

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Supplementary Budget Estimates 2016 - 2017, 19 October 2016**

**Ref No:** SQ16-000758

**OUTCOME:** 6 - Ageing and Aged Care

**Topic:** Per Person Cost

**Type of Question:** Hansard Page 129, 19 October 2016

**Senator:** Smith, Dean

**Question:**

Senator SMITH: This is my last point. Dr Hartland, you talked about the expected per person cost from 2015-16 being \$59,900 and it going up to \$66,594 in 2019-20. This may not be a useful exercise, but, if this issue was not addressed, what does the per person cost become in 2019-20? Is it 5.2 per cent greater than \$66,594?

Dr Hartland: I do not have that figure. It is a bit late in the evening to be doing maths!

Mr Bowles: It would not be 5.2 per cent. The current growth to get to \$66,594 is 5.1 per cent per annum in the out years.

Senator SMITH: Okay, I will put that on notice.

**Answer:**

The residential care forward estimates were increased by \$3.8 billion over five years to 2019-20 as a result of higher than expected growth in the Aged Care Funding Instrument (ACFI) expenditure in 2014-15 and 2015-16.

In response, the Australian Government announced in the 2015 Mid-Year Economic and Fiscal Outlook and in the 2016-17 Budget, changes to residential care funding arrangements. The announced ACFI measures were estimated to reduce budgeted expenditure on residential care by \$2.0 billion over the forward estimates.

It is estimated that without these announced changes, ACFI expenditure on a per full time equivalent resident would have been \$70,500 in 2019-20.