According to the latest IBIS Report, this is an exciting time for chiropractic, with the profession seeing increased revenue growth and greater acceptance within the community.

Through CAA’s public education campaigns which have provided greater awareness of the benefits of chiropractic, along with the Association’s increased influence and advocacy within government and healthcare, the efficacy of chiropractic has increased. More patients are now willing to be treated by practitioners, chiropractic has a greater role to play in the overall healthcare system and the industry’s contribution to the economy is growing.

Private Health Insurance

With the industry now being covered by private health insurance treatments, this has also enhanced the legitimacy of the industry. It has also resulted in strong revenue growth of a compound annual 3.5% over the five years to 2014-15. The industry is forecast to be worth $988.3 million in 2014-15, up by 2.0% on the previous year.

Ageing Population

Demand for chiropractic services is expected to grow further due to an increase in household incomes, more public education campaigns within the community which result in improved awareness and acceptance of chiropractic services, and the rise in the ageing of Australia’s population. The number of Australians aged 65 years and older is expected to continue to rise over the next five years, particularly with the highly populated baby boomer generation having reached 65 years of age in 2011. As older people constitute a greater portion of the population, there has been additional demand for the industry’s services. The inclination to consult a chiropractor is greatest among those aged 65 years and over. Chiropractors can help manage a number of conditions that are more likely to occur as people age, such as arthritis and other musculoskeletal conditions. High levels of private health insurance coverage among older people are expected to provide further benefits to the industry.

Work Place Injuries and Sports Participation

Despite these benefits to the industry, the rate of injuries and accidents on sporting fields and in workplaces has remained stable or fallen. Due to an increase in workplace health and safety regulations and innovations in materials management, the work accident rate has seen a decline in recent years. In addition, with the level of sports participation falling, there is a reduced demand for sports-related chiropractic treatments. However, while a stagnant sport participation and declining work accident rate may have partially slowed revenue growth, this negative effect on industry revenue has been far outweighed by the positive effect of the ageing of the population.

Rising Disposable Income

Patients are expected to continue using private health insurance extras cover over the next five years, particularly as Federal Government incentives to do so remain intact. While the growth in disposable income is expected to result in people becoming more willing to pay out-of-pocket costs for treatment, a lack of growth in private health insurance benefits per service means that revenue growth is expected to come directly from service volume increases. With Australia’s ageing population it is expected that due to the increased demand, the industry revenue is projected to be worth $1.2 billion in 2019-20, following compound annual growth of 3.4% over the next five years.

Competition and Efficacy

While the efficacy of chiropractic treatments is regularly challenged, it is expected that through increased public awareness and lobbying, industry acceptance is expected to continue growing over the next five years, subverting competition from conventional medical practitioners and providing the chiropractic industry with greater legitimacy. The Review of the Australian Government Rebate on Private Health Insurance for natural therapies, which commenced in July 2012, did not include chiropractic or osteopathic services suggesting that the industry has become widely accepted, and its strong growth will continue over the next five years.

“With Australia’s ageing population, there is now an even greater need for chiropractors, as older people are more likely to sustain injuries that would benefit from chiropractic care. Demand has increased further due to rising disposable incomes. In contrast, demand has been negatively compromised by a decline in sports participation and work accident rates, which have affected the number of patients for the industry to treat. Overall, industry revenue is forecast to grow by a compound annual 3.5% over the five years through 2014-15, to reach $988.3 million, with steady growth of 2.0% forecasted for the current year.

Reference

1. IBISWorld Industry Report Q8534 - Chiropractic and Osteopathic Service in Australia – In alignment: Greater Acceptance by Consumers and Private Health Insurers stabilises growth