



**AUSTRALIAN DENTAL
ASSOCIATION INC.**

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Mutual Recognition Schemes
Productivity Commission
LB 2, Collins St East
MELBOURNE Vic 8003

Dear Sir/Madam,

The Australian Dental Association (ADA) thanks the Productivity Commission for providing it with the opportunity to comment on the operation of the Trans-Tasman Mutual Recognition Agreement (TTMRA). The operation of this Agreement has been something that the ADA has been in dialogue with government about for some time.

ABOUT THE AUSTRALIAN DENTAL ASSOCIATION

The Australian Dental Association Inc. (ADA) is the peak national professional body representing the vast majority of Australia's 15,000 registered dentists as well as more than 3,000 dentist students. ADA members work in both the public and private sectors.

The primary objectives of the ADA are to encourage the improvement of the oral and general health of the public; to advance and promote the ethics, art and science of dentistry and to support members of the Association in enhancing their ability to provide safe, high quality professional oral healthcare.

There are ADA Branches in all states and territories other than in the Australian Capital Territory. Membership by individual dentists of ADA Branches confers automatic membership of the ADA. Further information on the activities of the ADA and its Branches can be found at www.ada.org.au.

TERMS OF REFERENCE

This submission of the ADA will primarily focus upon the second point of the Terms of Reference namely:

- b. recommend ways to further improve the inter-jurisdictional movement of goods and skilled workers, and reduce red tape, including examining the scope for automatic mutual recognition where applicable.*

The submission will also focus upon question 26 of the Productivity Commission's Issues paper:

- 26. How well does mutual recognition between Australia and New Zealand work for health professionals other than doctors?*

The submission will address this issue in the current climate of the Australian dental workforce. In this context the TTMRA currently provides:

“a person registered to practise an occupation in Australia is entitled to practise an equivalent occupation in New Zealand, and vice versa, without the need for further testing or examination.”

While a special relationship with one of our closest neighbours may provide advantages, there are occasions when the necessity for this close relationship has to be tempered to enable it to meet a particular situation that exists in one or both of the countries that are parties to the agreement.

The ADA recommends that if the TTMRA is to remain in effect there has to be incorporated into the Scheme an element of flexibility that will allow it to address situations that arise in either jurisdiction where continuation of the terms of the Agreement would be significantly detrimental for one or both parties to the agreement. The degree of flexibility may range from modification as to whom the Agreement applies, to temporary total suspension of the Agreement.

As will be demonstrated below, the Australian dental workforce greatly exceeds the demand for that workforce and the maintenance of full provisions of the TTMRA which allows the free flow of all dental practitioners between countries is exacerbating the situation. Continuing to allow all New Zealand dental professionals the ability to register as practitioners in Australia is adversely impacting on the ability of Australian dental practitioners to find adequate employment.

Currently the only occupation exempt from the TTMRA is that of medical practitioners. Medical practitioners with primary medical qualifications obtained in New Zealand are automatically granted general registration in Australia and vice-versa under separate arrangements. Overseas trained medical practitioners are not mutually recognised.

The ADA provides the following background:

RESEARCH INTO DENTAL WORKFORCE IN AUSTRALIA

In dentistry there are various classifications of registered dental professionals. These include dentists, dental hygienists, dental therapists, oral health therapists and dental prosthetists (the dental workforce). All are required to be registered with the Dental Board of Australia. Dental hygienists, dental therapists, oral health therapists and dental prosthetists will be referred to as allied dental practitioners in this submission.

The ADA has commissioned a suite of research to ascertain the size of the registered dental workforce that will be required to meet the future demand for dental services in Australia. This research has revealed that current and future dental workforce supply exceeds demand. The various research papers from Insight Economics are attached or can be accessed at: <http://www.ada.org.au/publications/dwreview.aspx>.

The clear conclusion to be reached from the analyses undertaken in this research is that the supply of dental practitioners exceeds the demand for dental services and that there is a long-term oversupply of practitioners.

This same conclusion has been reached in the recently published Health Workforce Australia (HWA) Report.¹ In a very detailed evaluation of the demand/ supply for dentists and allied dental practitioners, the report concluded that in the case of all dental practitioners, their supply is projected to exceed demand across the entire projection period i.e. from the present to 2025.²

RECENT DEVELOPMENTS WITH NEW ZEALAND ACCREDITATION PROCESSES

The Australian Dental Council (ADC) is the body assigned by the Dental Board of Australia (DBA) to assess and examine overseas dental practitioners seeking registration in Australia. ADC candidates who are successful can then be registered by the DBA under the auspices of the Australian Health Practitioners Regulation Agency (AHPRA).

Up until recently the ADC and its equivalent body in New Zealand (Dental Council of New Zealand- (DCNZ)) worked closely together to ensure that assessment and examination processes were the same. Joint activities were undertaken to ensure this compatibility. Therefore overseas dentists seeking registration in either country would be dealt with on identical criteria.

Advice received very recently has indicated that the DCNZ has now chosen to adopt a different path. The DCNZ will now be closely aligning itself with the examination processes created by Canadian authorities rather than that of the ADC. This change in approach by DCNZ creates the potential that the calibre of overseas trained dental practitioners obtaining registration in each country will no longer be the same. This lack of an equivalent evaluation process means those overseas practitioners seeking registration in either country will not be equivalent to the other. The creation of this difference necessitates that such registrants be no longer eligible under the TTMRA.

CURRENT DENTIST WORKFORCE SITUATION

The research undertaken by both Insight Economics and that published by HWA leads the ADA to conclude that Australia needs approximately 460 new domestic dentist graduates each year to meet demand.

In recent years with the increase in the number of Dental Schools that exist in Australia the number of Australian domestic dentist graduates has increased markedly.

2007	2008	2009	2010	2011	2012	2013	2014
193	349	469	428	428	478	581*	>620*

Table 1: Award Course Completions, Department of Innovation 2007–2012.

*Data from 2013 provided by Australasian Council of Dental Schools

¹ Health Workforce Australia 2014: Australia's Future Health Workforce – Oral Health – Detailed Report August 2014

² Ibid Pages 10,11 and 12.

In addition to domestic student numbers, there are increasing numbers of international students graduating each year. Australia has proven to be a very popular destination for international dental students. Current legislation allows international students, holders of visa subclass 485, to obtain a visa and remain and work in Australia for between two and four years following completion of their degree. This has made it even more competitive for domestic graduates to obtain full-time work. The Australasian Council of Dental Schools estimated that an additional 114 international students will have graduated in 2014.

Compounding this is the significant increase in the number of overseas qualified dentists entering under temporary and permanent migration pathways. Australia is a popular destination for overseas qualified dentists. According to the Australian Workforce and Productivity Agency (whose functions have been transferred to the Australian Government's Department of Industry), in 2011–12 around 307 dentists were granted visas to enter and work in Australia (137 permanent independent migrant and 170 temporary 457 employer-sponsored).

Dentists from the UK, Ireland and Canada can enter the country and work without limitations. Exact figures on the number of dentists from these countries are not available but are expected to be captured in the figures listed above.

Dentists with qualifications gained elsewhere must be assessed by the Australian Dental Council (ADC). The number of overseas qualified dentists taking and passing the examinations and assessments of the ADC has grown significantly over the last decade. In the five years between 2000 and 2004 there were on average around 50 dentists per year who completed the ADC assessment process. In 2013 the number had increased to 230.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
51	52	37	48	61	110	158	156	171	204	242	215	263	230

Table 2 ADC Completions

Therefore, in Australia in 2014 we have 620 new Australian graduates; 114 overseas graduates allowed to practise, an unknown number of overseas qualified dentists receiving automatic registration and 230 potential ADC graduates. This is a potential workforce of dentists in excess of 864 new entrants to meet the need for 460 entrants.

The extent to which New Zealand dentists are entering the Australian workforce is not precisely known. Details have been sought from the Dental Board of Australia but no information has been provided at this time. When available it will be provided to the Review.

Informal discussions with the New Zealand Dental Association (NZDA) conducted mid 2014 have indicated that almost half the New Zealand dentist graduates each year apply for registration in Australia under the TTMRA. This occurs as NZ has a more than adequate dentist workforce to cope with its own population. The NZDA has expressed the view that the Australian dental workforce situation is such that with the clear oversupply present here, there will be reluctance for NZ graduates or NZ dentists to move to Australia. The impact will be that there will be a corresponding further oversupply in NZ.

GENERAL DENTAL WORKFORCE

As well as increasing numbers of dentists, Australia now has a growing number of allied dental practitioners (dental hygienists, dental therapists and oral health therapists). These registered practitioners are able to perform dental services that are within their scope of practice as identified by the Australian Health Practitioners Regulation Agency. As allied dental practitioners work under the supervision of a dentist and carry out treatments that dentists also perform, any growth in that sector of the dental profession will mean that the pool of practitioners who can perform services will only further increase. It will mean that it will become even more difficult for all practitioners (dentists and allied dental practitioners) to obtain work due to the limited job opportunities available.

Table 3 shows this growth over time.

Registration category	2006	2009	2012	June 2014*
Dental hygienist	784	1067	1216	1298
Dental therapist	1380	1412	1162	1093
Dental hygienist and dental therapist	N/A	N/A	514	493
Oral health therapist	410	663	614	963
Total	2574	3142	3506	3847

Table 3: Allied dental practitioners registration data
Source: AIHW Dental Workforce 2012 and *Dental Board of Australia Quarterly Statistics June 2014

These classes of practitioners will therefore be similarly exposed to the risk that through the TTMR their employability will be adversely impacted upon by NZ trained professionals of equal status seeking to be registered and work here.

THE CURRENT IMPACT

This dental workforce oversupply has a number of impacts on current dentist graduates, current dentist workforce, future dentist students, the profession and fees for dental services:

1. Large drop in dentist graduates obtaining full time employment

A dentist qualification may take from between five to seven years to complete, depending upon the type of programme undertaken. A dentist qualification provides the graduate with a well-defined skill set. These skills do not translate to any other sphere of employment opportunity.

This means that a graduate either seeks to practise dentistry or, in the case where oversupply prevents them from obtaining meaningful employment, seek a whole new different career. A different career will most likely require another 3–4 year minimum course of study. There are no

options that the ADA can identify that provide any alternate employment pathway to another career for the dentist graduate.

Up until 2011, it was reported through the Graduate Careers Survey that almost 95% of newly qualified dentists were in full-time employment four months after graduation. In 2012, this figure fell to less than 84% and continued to drop in the 2013 survey. The Graduate Careers Survey findings support the views of the ADA and its members.

A recent survey undertaken by the ADA showed that 61% of graduating dentists encountered difficulty in obtaining work. Twenty-eight per cent were working less than 24 hours per week because they were unable to obtain any additional hours.

The ADA hosts a free job posting portal for its members. Analysis of the jobs advertised over the last few years indicate an increase in the number of part-time positions and fewer full-time opportunities.

Advertised vacant positions, even in rural locations, are attracting large numbers of applications.

2. Caliber of the dental profession

Currently dentist courses attract a high caliber candidate for enrolment. The continued use of the demand model for tertiary dentist courses as adopted by government throughout this prolonged period of dentist oversupply will likely deter high caliber candidates from pursuing that degree due to poor employment prospects.

This would result in a lower caliber candidate entering the course and graduating. In all spheres of professional practice, it is the leaders that dictate the level of performance of the profession. High caliber graduates will enhance the development and research capabilities of the profession. If they are not part of the profession, research and development will suffer as will the high skill levels that currently exist. The community will suffer as a result.

3. Increased fees for dental services

The ADA recognises that in a balanced perfect economy, where demand for dental services exists with shortages in supply of dentists, the impact may be to increase the price of dental services. If supply of dentists exceeds demand for services then economic theory suggests prices will decrease in the market. This theory suggests having excess supply will have a favourable outcome for consumers.

However, dentistry is not performed in such an economic market setting. Factors such as the role of private health insurers and government schemes, which help fund dental services, create an economic environment that causes the standard supply and demand theory to no longer work in this pure fashion. These contributors in themselves significantly influence the price of services regardless of supply of dentists or demand for services.

It is the ADA's opinion that this impact on prices will be lost where supply exceeds demand by more than 15%. When supply exceeds demand by more than this amount, in the case of dental services and most capital intensive professional labour service delivery models, the tendency will be for prices to potentially increase. This is because the provider has a level of overhead that will need to

be covered. The supplier of the services will seek to meet the cost of the overhead and achieve resultant profit by either providing services that may exceed real need or alternatively (and more likely) increase prices for the services provided. The ADA hopes professional ethics will limit the first but the second is not so constrained.

The current and sustained oversupply of dentist graduates creates a market not in equilibrium and one that will have an adverse impact on consumers through increased prices.

RECOMMENDATIONS

As stated earlier, while a special relationship with one of our closest neighbours may provide advantages, there are occasions when the necessity for this close relationship has to be tempered to meet a situation that exists in one of the countries the party to the agreement.

The current chronic oversupply of dental practitioners requires drastic action to at least enhance the prospects of Australian graduate dentists and dentists to find work and conduct viable practices.

The ADA makes the following recommendations in light of the circumstances outlined:

1. With recent changes to the accrediting processes implemented by the DCNZ for overseas trained dental practitioners, the TTMRA exclude from eligibility those dental practitioners that have been accredited by the DCNZ since the date of change to the new accreditation model which is now aligning its accreditation standards with bodies other than the ADC;
2. Immediate modification to the TTMRA to provide that in the case of dental practitioners, only dentists and allied dental practitioners with primary dental qualifications obtained in New Zealand and Australia be permitted automatic registration under the TTMRA. Dental practitioners trained in countries other than Australia and New Zealand should be exempted from mutual recognition under the TTMRA;
3. With the current and long-term supply of dental practitioners dramatically exceeding the demand for services, the ADA recommends later refinement to the TTMRA by the temporary exclusion of all dental practitioners from the provisions of the TTMRA;
4. A two yearly review of the dental workforce be undertaken to determine if workforce supply and demand has varied to such an extent that the TTMRA be re-instated for dental practitioners;

While outside the precise Terms of Reference, the ADA would further recommend that the situation facing Australian dentist/dental graduates and the profession is so dire that the Commission should also consider recommending:

5. Limitations on the number of Commonwealth Supported Places made available in dental programmes;
6. Agreement that no new programmes or schools be funded;
7. A repeal of the legislation allowing international students to remain and work in Australia following completion of their course; and
8. Removal of the occupations of dentist/dental specialist from the Skilled Occupation List.

Yours faithfully,

Dr Rick Olive AM RFD
President