



**SENATOR KIM CARR
MINISTER FOR HUMAN SERVICES**

**STATEMENT TO THE SENATE COMMUNITY AFFAIRS
LEGISLATION COMMITTEE**

BUDGET ESTIMATES 2012-13

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This is my first appearance at Senate Estimates as the Minister for Human Services, some two months into the job.

In that time, I have seen a very different organisation than is commonly presented through the press.

For this Department, public service has a special meaning.

It is not just the abstract pursuit of a policy goal.

It is looking under bridges to find the homeless.

It is working on the ground in remote communities.

It is answering the phone when a worker is retrenched.

That is what the staff in the Department of Human Services do for this country.

It has pleased me to learn that there are some 1200 Departmental employees out in the community today, serving as social workers or outreach officers.

They aren't waiting behind the counters – they are going out to schools, to maternity wards, to nursing homes, to jails, to any place where people need support.

Not just the most destitute – but students, and new mums, and retirees, and migrants. Every Australian is served by the Department of Human Services, from the cradle to the grave.

That points to an important truth about this organisation.

It is not just a payments agency. It is the agency this country has charged with the maintenance and repair of the social fabric.

I have every respect for the 36,600 officers who have made this their vocation. I trust you share my sincere appreciation for their passion and professionalism.

As you will hear, this organisation is in many respects a work in progress. In its current form, uniting Centrelink, Medicare, the Child Support Agency and CRS, it is less than a year old.

The new shape of the Department opens enormous opportunities to reimagine what modern service delivery can be.

How to take advantage of the internet. How to bring communities together for people in crisis. How to take the hassle out of people's lives.

The Committee will look today at some of these measures, including the community outreach programs, the online

services and the wrap-around support for the most vulnerable Australians.

I have had the opportunity to see them working in the community.

This month, for example, I opened the new Baylink service centre at Bateman's Bay in New South Wales– a genuine one-stop shop for State, Federal and community services.

That is the new benchmark this Department has set.

But we all know change is never easy, least of all for an operation on this scale.

The agencies who now make up this Department handled millions of transactions in their own right. Together, they represent a massive and growing logistical challenge.

Every day, about a million people make contact with Centrelink, Medicare and the Child Support Agency.

That translated in the last financial year to 55 million phone calls – without counting all the emails, letters, text messages, and face to face transactions.

Centrelink alone received four million more calls in that year than it did the year before.

This is the human face of the economic uncertainty of our times.

In that environment, the Department is charged with the administration of \$148 billion in payments to people – a third of all Budget payments.

All of it is governed by a notoriously complex body of law. And all of it has to take into account the sheer complexity of people's lives.

We cannot wonder that, in these circumstances, mistakes are sometimes made.

It may be a tiny fraction of cases – and the statistics show this to be true – but all of it affects people and their families.

What matters is the resolve of this Department to face up to the mistakes, and fix them, and make sure they do not recur.

That is the standard to which people rightly hold this vital public institution.

I turn now to a matter in which I am aware several Senators take a close interest.

That is the future of the Chronic Disease Dental Scheme.

As Senators will be aware, the Government is committed to closing the Scheme.

Since its inception in 2007 under the previous Government, it has been bad policy. It has been insufficiently targeted, and it leads to over-servicing for some Australians and no service for others.

The Government is working towards new and better arrangements for dental care in this country, and there are productive discussions on these matters currently underway led by my colleague, the Minister for Health.

My responsibilities in relation to this scheme go to the administration of the compliance arrangements, and the conduct of audits of dental practitioners.

Since coming to power in November 2007, the Government and its officials have been concerned about compliance with the scheme. Officers in Medicare Australia, and now in the Department of Human Services, have been attempting to come to grips with a scheme that, as I've said, is fundamentally flawed.

It has created more complaints than other areas of Medicare, over 1000 at the last count, and more harrowing

complaints as well, including some relating to mistreatment of elderly Australians.

For example, one practitioner is alleged to have provided unnecessary treatment, including preparations for crowns, for an elderly patient without the permission of the patient or their representative.

The flaws in the scheme extend to the rules about compliance that were set up in 2007 in the Dental Services Determination.

This Determination established different requirements, with less flexibility in implementation, than equivalent schemes elsewhere in Medicare. Even when the Department tried in good faith to inject flexibility into the operation of this scheme, those efforts fell foul of the best legal advice.

The private member's bill introduced by the opposition is an attempt to further muddy these waters and avoid responsibility for their original design of the scheme. It seeks to put into Medicare compliance arrangements the defence of 'I didn't know' – a ridiculous proposition which the AMA and others have pointed out would establish a different standard for dentists than exists for any other profession.

Officials told the Senate earlier this month that I had formed a view that some, but not all, of the criticism of compliance arrangements required further discussion.

I'd like to be more explicit about the Government's view today.

It is our view that we need a retrospective change to the Dental Services Determination within the near future that creates greater flexibility about the compliance arrangements, while still protecting important principles of public policy.

This retrospective change to the Determination would bring the compliance arrangements more closely into line with other parts of Medicare, and would allow for a more educative approach to be used by the Department.

It would not excuse everyone who has fallen foul of the current arrangements, because some practitioners have charged the Government for services that were never provided, and some practitioners have flagrantly and repeatedly breached their administrative and patient care obligations in a way which any reasonable bystander would find difficult to accept.

This is not a free pass for practitioners to do what they want. The Minister for Health and I will ensure that:

- obvious cases of fraud or harm are pursued, including through the Professional Service Review process where justified;
- there is continuing focus on protecting the interests of patients relating to informed financial consent;
- there is appropriate exchange of information between practitioners serving patients with chronic disease; and
- the new arrangements are comparable with equivalent compliance arrangements in other parts of Medicare.

In practical terms, the amended determination will trigger a re-assessment of all audit activity by the Department.

There are 95 audits that have been concluded today, with 66 practitioners found non-compliant. Each of these cases will be worked through again, on the basis of a new determination, and, in some, a new conclusion may be reached.

In addition, there are another 534 audits currently underway, and further consideration will be given to each of these.

My expectation is that some, but by no means all, audit findings will change as a result of the proposed change in the Determination. But this is a matter to be worked through by the Department as speedily as possible, and it is not possible to speculate on the impact on individual cases.

Dental practitioners are of course responsible for following the compliance arrangements in place at any given point in time, including during times of change. Any failure to follow those arrangements will expose patients to harm and expose practitioners to possible recovery action. The Department will continue to investigate complaints from members of the public as they arise and assess claims of inappropriate dental practice and non-provision of service.

The Department of Health and Ageing and my department will work with relevant stakeholders to further develop the revised determination.

In particular, the Australian Dental Association and its members are obviously central to these matters, particularly in communicating any changes with their

members. They have been very reasonable in their approach to this issue, and I look forward to that continuing.

The AMA is also relevant to this matter, and will be involved in further discussions. They have made the quite reasonable point that they would not support less robust arrangements for dentists than those which apply for doctors, and that for that reason they do not support the proposed private member's bill. I am entirely in agreement with them on that point.

As I've said, the Government's intention is to close down this scheme as soon as possible and to make a retrospective change to the Determination to establish more appropriate compliance arrangements. I look forward to the support of colleagues in the Parliament in further discussion on these matters.

