

## **Senate Community Affairs Legislation Committee**

### **ADDITIONAL BUDGET ESTIMATES - 14 FEBRUARY 2013 ANSWER TO QUESTION ON NOTICE**

#### **Human Services Portfolio**

**Topic:** Chronic Disease Dental Scheme – Re-assessments and Audits

**Question reference number:** HS 13

**Senator:** Bushby

**Type of question:** Written

**Date set by the committee for the return of answer:** 5 April 2013

**Number of pages:** 2

#### **Question:**

Given Minister Carr announced the Government was considering making changes to the compliance arrangements of the CDDS in May and that he then announced in October that the Department would make requests on behalf of some dentists to the Department of Finance and Deregulation for waiver of specific debts that arose due to non-compliance with the requirements of the scheme:

- a) Why has it taken such a considerable amount of time to re-assess dentists' cases?
- b) When does the Department expect the re-assessment of audits will be complete?
- c) Has the Department (in collaboration with other Department/s) considered abandoning the audit process and/or the re-assessment process? If so, please outline.
- d) How many staff are still working on the audit?
- e) How many dedicated hours/days have staff spent on the audit and re-assessment process?
- f) What has the audit process cost to date?
- g) What is the audit process expected to cost once finalised?
- h) Has there been any legal costs associated with the audit/re-assessment process? Please detail.

#### **Answer:**

- a) The Department must first complete its assessment of each open audit case and then consider the details of each non-compliant claim against the criteria for waiver applications. The assessment against the waiver criteria is a detailed process that requires, in many instances, the Compliance Officer to review each claim in some detail.
- b) The Department estimates that all open audit cases will be finalised by January 2014.
- c) No.

- d) The Chronic Disease Dental Scheme (CDDS) Taskforce currently has 14 Full Time Equivalent staff working on audits.
- e) Table 1 shows the number of dedicated hours/days that have been spent by staff on the audit and reassessment process since the implementation of the CDDS Taskforce in June 2010 to 31 January 2013:

**Table 1**

<b>Year</b>	<b>Total working days</b>	<b>Total working hours</b>
2009-10	9.80	73.50
2010-11	5,502.76	41,270.68
2011-12	11,066.96	83,002.20
2012-13*	3,902.76	29,270.67
<b>Total</b>	<b>20,482.27</b>	<b>153,617.06</b>

*\*2012-13 Financial Year to 31 January 2013.*

- f) The audit process has cost \$7.3 million from the implementation of the CDDS Taskforce in June 2010 to 31 January 2013. The annual cost is shown in Table 2:

**Table 2**

<b>Year</b>	<b>Total expenditure</b>
2009-10	\$5,753
2010-11	\$2,124,070
2011-12	\$3,767,953
2012-13*	\$1,436,186
<b>Total</b>	<b>\$7,333,963</b>

*\*2012-13 Financial Year to 31 January 2013.*

- g) Once the audits are finalised in 2014, the total cost of the CDDS audit process is estimated to be \$10.6 million.
- h) External legal services engaged for mediation, advisory and other associated correspondence services have totalled \$40,353.