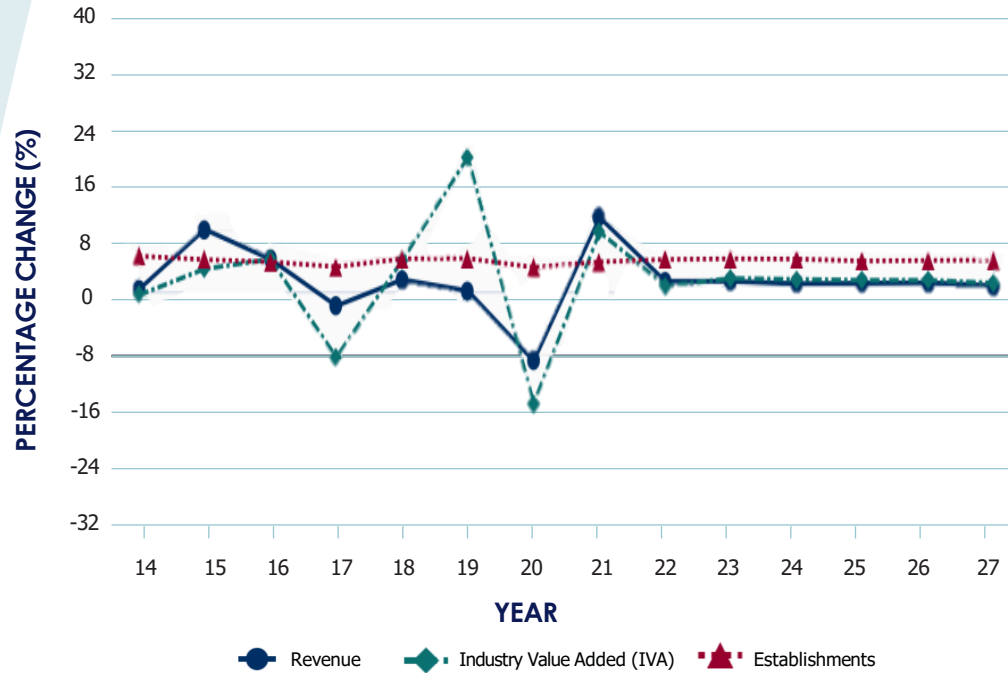


Figure 3. Dental Services Industry Performance, Source: IBISWorld

“Operators in the Dental Services industry have contended a series of challenges over the past five years, constraining industry growth. Challenges limiting industry demand have included weak growth in household disposable incomes and a slight fall in the number of individuals with private health insurance. These variables have contributed to sluggish revenue growth at 0.6% annualised over the five years through 2021-22. Growth rates are forecast to be a relatively stronger 1.4% in the current year, bringing industry revenue to an estimated \$10.6 billion.” (IBISWorld, 2022)

Health Services

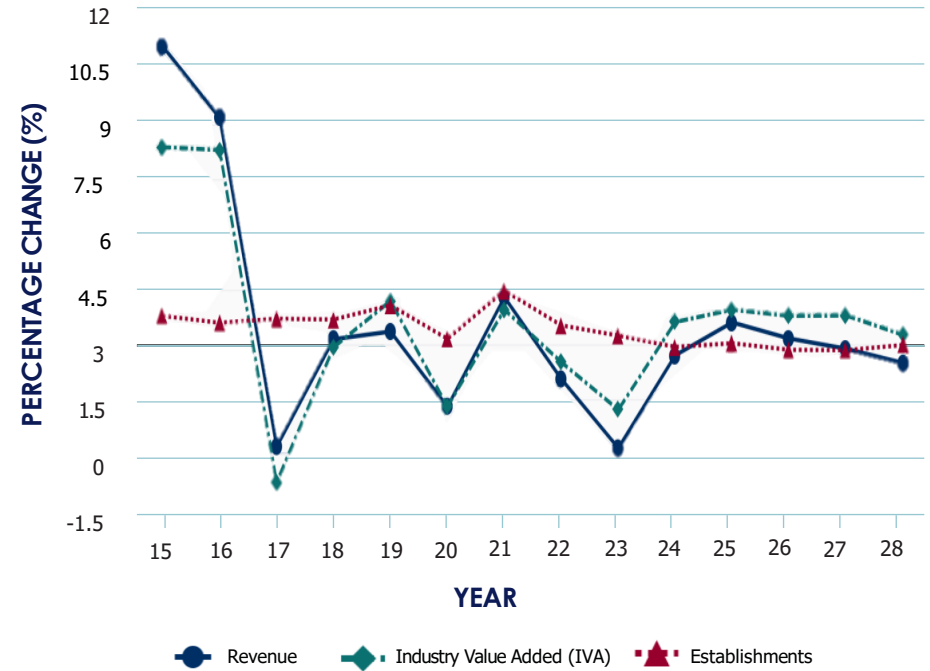


Figure 4. Health Services Industry Performance, Source: IBISWorld

“The Health Services subdivision encompasses a range of primary, secondary and tertiary healthcare industries. General hospitals account for over half of the subdivision’s revenue, with the remainder consisting of medical services, allied health services and other health services. The subdivision has grown over the past five years, due to Australia’s ageing population and expanding private health coverage. The ageing population has boosted demand for health services across sectors, prompting greater funding for Medicare and public hospitals. Subdivision employment is expected to rise at an annualised 3.1% over the five years through 2022-23.” (IBISWorld, 2022)

Dental Services

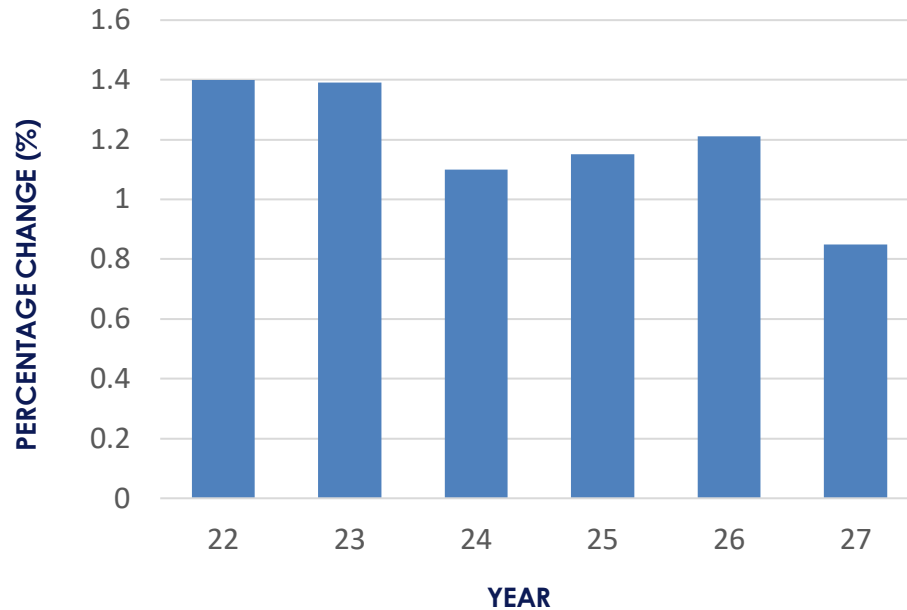


Figure 5. Dental Services Industry Outlook, Source: IBISWorld

"The Dental Services industry's performance is forecast to improve over the next five years, supported by a growing and ageing population and rising disposable incomes. The need for improved oral care over the longer term is also projected to increase demand for industry services over the period. Industry employment is forecast to grow over the next five years as more dental graduates enter the industry." (IBISWorld, 2022)

Health Services

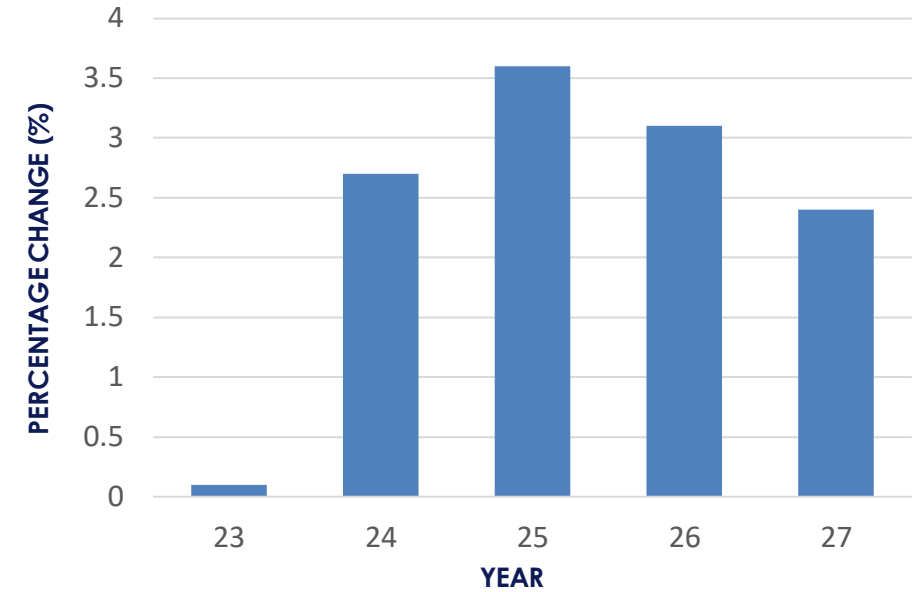


Figure 6. Health Services Industry Outlook, Source: IBISWorld

"The Health Services subdivision is forecast to continue growing over the next five years, due to Australia's ageing population, the increasing prevalence of many chronic diseases and rising private health insurance coverage. General hospitals are projected to account for much of the subdivision's growth due to increasing demand from the ageing population and rising chronic disease rates. Revenue for the Health Services subdivision is projected to increase at an annualised 3.0% over the five years through 2027-28, to \$228.8 billion." (IBISWorld, 2022)

Dental Services

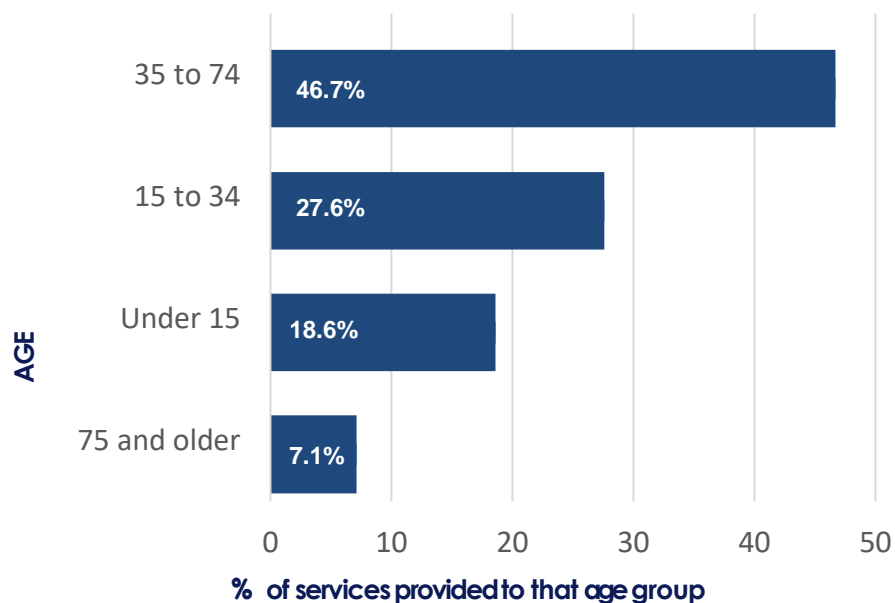


Figure 7. Dental Services Major Market Segmentation, Source: IBISWorld

"Consumers represent the market for the Dental Services industry, meaning the market can be segmented into different age groups. Children and adolescents are more likely to consult a dental professional than adults, while young adults are least likely to consult dentists. The industry's major markets are segmented according to each age group's number of dentist visits over the past 12 months." (IBISWorld 2022)

Health Services

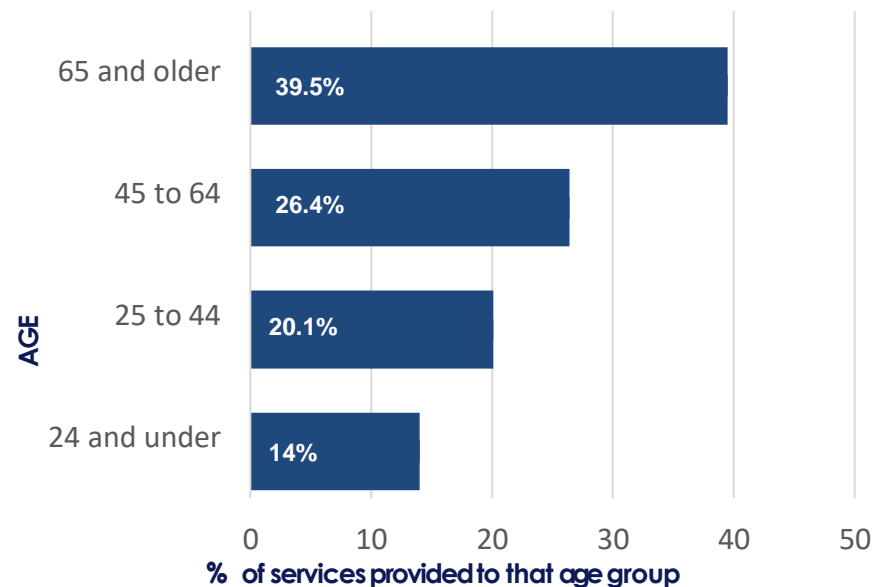


Figure 8. Health Services Major Market Segmentation, Source: IBISWorld

"Due to the ageing population, age-related illness strongly drives demand for health services. Health services usage can therefore be categorised by age group. Higher age brackets, particularly people aged 65 years and over, are overrepresented in many health services segments" (IBISWorld 2022)

Business Locations

Dental Services

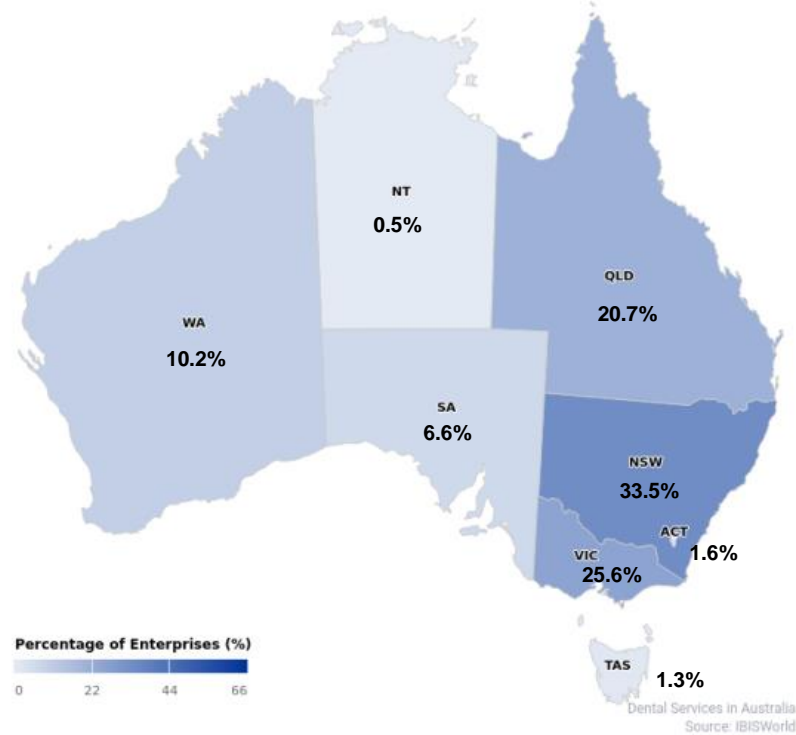


Figure 9. Dental Services Business Locations, Source: IBISWorld

"The Dental Services industry's geographic distribution is largely influenced by the spread and age profile of Australia's population and household income distribution. The extent of public dental services, which varies among jurisdictions, affects the demand for private dental services, and private activity distribution. Dental health standards in a jurisdiction also affects industry activity. Some dental practitioners are attracted to large cities for personal lifestyle reasons" (IBISWorld, 2022)

Health Services

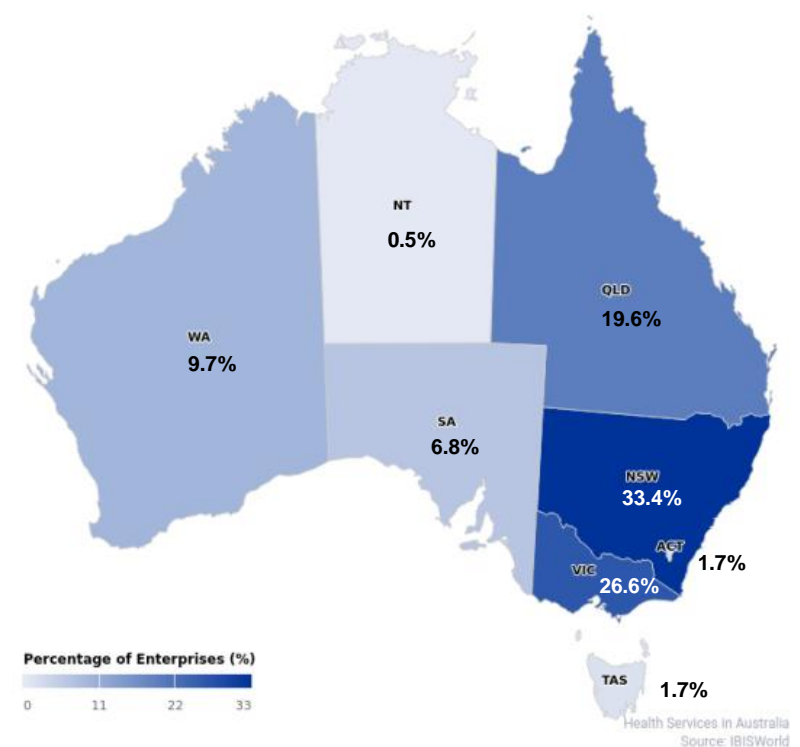
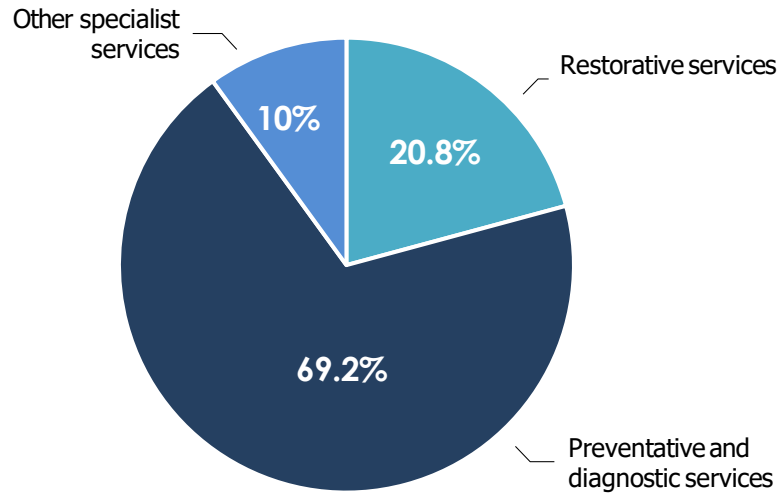


Figure 10. Health Services Business Locations, Source: IBISWorld

"The distribution of health service establishments broadly corresponds with the geographic spread of the national population and population density. Australia's two largest states, New South Wales and Victoria, are slightly overrepresented in terms of their share of the population. Of health service establishments, 33.4% are in New South Wales and 26.6% are in Victoria, with these two states accounting for 31.8% and 25.8% of Australia's population, respectively. These two major states have disproportionately fewer general hospitals, as population density lends itself to larger, more centralised hospitals rather than a higher number of hospitals. However, high population density leads to a greater number of smaller establishments, as these states have wider potential patient pools." (IBISWorld, 2022)

Dental Services

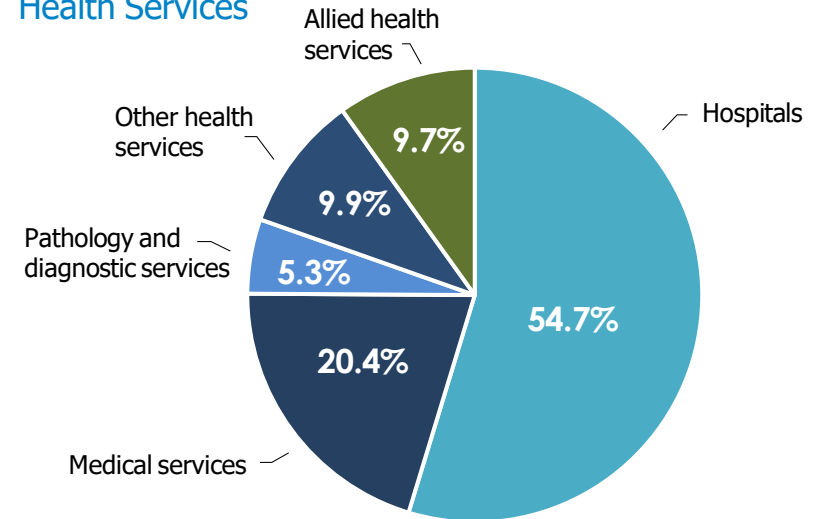


2022 Industry Revenue **\$10.6bn**

Figure 11. Dental Services Products and Services Segmentation, Source: IBISWorld

"Most operators in the Dental Services industry are general dental practitioners that predominantly provide preventative and diagnostic services. Individuals most commonly visit dentists for preventative and diagnostic services, which typically includes periodic oral examinations, radiography, teeth cleaning and sealant applications." (IBISWorld, 2022)

Health Services



2023 Industry Revenue **\$197.8bn**

Figure 12. Health Services Products and Services Segmentation, Source: IBISWorld

"Hospitals contribute over half of total health services revenue, with nonacute care practitioners, such as general practitioners (GPs) and clinical specialists accounting for a further one-fifth. Public hospitals perform a range of services, including inpatient care, outpatient care, emergency services, medical training and research." (IBISWorld, 2022)

Sector vs Dental Service Industry Costs

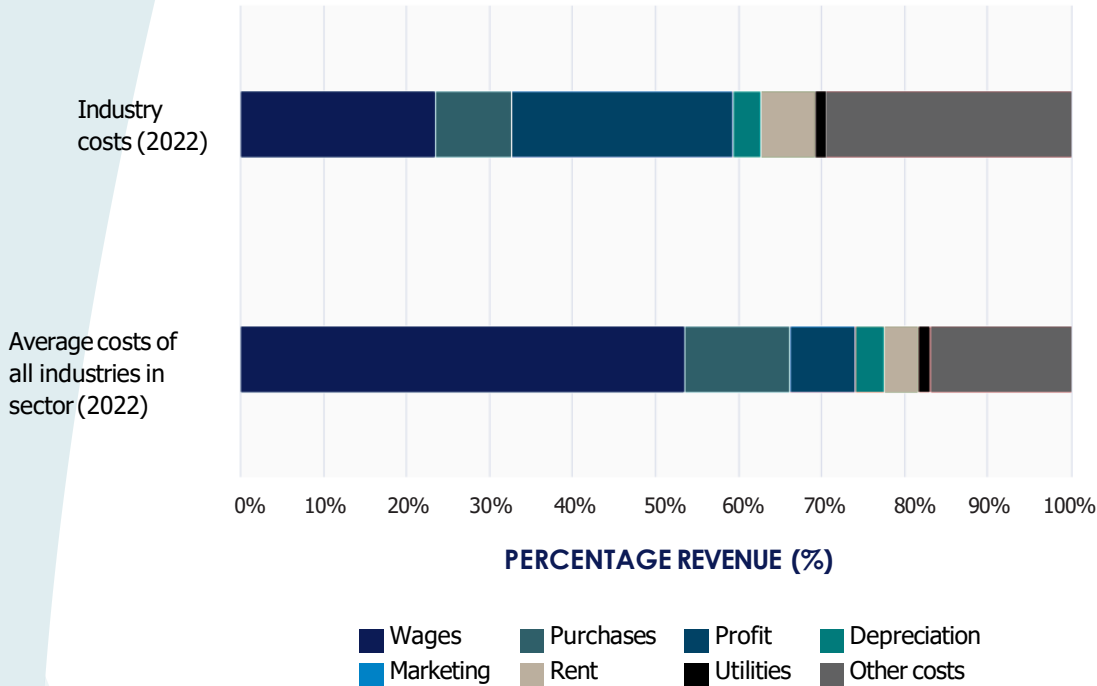


Figure 14. Sector vs Dental Industry Costs, Source: IBISWorld

"Profit margins in the industry are typically high. Many dental practices are run by one dentist who employs support staff, which means that many operators draw personal income directly from operating profit. Specialist dental practices tend to have higher profit margins than general dental practices. Profit has increased over the past five years, boosted by the influx of non-employing enterprises that rely on profit for personal income rather than wages." (IBISWorld, 2022)

Sector vs Health Service Industry Costs

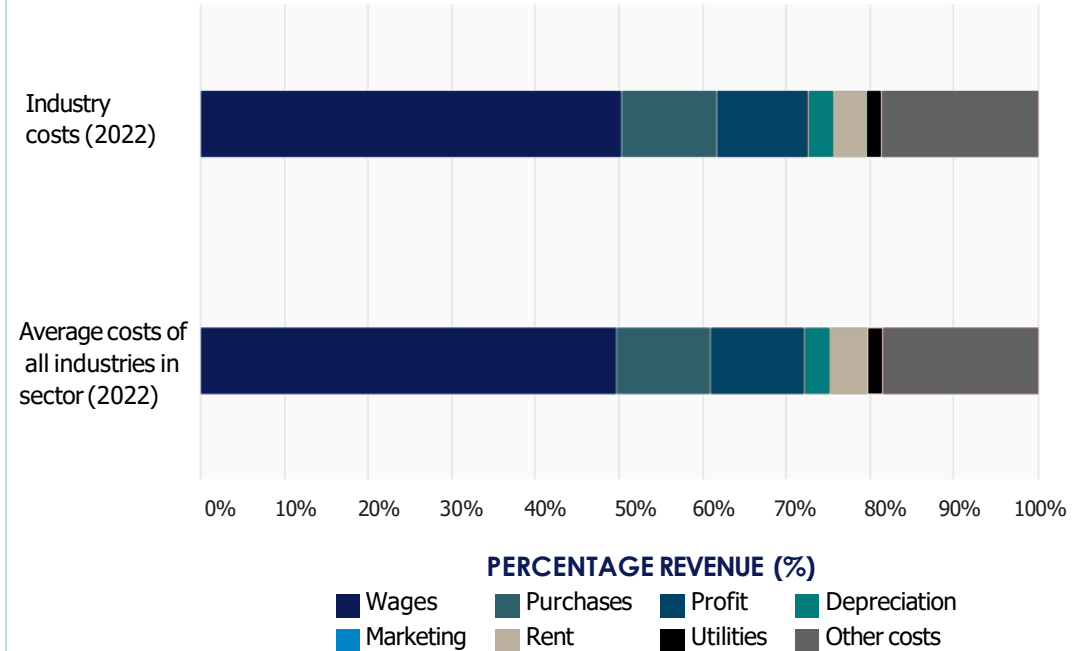


Figure 15. Sector vs Health Industry Costs, Source: IBISWorld

"Profit for the Health Services subdivision is the average of low margins from public hospitals and ambulance services, and high margins from owner-operators and private entities. Public hospitals are the largest players in the subdivision, but have no profit motive as they are funded by federal and state governments. Conversely, skilled owner-operators, such as general practitioners, specialists and dentists, operate with sizeable profit margins due to the high value-added nature of their work. Profit margins across the subdivision have varied on a yearly basis over the past five years, but have trended downwards overall" (IBISWorld, 2022)

"The first column in both images represent all industries within the health care and social assistance sector."

Dental Services

"The Dental Services industry typically displays low revenue volatility. While consumers may opt to delay elective procedures like implants or cosmetic dentistry procedures in response to reduced disposable income, many consumers will still visit their dentist for basic check-ups, reducing industry revenue volatility. Government-subsidised dental service programs for eligible children also serve to maintain a steady source of income for participating dentists.

However, the COVID-19 pandemic has increased industry volatility. Most dental practices temporarily closed in March and April 2020 following the implementation of level three restrictions, which limited the number of dental services industry operators were able to offer. With all routine examinations and treatments deferred, a sizeable proportion of dental practices closed, with a limited number remaining open to provide emergency treatments only. The subsequent fall in industry revenue for 2019-20 and recovery in 2020-21 has contributed to the industry's volatility." (IBISWorld, 2022)

Health Services

"The Health Services subdivision has exhibited low revenue volatility over the past five years. Demand for health services has grown at a largely consistent rate over the period. Australia's ageing population has increased demand for most health practitioners operating in the subdivision. Changes in price do not tend to affect demand for essential healthcare services, due to the prevalence of bulk billing services and the existence of Medicare safety nets.

While using health services to assist with health problems is generally a necessity, the presence of government funding tends to ensure that patients do not have to worry about the potential cost of treatment. It also means that consistent growth in demand leads to consistent growth in subdivision revenue. As demand growth is stemming from the ageing population, a rise in the instance of chronic and complex illnesses, and increasing private health insurance membership, subdivision revenue has grown consistently over the past five years. Following these trends, revenue volatility is anticipated to remain low over the next five years." (IBISWorld, 2022)

Dental Practitioners Registrant Data

Table 1.1 Dental practitioners – registration type by state or territory

Registration types	Registration subtypes	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	No PPP	Total
General		412	6,886	165	4,770	1,908	392	5,572	2,681	315	23,101
General and Non-practising			1		1	1					3
General and Specialist		45	524	5	355	155	25	452	198	41	1,800
Specialist		1	14		11	4	1	13	8	14	66
Limited	Postgraduate training or supervised practice		2		2	5		4	3		16
	Teaching or research		6		11	3		2	5		27
Non-practising		13	210	3	141	57	8	157	63	235	887
Total		471	7,643	173	5,291	2,133	426	6,200	2,958	605	25,900*

Table 7.2 Dental practitioners – percentage by gender

Gender	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	No PPP	Total
Female	60.7%	50.9%	55.5%	52.5%	60.9%	49.1%	54.8%	60.6%	47.8%	54.2%
Male	39.3%	49.1%	44.5%	47.5%	39.1%	50.9%	45.2%	39.4%	52.2%	45.8%
Not stated or Intersex or indeterminate		<0.1%								

Source: Dental Board of Australia (2022)

General Treatment

“At 30 June 2022, 14,260,742 people or 55.2% of the population had some form of general treatment cover. There was an increase of 74,215 people when compared to the March quarter. There was an increase of General Treatment policies of 44,761 for June 2022 which was mainly driven by Single Policies which increased by 28,567. For the 12 months to 30 June 2022, the number of insured persons with general treatment cover has increased by 308,486.

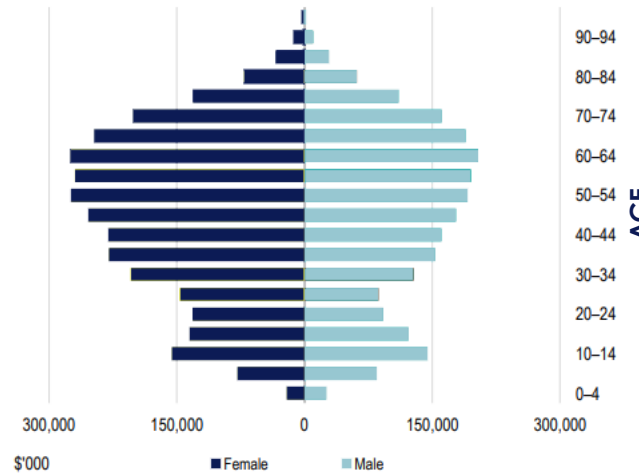
The general treatment (ancillary) by age charts and data in this report show data for those people that have general treatment policies covering ancillary services, regardless of other treatment included in the product. This excludes those general treatment policies that do not cover ancillary treatment.

There was an increase of 72,687 people with general treatment (ancillary) coverage in the June 2022 quarter. The largest net increase in coverage, after accounting for movements across age groups, was 30,097 for people in the 0 to 4 age group.” (APRA 2022)

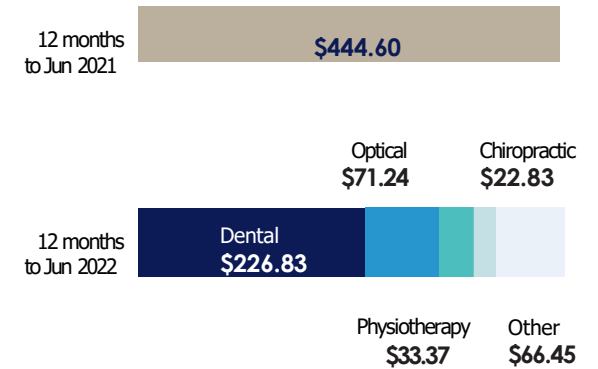
Benefits per service

Gender	June 2022	Change from March 2022
Dental	\$64	-5.1%
Chiropractic	\$34	-3.7%
Physiotherapy	\$39	-4.4%
Optical	\$79	-3.3%

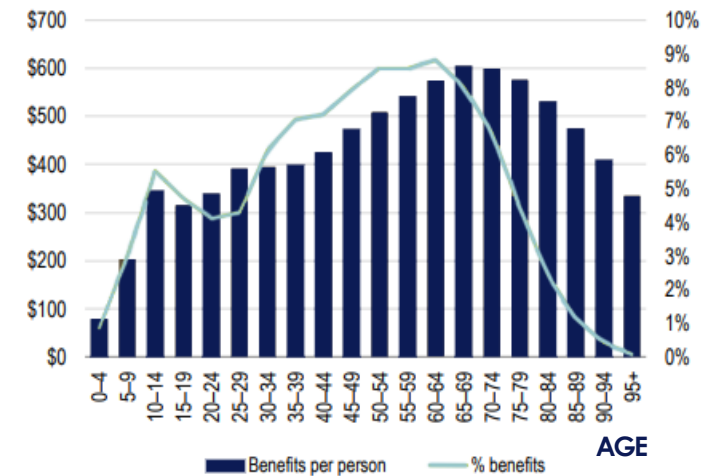
General treatment benefits paid by age 12 months to 30 June 2022 (ancillary)



General treatment benefits per person (ancillary)



General treatment benefits per person covered and percentage of benefits paid by age cohort (ancillary)



Source: Australian Prudential Regulation Authority

Service Utilisation

Episodes/Services by type

	June 2022	Changes from March 2022
Hospital Episodes	1,134,177	12.9%
Hospital Days	2,860,248	12.1%
Medical Services	9,354,076	16.5%
Prostheses Items	828,284	19.9%
- Specialist Orthopaedic	149,743	20.3%
- Ophthalmic	100,392	29.2%
- Spinal	55,376	21.0%
General Treatment	23,679,307	1.1%
- Dental	11,817,651	5.3%
- Chiropractic	2,253,432	-0.1%
- Physiotherapy	2,815,666	2.3%
- Optical	2,667,130	-14.5%

“During the June 2022 quarter, insurers paid benefits for 2.86 million days in hospital, arising from 1.13 million hospital episodes of care.” (APRA 2022)

“Hospital utilisation is distributed over four categories of hospital—public, private, day only facilities and hospital-substitute. During the June 2022 quarter, hospital episodes were distributed as follows:

- public hospitals 160,477 episodes
- private hospitals 752,452 episodes
- day hospital facilities 161,373 episodes
- hospital substitute 59,875 episodes.

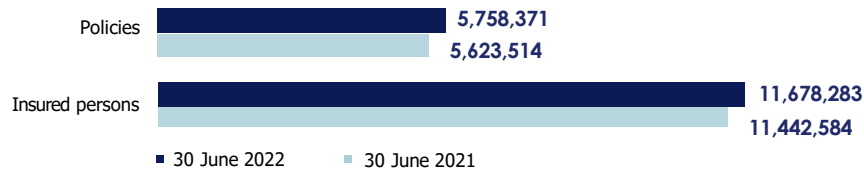
	Quarter change	Year change
Public hospitals	6.3%	-4.7%
Private hospitals	13.4%	-1.6%
Day hospital facilities	14.6%	2.2%
Hospital substitute	21.3%	15.7%

Day-only episodes in the four categories of hospital totalled 790,842, with a 13.4% change compared to March 2022.” (APRA 2022)

Source: Australian Prudential Regulation Authority

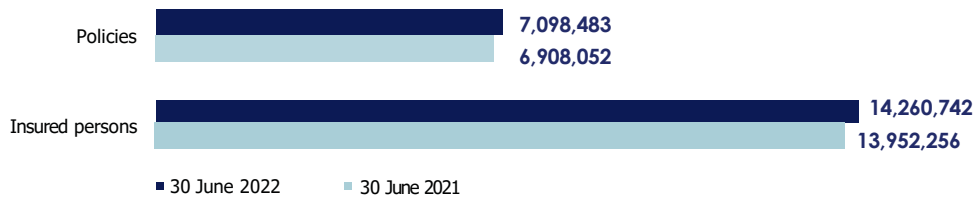
Key Metrics

Hospital treatment membership



▲ **45.2%** of population at 30 June 2022
▲ **0.2%** percentage points from 31 Mar 2022
▲ **57,244** insured persons over the quarter

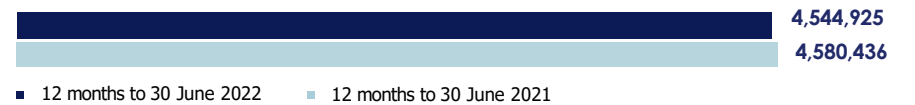
General treatment membership



▲ **55.2%** of population at 30 June 2022
▲ **0.2%** percentage points from 31 Mar 2022
▲ **74,215** insured persons over the quarter

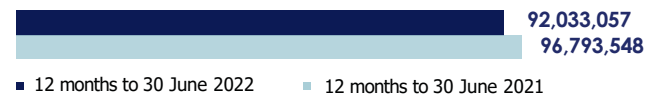
Hospital treatment episodes

▼ **0.8%** over the 12 months to June 2022
▲ **12.9%** compared to the March 2022 quarter



General treatment services (ancillary)

▼ **-4.9%** over the 12 months to June 2022
▲ **1.1%** compared to the March 2022 quarter

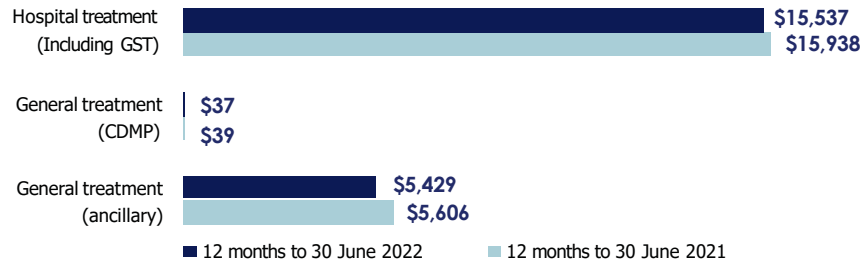


Source: Australian Prudential Regulation Authority

Key Metrics

Benefits

(millions)



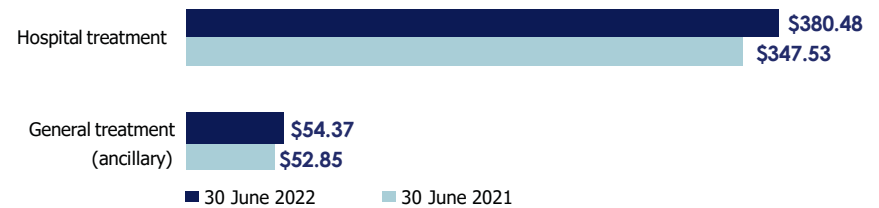
▼ **-2.5%** over the 12 months to June 2022
▼ **-6.9%** compared to the June 2021 quarter

▼ **-3.2%** over the 12 months to June 2022
▲ **1.8%** compared to the June 2021 quarter

Out-of-pocket per episode/service

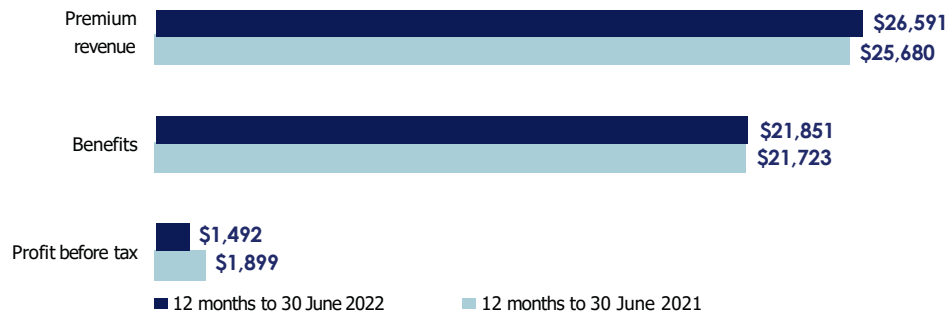
▲ **9.5%** over the 12 months to June 2022

▲ **2.9%** over the 12 months to June 2022



Financial

(millions)



▲ **3.5%** over the 12 months to June 2022

▲ **0.6%** over the 12 months to June 2022

▼ **-21.4%** over the 12 months to June 2022

Source: Australian Prudential Regulation Authority

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Industry Association



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