Whether it be transport, housing, entertainment or food, the cost of living is at the forefront of everyone’s mind. This report is the seventh instalment of a monthly series that aims to compare the prices of everyday essentials.

RACQ has commissioned this research from Deloitte Access Economics. As Queensland’s peak motoring body, RACQ will use the data to advocate for its 1.6 million members. This may involve questioning discrepancies in cost or celebrating fair prices.

The seventh report in this series focuses on health; investigating the cost of health insurance, gym memberships and dental check-ups. Consumer spending on these aspects of health is considerable; however, there are many ways to manage these costs.

RACQ hopes to better educate Queenslanders through this research, allowing families to recognise where they must allocate funds. The research will be made publically available on RACQ’s website so that Queenslanders can access the information most relevant to them and their every day expenses.
Contents

AN APPLE A DAY... 4
SPECIALIST SERVICES 5
HEALTH INSURANCE 6
GYM MEMBERSHIPS 8
DENTAL 11
In this report we consider the cost of maintaining our health in Queensland. We investigate the cost of health insurance, gym memberships and dental check-ups. Several practical tips are provided for consumers seeking to keep costs down.

The average patient contribution for a Medicare service in Queensland is $55.78. This compares favourably to other states, with only South Australia and Tasmania pricing lower. Of comparable states, healthcare is most expensive in New South Wales, with an average patient contribution of $63.44 per service.

For GP services the average patient contribution is $33.81, but for referred specialist services the average contribution can be as high as $74.76.

Source: Annual Medicare Statistics Financial Year 2015-16, Department of Health
Patients pay a wide range of prices depending on the specialist service required by a referral.

In Queensland, the most expensive service is obstetrics, with patients contributing an average $160.15 per service. Optometry and pathology come in as the cheapest services, at $21.86 and $26.16 per visit respectively.

**AVERAGE PATIENT CONTRIBUTION FOR REFERRED SERVICES:**

**OUT OF HOSPITAL 2015-16**

- Optometry
- Pathology*
- Allied Health
- Radiotherapy and Therapeutic Nuclear Medicine
- Specialist Attendances
- Operations**
- Diagnostic Imaging
- Other MBS Services
- Anaesthetics
- Obstetrics

* Includes Pathology Episode Initiation and Pathology Tests
** Includes Operations and Assistance at Operations

Source: Annual Medicare Statistics Financial Year 2015-16, Department of Health
Private health insurance is one of the larger expenses for Queenslanders. Private health insurance is broadly classified into four levels of cover: top private hospital, medium private hospital, basic private hospital and basic public hospital.

Generally, the more expensive the premium, the greater the cover offered by the policy. Regardless of the level of cover, the monthly premiums for major providers vary considerably. While this can be something to watch out for, it also puts Queenslanders in a position where they can 'shop around' for a policy that suits their needs, and is competitive on price.

For basic and top levels of cover considered, NIB was found to be the most expensive provider with the Health Insurance Fund of Australia being the least expensive. However, direct price comparisons can be misleading, as there can be considerable differences between exactly what is covered by individual policies, even within the same level.

**COMPARISON OF BASIC PRIVATE HOSPITAL INSURANCE POLICIES**

- Bupa Australia
- Health Insurance Fund of Australia
- NIB Health Funds
- Medibank Private

**COMPARISON OF TOP PRIVATE HOSPITAL INSURANCE POLICIES**

- Bupa Australia
- Health Insurance Fund of Australia
- NIB Health Funds
- Medibank Private

*Source: Private Health Insurance Ombudsman, 2017*
What can consumers do to get the best deal on their health insurance?

BE AWARE OF THE FINE PRINT
There are considerable differences between what individual insurance policies do and do not include, even within categories such as basic or top cover.

USE COMPARISON SITES SMARTLY
Third party comparison sites provide a convenient way to compare large numbers of different health insurance policies. These websites are increasingly becoming popular, however they are not without their risks. The Australian Competition and Consumer Commission (ACCC) has recently warned that comparison sites do not necessarily present all the relevant information about policies, and that these sites can receive financial inducements from listed businesses.1

REGULARLY REVIEW YOUR POLICY
The Australian Medical Association (AMA) warns that health insurance providers can change the terms and conditions of their policies at any time.2 It’s important that you have a good understanding of your level of coverage.

DECIDE IF YOU ARE WILLING TO CONTRIBUTE TO THE HOSPITAL BILL
If you are willing to contribute to hospital bills through an excess or co-payment, you should be able to reduce your monthly premium.

Gym Memberships

The fitness and gym market is highly fragmented and intensely competitive - which is a plus for consumers.

This has led to a large number of budget franchises that aim to entice consumers with affordable prices. Franchise clubs dominate the market, accounting for over 40% of the total number of gyms.

Participation in fitness and gym activities is the second most common form of sport or physical recreation that Australians participate in (after walking) for exercise.

SNAPSHOT OF GYMS IN AUSTRALIA

- Franchise club: 40%
- Privately owned club: 24%
- Privately owned club with more than one site: 14%
- Council owned and managed facility: 5%
- University club: 3%
- Council owned but not managed facility: 2%
- Licensed club/RSL/Catholic club: 2%

Note: Sourced from Fitness Australia, based on data from the Fitness Industry Survey 2014.
Gym Memberships

Given the intense level of competition in the fitness industry, organisations are increasingly being forced to innovate in order to gain market share.

This can be seen in the popularity of gyms that offer 24 hour access, as well as new types of fitness classes.

The major gym franchises generally have **weekly membership fees that vary between $14 and $23.**

These prices tend to vary between individual gyms, as the franchise model allows owners to have control over their own prices. Importantly, joining fees often vary between franchises as well.

**PRICE COMPARISON OF MAJOR GYM FRANCHISES**

<table>
<thead>
<tr>
<th>Gym franchise</th>
<th>Weekly membership fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anytime Fitness</td>
<td>$14 - $15</td>
</tr>
<tr>
<td>Jetts</td>
<td>$15</td>
</tr>
<tr>
<td>Snap Fitness</td>
<td>$15 - $16</td>
</tr>
<tr>
<td>Goodlife</td>
<td>$20</td>
</tr>
<tr>
<td>Fitness First</td>
<td>$25</td>
</tr>
</tbody>
</table>

Note: Prices based on gyms located in the Brisbane CBD.
What can consumers do to get the best deal on their gym membership?

**BE AWARE OF JOINING AND CANCELLATION FEES**

Whilst some gyms may appear to have considerably cheaper weekly membership fees than others, be aware that there may be higher joining or cancellation fees.

**CHECK YOUR INSURANCE BENEFITS**

Some health insurance policies may provide benefits towards your gym membership.

**CHECK YOUR EMPLOYEE BENEFITS**

Some employers have arrangements with gyms that can provide you with a discounted membership.

**KNOW WHAT EXTRAS ARE INCLUDED**

Increasingly gyms are expanding their service offering and providing classes, personal training and health and nutrition advice. Find out what extras are included in your weekly membership fee and what you have to pay for separately.

**DON’T JUMP STRAIGHT INTO BUYING A MEMBERSHIP**

Gyms inevitably have high turnover rates as customers don’t effectively utilise their membership. Consider purchasing a short term membership before making an annual commitment.
According to the Australian Institute of Health and Welfare in 2013, *31.7% of Australians avoided or delayed seeing a dentist due to the cost*. This is a significant increase compared to the result of 25% of people in 1994.

The cost of individual dental services can vary considerably.

Out of pocket costs for basic oral examinations are on average $59 for privately insured individuals, preventative procedures such as plaque removal cost $63, restorative procedures such as adhesive restoration cost $149 and full crowns cost $1472.

**Average cost for privately insured dental services**

- **Full crown**: $1,472
- **Average restorative procedure**: $149
- **Average preventative procedure**: $63
- **Comprehensive oral examination**: $59

*Note: Private Health Insurance Ombudsman, 2017*
**What can consumers do to get the best deal on their check-up?**

**COMPARE PRICES**

The regulating agency for dentists in Australia controls the quality of dental services but does not provide guidelines on what individual providers should charge. Consumers should be aware of this and compare the prices of several providers.

**SHOP AROUND IF YOU NEED CONSIDERABLE WORK DONE**

The cost of major dental procedures such as a full crown can cost upwards of $1400. Though the price differences between providers may be minor if you are only going for a check-up, if you are having a larger procedure these differences can be significant.

**AGREE ON THE COST BEFORE TREATMENT**

By law consumers should be informed of all of the costs of a procedure or check-up before it takes place. Make sure to agree on the total cost of a treatment and exactly what is included before it takes place.
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