

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2010-11, 20 October 2010

Question: E10-273

OUTCOME 4: Aged Care and Population Ageing

Topic: AGED CARE APPROVALS ROUND

Written Question on Notice

Senator Fierravanti-Wells asked:

Further to evidence at the Estimates hearing regarding the “big and complex” ACAR round, please advise:

- a) Number of applicants for both residential and community care;
- b) Location of applicant;
- c) Any licences that have been handed back and where they are located;
- d) Details regarding the complexity.

Answer:

a) and b) Details of the number of applicants for residential and community care places, by state and territory are contained in Table 1, below.

**Table 1:** Number of applicants in the 2009-10 Aged Care Approvals Round

<b>State or territory</b>	<b>Number of residential applicants</b>	<b>Number of community applicants</b>
New South Wales	82	135
Victoria	90	106
Queensland	50	74
Western Australia	20	43
South Australia	16	34
Tasmania	16	23
Australian Capital Territory	5	18
Northern Territory	3	6
<b>Total</b>	<b>282</b>	<b>439</b>

- c) From the period 1 July 2009 to 30 June 2010 there were 140 provisionally allocated residential places that lapsed and 55 operational residential places were relinquished in Queensland. Details of the location of the 140 places are contained in Table 2, below.

<b>State or territory</b>	<b>Number of residential places lapsed</b>
New South Wales	30
Victoria	110
Queensland	0
Western Australia	0
South Australia	0
Tasmania	0
Australian Capital Territory	0
Northern Territory	0
<b>Total</b>	<b>140</b>

- (d) In the 2009-10 Aged Care Approvals Round applicants had the opportunity to apply for new residential aged care places, Community Aged Care Packages, Extended Aged Care at Home packages, Extended Aged Care at Home Dementia packages, capital grants and Community and Flexible Care Grants. The Round included an increase in the number of high level community places that were made available, in line with the decision to increase the target ratio of high level community care places in 2009-10 from four to five.

In addition, Stage Two of the Zero Real Interest Loan initiative was run in conjunction with the Round and this provided the opportunity for applicants to apply for a loan and associated places as well as a combination of a loan, a capital grant and associated places.

The March 2010 Extra Service Application Round was also run in conjunction with the 2009-10 Aged Care Approvals Round.

All applications that are received in the Round are assessed against a nationally consistent assessment framework based on the provisions of the *Aged Care Act 1997* and the Aged Care Principles. As prescribed by the legislation, applicants for new residential places are assessed against the following criteria:

- management expertise and experience;
- planning and location of the premises;
- ability to provide the appropriate level of care;
- past conduct as a provider including compliance with its responsibilities;
- measures to protect the rights of care recipients;
- provision of care for people with special needs;
- need to restructure;
- benefit to current and future care recipients;
- provision of residential respite care;
- diversity of choice for current and future care recipients;
- provision of care for people with dementia;
- continuity of care for current and future care recipients; and
- making places operational in a timely manner.

In addition to these legislative provisions, applicants for new residential places, a zero real interest loan or a capital grant can also be subject to assessment by an independent financial analyst. A financial analysis is regarded as an important element in the overall application assessment process and is used to assist in determining:

- the financial viability, sustainability and overall robustness of the financial situation of the applicant organisation and service;
- the ability of the applicant organisation to provide continuity of care in the long term;
- sensitivity of the applicant organisation's debt servicing capacity to interest rate fluctuations;
- the applicant organisation's use of accommodation bonds and other sources of funding; and
- the capacity of the applicant organisation to complete any capital works associated with the proposal.