

Media Release

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Private Healthcare Australia
Better Cover. Better Access. Better Care.

Draining superannuation for dental care is driving up costs for all Australians

Allowing thousands of Australians to drain their superannuation for dental care is driving up the cost of dentistry for all consumers and should be stopped, the peak body for health funds says.

The trend is also lining the pockets of dentists and unscrupulous agencies that assist people to access their super for everything from hair transplants to cosmetic procedures. These agencies charge a fee for navigating the paperwork, which most people can do themselves.

Private Healthcare Australia is calling for the Government to tighten rules for early access to superannuation so people can only use it for terminal and life threatening medical conditions.

PHA CEO Dr Rachel David said Australian Taxation Office data shows 13,540 Australians were permitted to withdraw \$313.4 million from their superannuation for dental treatment last year – a 372% increase from \$66.4 million five years ago. The average amount approved per person was \$23,146.

Over the same period, Australian Prudential Regulation Authority data shows out of pocket fees for dentistry have surged for the 53% of Australians with dental cover, adding to cost of living woes.

“We are very concerned about growing reports of dentists encouraging their patients to access their superannuation for dental care. It is a clear conflict of interest when the dentist can profit from it,” she said.

“This is robbing people of their retirement savings and it is driving up the cost of dental care for all Australians. We know an increasing number of people cannot afford to go to the dentist. We need to address why this is the case rather than creating another problem for the future”.

“I’m sure some people are accessing their super for treatments that will improve their quality of life in the short term, but raiding superannuation will arguably reduce their quality of life for many years to come, and it will cost taxpayers more to support them in future.”

“If a 40-year-old withdraws \$20,000 from their superannuation today, they are likely to be at least \$100,000 poorer when they reach retirement.”

To put downward pressure on dental costs, we need:

- an independent website for dentists’ fees so consumers can shop around; and
- mandatory price displays for individual clinics, with fees for common services published on their websites and windows.

PHA also recommends the Federal Government tighten rules for early access to superannuation for medical treatment by restricting it to terminal and life-threatening conditions.

Private Healthcare Australia is the peak representative body for Australia’s private health insurance industry. PHA represents 21 Australian health funds. 14.8 million Australians (55% of the population) have private health insurance.

Media contact: Jen Eddy
M: 0439 240 755

Private Healthcare Australia
Suite 7, Level 36
1 Farrer Place
SYDNEY NSW 2000

T: (+61) 2 6202 1000
E: admin@pha.org.au
www.privatehealthcareaustralia.org.au
X: @PHA_Healthcare

Until this can be achieved the government should:

- require more than one quote for the cost of treatment before access is granted;
- insist a patient receive a second independent medical opinion from someone other than the treating practitioner and the patient's general practitioner;
- ensure health professionals are not providing financial advice to their own patients, including distributing materials promoting early access to super in their rooms or online;
- only allowing release of funds based on reasonable fees which can be judged by Medicare benefits and private health insurance rebates; and
- ensure informed financial consent includes explaining the lost value of funds at retirement age.

Dr David said: "The benefits of compulsory superannuation in providing a retirement income for millions of Australians are significant. The Government must consider what egregious billing is doing to all Australian consumers trying to access healthcare during a cost-of-living crisis."

In 2023, health funds collectively paid a record \$3.36 billion for members' dental treatments - 17% more than 2019. This covered nearly 51 million dental services.

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