

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2010-11, 20 October 2010

Question: E10-274

OUTCOME 4: Aged Care and Population Ageing

Topic: BED LICENCES

Written Question on Notice

Senator Fierravanti-Wells asked:

Please provide details of all allocated bed licences including statistics on the allocated licences that are not operational, including:

- a) Where the allocated, non-operational licences are located?
- b) How long have they been non-operational?
- c) Reasons for their non-operational status?
- d) Details of off-line beds and reasons for some?

Answers:

a) and b) See table below for breakdown of residential provisionally allocated places by state/territory and age as at 30 June 2010.

State / territory	Total resi provisional places	More than 2 yrs old	More than 3 yrs old	More than 4 yrs old	More than 5 yrs old
NSW	6,224	4,257	2,630	1,948	987
Vic	2,958	1,677	911	633	328
Qld	3,904	2,592	1,281	787	458
WA	1,654	949	527	293	198
SA	702	454	182	24	14
Tas	313	120	100	25	25
ACT	403	319	202	107	2
NT	65	65	-	-	-
Australia	16,223	10,433	5,833	3,817	2,012

- c) Under the *Aged Care Act 1997*, providers have two years in which to make a place operational – this is referred to as the provisionally allocation period. If providers are experiencing delays they can apply to extend the provisionally allocated period.

There are a number of reasons why providers have delays in getting provisionally allocated places operational. The primary reasons are:

Planning (Approvals/Appeals) – bureaucratic processes such as applications for building/development approvals to local government authorities; compliance with environmental planning processes; appeals to other agencies as a result of decisions; and lengthy processes in regard to resident objections etc.

Change in Priorities - concurrent refurbishments, additional places being allocated in subsequent rounds involving re-design, combining provisional allocation construction with refurbishment ie other projects happening at the same time.

Site Problems - includes physical site problems and environmental conditions that delay the construction process, this includes: additional design work; additional unplanned work on sites found to be contaminated, requiring flood mitigation; lack of access to building site; length of time to complete physical work to comply with heritage restrictions etc.

Finance - difficulties obtaining finance for construction and unforeseen cash flow problems delaying construction.

Contractors - difficulties in attracting tenderers or shortage of qualified professionals and tradespeople to commence or complete design and construction activities.

Land Availability - land originally thought to be suitable but later discovered to be unavailable due to bushfire regulations; or too close to environmentally/culturally sensitive or hazardous sites; or no suitable land to be found at an acceptable price.

Other - Other reasons predominantly includes minor delays. It could also include death or incapacity of proprietor, re-structuring, change of key staff involved in decision making, organisational mergers, problems in securing agreement to works from a landlord etc.

- d) Please see [Attachment A](#) for a table of Total Offline Places by State/Territory as at 30 June 2010.

Places are often taken off-line while providers are undertaking capital works to re-develop facilities and improve existing accommodation or while they are considering their aged care strategy for the future. The total number of off-line places as at 30 June 2010 was 4,477, representing 1.9% of all operational places.