

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11- 441

OUTCOME 4: Aged Care and Population Ageing

Topic: COMPLIANCE – AGED CARE FACILITIES

Written Question on Notice

Senator Boyce asked:

Compliance and red tape takes up a great deal of time in aged care facilities.

- a) Has the Department undertaken a study or commissioned a study into the cost of compliance and red tape in running aged care facilities?
- b) If so, would the Department please provide the results of the study?
- c) If no study has been undertaken or commissioned, why not?

Has the Department undertaken a study or commissioned a study as to the cost of compliance on residents in aged facilities in terms of shifting the focus from care to paperwork?

- d) If so, would the Department provide a copy of that study?
- e) If no study has been undertaken or commissioned, why not?
- f) What steps has the Department taken to reduce red tape in aged care facilities?

Answer:

a) – f)

The Department has not undertaken a study into the cost of compliance in aged care homes. However, in introducing new regulation that is expected to have a material impact on business, the Department is required to undertake a regulatory impact statement to assess the expected costs of regulation against the expected benefits.

The Department has taken a number of steps to reduce red tape in aged care facilities. In responding to the *Annual Review of Regulatory Burdens on Business*, the Government introduced reforms allowing approved providers to report only on those aged care homes that do not meet state, territory and local government fire safety standards. The *Residential Care Subsidy Principles 1997* were also amended to remove the requirement on residential aged care providers to lodge separate written notices with the Department demonstrating compliance with Conditional Adjustment Payment financial reporting and workforce survey requirements.

In addition the new *Accreditation Grant Principles 2011* enhance the accreditation process by reducing the regulatory burden on industry and providing greater clarity and consistency of administrative processes for approved providers.

Recent changes to the *Aged Care Act 1997* will remove restrictions on uses to which earnings from investments of residents' bonds can be put.