

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-052

OUTCOME 4: Aged Care and Population Ageing

Topic: GENERAL PURPOSE FINANCIAL REPORTS (GPFR) FOR AGED CARE PROVIDERS

Written Question on Notice

Senator Adams asked:

I am advised that as a trade off to receive the Conditional Adjustment Payment in 2005, all aged care providers were required to undertake General Purpose Financial Reports, arrange for them to be audited and initially provided to an independent consultancy for an analysis and more recently to the Department each year.

I am further advised that the annual 1.75 per cent Conditional Adjustment Payment ceased several years ago yet aged care providers continue to be required to submit audited GPFRs.

Why does the Government believe that it is acceptable to break its side of this agreement and continue to oblige providers to maintain the GPFRs and not insignificant expense.

Answer:

The Conditional Adjustment Payment was introduced in the 2004-05 Budget as a transitional measure to provide medium term financial assistance to providers while encouraging them to become more efficient through improved management practices.

The Government provided funding of \$407.6 million in the 2008-09 Budget to increase the level of the Conditional Adjustment Payment to its current level of 8.75 per cent ongoing.