



By Kia Pajouhesh

# Explosive uplift in Australians tapping into their super for dental treatment

**"You have tapped the retirement savings of the most vulnerable for procedures with a life expectancy of 10 to 15 years. Take a good look at yourselves, you are about to cause the demise of yet another good public health initiative!"**

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ustralian Tax Office data released on 23 February 2023 has revealed that, in the 2022 financial year, over \$171 million of retirement savings was used to pay for dental treatment. Extraordinarily, this figure doubles the FY21 figures and quadruples those for the pre-COVID FY19. We're 8 months into FY23 and I suspect the FY22 figures will be easily surpassed, if not doubled again, without immediate curtailing by the Federal Government.

Financial Services Minister Stephen Jones accused some service providers of "unconscionable behaviour". "They are encouraging, and even pressuring, patients to tap into their super for what might be termed life-enhancing procedures like cosmetic surgery," he said. "There are business models set up to game the system. This is deeply troubling, and I am calling this out."

I have no doubt that legislation originally intended to allow early access to super by people experiencing severe suffering was drafted in good faith.

I advocate for this policy to remain largely intact, but I call on the unscrupulous operators to take a good look at themselves. *Déjà vu*: the Chronic Disease Dental Scheme (CDDS) was another great public health initiative flushed down the toilet, so to speak, by the many unscrupulous operators who gamed that system and the few who defrauded it outright.

One may pose the question, "With this track record, how can dentists ever be trusted with a Medicare-funded national scheme?"

I'd like to benchmark the Smile Solutions group against the figures just released by the Australian Tax Office.

The FY22 retirement savings of \$171.3 million was accessed for dental services by 8020 individuals. That averages a staggering \$21,359 per patient.

Within the Smile Solutions group, where more than 200,000 patients were seen in that financial year, a total of only 4 patients were assisted with early super access, for a total sum of \$28,585 at an average of \$7,146 per patient - a mere third of the national average.

This huge discrepancy in the average spend per patient may go some way towards explaining why my practice is seeing an alarmingly increasing number of new clients who have accessed their super for a mouthful of cosmetic dental veneers and crowns from other providers. As dentists, we know and understand that people experiencing extreme suffering can have that suffering alleviated with reasonable treatment plans at reasonable pricing. An average spend of \$21,359 per patient is simply not reasonable.

Here is my personal message to clinicians practising in Australian dental clinics "set up to game the system":

*You may have provided wholesale cosmetic and restorative dentistry at an average ticket price of \$21,000 and tapped the retirement savings of the most vulnerable in our community, for procedures with a life expectancy of 10 to 15 years. Please take a good look at yourselves, because you are about to cause the demise of yet another good public health initiative! Also spare*

*a thought for your future selves, who in 10 to 15 years will have to face your patients needing much of your cosmetic treatment redone, having exhausted its lifespan, but who simply can't afford to pay. Another round of early access super will no longer be government policy, because your past selves abused the system. Finally, accustom yourself to the notion of compound interest, especially when it relates to the super drain you encouraged, or pushed upon your younger patients, since \$21,000 today may have a profound effect on their retirement nest egg, for a set of porcelain veneers long forgotten and a decision long regretted.*

"Unconscionable behaviour" is a powerful accusation made by the Federal Minister and I call upon him to validate his allegations, audit the FY22 cases and smoke out the unscrupulous operators - *before* meting out collective punishment for the deplorable actions of a few.

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## About the author

*Dr Kia Pajouhesh, a University of Melbourne graduate, established Smile Solutions in 1993. Situated in the heart of Melbourne's CBD and incorporating the Collins Street Specialist Centre, Smile Solutions is the largest singly located dental practice in Australia engaging over 80 clinicians, including 20 board registered specialists. Together with his Core Dental chain of practices, he controls over 100 chairs across Melbourne, with a combined patient base of 350,000.*