Dental Benefits Amendment Bill 2016

Second Reading

SPEECH

Thursday, 5 May 2016
Ms LEY (Farrer—Minister for Health, Minister for Sport and Minister for Aged Care) (09:17): I move:

That this bill be now read a second time.

This bill is the first stage in giving effect to the government’s decision to introduce a new Child and Adult Public Dental Scheme from 1 July 2016.

The Child and Adult Public Dental Scheme will provide states and territories with the highest ever level of Commonwealth financial support for public dental services. The scheme will double the Commonwealth’s current funding contribution to the states and territories for dental.

As well as providing record levels of funding, the bill for the first time ever puts Commonwealth payments to the states for dental services on a legislative basis. This will give states the long-term certainty they need to invest in infrastructure and ensure that Australia has a high-quality public dental service into the future.

This government believes that investing in good public dental care is critical to ensuring that Australians have good oral health. We know that poor oral health can have a significant impact on individuals’ overall health and wellbeing, and knock-on effects on employment and economic opportunities.

It is shocking that in this day and age there are Australian children who have never seen a toothbrush, let alone a dentist; and those with low incomes are the most affected. The oral health of adults on low incomes is even worse, with nearly 60 per cent of low-income and Indigenous adults having untreated tooth decay—double that of the general population.

The Child and Adult Public Dental Scheme targets Commonwealth dental funding to the people who need it most—all children, and adults with concession cards. The scheme will deliver better dental care to these patients, with an increasing focus on preventative dental care.

The bill I am introducing today amends the Dental Benefits Act 2008 to establish a framework for the Child and Adult Public Dental Scheme. Under this bill, almost $416 million of Commonwealth assistance will be available in 2016-17—more than double what is available to the states this year. It provides higher amounts in 2017-18 and 2018-19, and from 2019-20 provides for funding to be indexed in line with population growth and the consumer price index.

The $1.7 billion to be provided for the Child and Adult Public Dental Scheme over the next four years is just part of the $5 billion that the Commonwealth will invest to support dental care through the private health insurance rebate, Medicare funded in-hospital dental services, and funding for dental infrastructure in rural and remote Australia.

Turning briefly to the bill itself, broadly speaking it contains two sets of amendments.

The first inserts a new part 1A in the act to establish a framework for the Child and Adult Public Dental Scheme.

The detailed arrangements for the provision of funding under the scheme will be set out in agreements between the Commonwealth and the states. The bill provides that in determining financial assistance the minister must have regard to agreements between the Commonwealth and the states. Grants of financial assistance will be subject to the terms and conditions set out in the agreement, and to any other terms and conditions that the minister may determine through a legislative instrument.

The Commonwealth has already had a number of preliminary discussions with the states on a possible agreement.
The Commonwealth’s intent is to adopt a broadly similar model to that used for public hospital funding. It will pay about 40 per cent of the efficient price of delivering public dental services for every dental service delivered by the states. This contribution will also extend to services that the state contracts from the private sector.

Use of the national efficient price determined by the Independent Hospital Pricing Authority under the public hospital funding arrangements has seen a steady reduction in the rate of growth in the price over the five years the arrangement has been in place. The government will be working with the states to put in place a similar independent arrangement for determining the efficient price of delivering dental services.

The states will continue to be responsible for managing and operating public dental services. They will continue to make decisions about priorities for treatment, and they will continue to make decisions about the level of services they provide.

Under current eligibility arrangements all children up to the age of 18 are eligible for public dental services in most states and territories. In the others access for children after their early teens does not extend beyond children in concession cardholder families. In negotiating agreements with the states we will make sure that this gap is covered, and that all children are eligible for services. Adults with concession cards will continue to be eligible for public dental services as they are now.

The additional funds available should allow the states to increase the number of services they provide so that they can treat an additional 600,000 patients each year.

That is, the states will be able to increase the number of services they provide by at least 50 per cent over the base level of activity they were providing in 2011-12 before any Commonwealth assistance became available. At that time average waiting times for general dental treatment for adults in the public sector were around two years. Under the first national partnership agreement on dental services, which provided $344 million from 2012-13 to 2014-15, average waiting times were halved. The government expects that the additional funding provided through this bill will see an ongoing sustained reduction in waiting times.

The second part of the bill closes the Child Dental Benefits Schedule or CDBS. The bill removes entitlement to benefits under the CDBS for services provided on or after 1 July 2016. It is important to note that benefits will still be payable for services provided on or before 30 June as long as all the requirements of the act were met. And similarly, the audit and compliance powers in the act will continue to apply to benefits paid in relation to services provided on or before 30 June.

The government has made the decision to close the CDBS because it is an inherently inefficient use of taxpayers’ money.

The CDBS has been poorly utilised, hence its inefficiency, with less than a third of eligible children accessing services since it began in 2014. This is because four out of five children were already visiting a dentist regularly before the scheme was introduced. When the CDBS was introduced, the Deputy Opposition Leader, the member for Sydney, who was the health minister at the time, announced that more than three million would be eligible. However, the shadow health spokesperson has since confirmed that only one million children have been treated since the CDBS commenced two years ago. In fact, the member for Sydney was once again misleading Australians about this government’s landmark public dental scheme and the inefficient use of the scheme that she introduced this morning. She did acknowledge that only one million children had been treated under the scheme, not the three million forecast, and urged parents to hurry up and get children treated before the end of this financial year. She thus demonstrated how inefficient and poorly targeted the CBDS was; hence the decision by this government to close it. But in that closure we are introducing and creating a better public dental scheme that treats children—that makes all children between the ages of nought and 18 a priority—and also adds low-income concessional adults.

Another mistake, I believe, that the member for Sydney made in her remarks this morning was to suggest that all preventive oral care should be provided by dentists. The dentists I talk to freely admit, and welcome, the support of another dental workforce: the oral therapists, dentists in training and people who support the delivery of preventive care, for example to schools, so that children—some of whom, I have come to understand, do not have any understanding of dental care, do not have a toothbrush in their house and do not have parents who would take them to the dentist, which they would have to have had under Labor’s scheme—get introduced to the
best way to look after their teeth and, in this era of more bottled water and less fluoride, have fluoride painted on their teeth twice a year. In so doing, they create the best possible preventive oral health start for them.

The CBDS has also, unfortunately, been rorted, with 1,200 incorrect claims uncovered so far, and another $3 million of claims under investigation. Even the deputy opposition leader, the member for Sydney, would have to acknowledge that this is a serious problem. In fact, when she closed another dental program—the Chronic Disease Dental Scheme—she justified it by saying: ‘We've had 1,000 complaints about it. Do you call 1,000 complaints a small problem? I think it’s a substantial problem.’ That is what the member for Sydney said about the number of complaints under a previous dental scheme that she then determined to close.

Clearly, the CBDS does not represent a good use of taxpayers’ money.

The Child and Adult Public Dental Scheme will remove waste and duplication in the health system to direct funding where it is needed most. It is a strong national public dental scheme that will ensure people do not fall through the cracks.

This bill represents a landmark investment in public dental care in Australia, that will protect the oral health of Australians now and into the future. It puts in place the foundations for ongoing Commonwealth investment in public dental services. As one state health minister said to me: the fact that we are legislating and locking in the structure of a truly public scheme now and into the future gives them—that state health minister—the confidence to build the infrastructure to deliver what, as I said, is the best possible use of taxpayers’ money in targeting the oral health of Australians where they need it most. It is an investment that will benefit not just this generation but future generations. I commend the bill to the House.

Debate adjourned.