



TRENDS IN DENTAL CARE EXPENDITURE

Like the health system generally, the organisation and delivery of dental care in Australia is characterised by the involvement of Commonwealth, State and Territory, and local governments. Unlike the health system though, dental care in Australia is largely financed by individual out-of-pocket expenses, with direct payments and subsidies by various levels of government making up the balance of expenditure. Expenditure on oral health ranks seventh highest among the disease groups that account for the greatest level of health expenditure in Australia.¹

As Table 1 shows, expenditure on dental services in Australia in 2002-03 was \$4.37 billion – the equivalent of 6.06% of total health expenditure. This has grown from \$1.71 billion in 1992-93 when dental services expenditure was the equivalent of 4.9% of total health expenditure.

Table 1: Dental services expenditure as percentage of total health expenditure: Australia, 1992-1993 to 2002-2003

	Total health expenditure (\$ million)	Dental services expenditure (\$ million)	Dental services expenditure as % of total health expenditure
1992-93	34,910	1,709	4.90%
1993-94	36,495	1,831	5.02%
1994-95	38,898	1,943	5.00%
1995-96	41,308	2,373	5.74%
1996-97	44,279	2,551	5.76%
1997-98	47,030	2,591	5.51%
1998-99	44,279	2,566	5.03%
1999-00	51,011	2,882	5.20%
2000-01	55,427	3,448	5.59%
2001-02	61,660	4,085	6.14%
2002-03	72,182	4,374	6.06%

Source: Australian Institute of Health and Welfare, 'Health Expenditure Australia', Various Years.

While expenditure on dental care has steadily grown over the past decade, there has been a considerable change in the mix of expenditure, as highlighted by Figure 1.

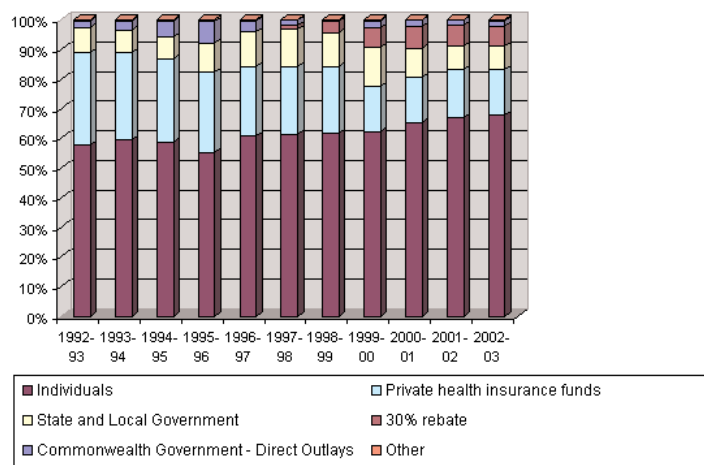
Some of the key changes in dental expenditure shown in Figure 1 include:

- The Commonwealth Government's share of dental expenditure as a proportion of total dental expenditure has fallen from 2.22% in 1992-93 to 1.78% in 2002-03. Expenditure by the Commonwealth peaked at

7.31% in 1995-96, the year before the Commonwealth Dental Health Program ceased.

- Indirect expenditure by the Commonwealth Government, through the 30% rebate for private health insurance, accounted for 6.81% of total dental expenditure in 2002-03.
- Expenditure by State and Territory, and local governments was 7.82% of total dental expenditure in 2002-03. This is a fall from its peak in 1999-2000 when expenditure was 12.94% of total dental expenditure.
- Dental expenditure by private health insurance funds has fallen from 31.3% in 1992-93 to 15.54% in 2002-03.
- Expenditure by individuals has risen from 57.58% in 1992-93 to 67.73% in 2002-03.

Figure 1: Dental Expenditure by Source as % of Total Dental Expenditure: 1992-93 to 2002-03



Source: Australian Institute of Health and Welfare, 'Health Expenditure Australia', Various Years.

Over the past decade expenditure on dental care by governments and private health insurance funds has fallen, leading to a rise in the share of expenditure by individuals. This has come at a time when the oral health of the adult population has become increasingly polarised² and waiting lists for adult public dental services have increased.³



AUSTRALIAN DENTAL ASSOCIATION INC.

References

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 2. Spencer, A.J. (2004) *Narrowing the Inequality Gap in Oral Health and Dental Care in Australia*, Australian Health Policy Institute, Commissioned paper Series 2004, The University of Sydney.
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