

Chapter 1

The terms of the inquiry

Background to the inquiry

1.1 On 14 October 2008, the Senate referred to the Finance and Public Administration Committee for inquiry and report by the first sitting day of April 2009:

The funding, planning, allocation, capital and equity of residential and community aged care in Australia with particular reference to:

- a. whether current funding levels are sufficient to meet the expected quality service provision outcomes;
- b. how appropriate the current indexation formula is in recognising the actual cost of pricing aged care services to meet the expected level and quality of such services;
- c. measures that can be taken to address regional variations in the cost of service delivery and the construction of aged care facilities;
- d. whether there is an inequality in user payments between different groups of aged care consumers and, if so, how the inequity can be addressed;
- e. whether the current planning ratio between community, high- and low-care places is appropriate; and
- f. the impact of current and future residential places allocation and funding on the number and provision of community care places.

1.2 The reporting date was subsequently changed to 29 April 2009.

Conduct of the inquiry

1.3 The inquiry was advertised in *The Australian* and through the Internet. The committee invited submission from the Commonwealth Government and interested organisations and individuals.

1.4 The committee received 121 public and 4 confidential submissions. A list of individuals and organisations that made public submissions to the inquiry together with other information authorised for publication is at Appendix 1. The committee held six days of hearings in Perth on 30 January, Melbourne on 20 February, Canberra on 13 March and 21 April, Launceston on 27 March and Brisbane on 7 April 2009. Appendix 2 lists the names and organisations of those who appeared. Submissions and the Hansard transcript of evidence may be accessed through the committee's website at http://www.aph.gov.au/senate/committee/fapa_ctte/index.htm.

Department of Health and Ageing

1.5 The Department of Health and Ageing (the department) provided a written submission and appeared before the committee to provide the Commonwealth's position in relation to the inquiry's terms of reference. However, the committee wishes to express its considerable disappointment with the level of the department's assistance to the committee. Not only was the department's submission received some two months after the due date, it also provided only factual information and did not address or comment on the major issues of concern raised by providers and other interested stakeholders many of which are longstanding and well-known. At the committee's initial hearing with the department on 13 March 2009, it was obvious that the department had not prepared a response to the significant concerns raised. Senior officers also displayed a less than forthcoming attitude to the committee and as a consequence the committee required a further submission from the department and held a second hearing with officers on 21 April.

1.6 The Senate has referred significant matters to the committee which impact on a large sector of the community. In doing so, the expectation of the Senate is that the views of stakeholders will be gained, positions raised will be tested and having given due consideration to the evidence before it, the committee will in turn report its findings back to the Senate. As part of this important process, it is incumbent on officials, as the Commonwealth's representatives, to assist the committee to the best of their ability and to provide the necessary information and analysis to support the Government's policy position. In doing so, the committee is able to come to a considered position. It is unfortunate that in this instance the department's initial response to the inquiry was inadequate and its approach less than helpful. As a result, the committee's final deliberations were delayed and undermined and the capacity of the committee to effectively review the matter has therefore been compromised. The direct consequence of this has been to impede the committee's capacity to report to the Senate on the matter.

Acknowledgement

1.7 The committee thanks those organisations and individuals who made submissions and gave evidence at the public hearing

Structure of the report

1.8 The committee's report is structured in the following ways:

- Chapter 2 provides background information about Australia's ageing population and current aged care services;
- Chapter 3 considers arguments for an overall review of the aged care sector;
- Chapter 4 considers current funding levels and whether they are sufficient to meet expected quality service provision outcomes;
- Chapter 5 examines the current indexation formula;

- Chapter 6 outlines variations in the cost of service delivery and considers aged care services for vulnerable groups including the financially and socially disadvantaged;
- Chapter 7 addresses the question of whether an inequity in user payments between different groups of aged care clients exists and considers initiatives for reform;
- Chapter 8 reviews the current planning ratio for the aged care sector and explores the impact of current and future residential care places allocations on community care.

Note on references

1.9 References to the Committee Hansard are to the proof Hansard: page numbers may vary between the proof and the official Hansard.