



# Minister for Aged Care

The Hon Bronwyn Bishop MP

Parliament House  
Canberra ACT 2600  
Telephone: (02) 6277 7280  
Facsimile: (02) 6273 4138

Mr R.E. Charles MP  
Chairman  
Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600

*Bob*  
Dear Mr Charles

I am writing with regard to the 371<sup>st</sup> report of the Joint Committee of Public Accounts and Audit titled "Review of Auditor General's Reports 1998-99 - First Half" that was tabled in the Parliament on 20 October 1999.

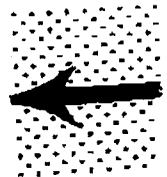
The report included the findings of the Committee's inquiry into Audit Report No. 19, 1998-99: *The Planning of Aged Care*. The attached Executive Minute responds to the administrative recommendation made as Recommendation No. 2 of the report.

I would like to thank you and your Committee for your efforts in improving the administration of the planning of aged and community care in Australia.

Yours sincerely

*Bronwyn Bishop*  
BRONWYN BISHOP

05 MAY 2000





COMMONWEALTH OF AUSTRALIA

OFFICE OF THE SECRETARY  
GPO Box 9848 Canberra ACT 2801  
Telephone: (02) 6289 8400 Fax: (02) 6285 1994



Department of  
Health and  
Aged Care

## EXECUTIVE MINUTE

on

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 371

#### *Review of Auditor General's Reports 1998-99 – First Half*

- *Aviation Security*
- *Costing of Services*
- *Planning of Aged Care*

#### **General Comments**

In Audit Report No. 19 of 1998-99, the Auditor General reported on the performance audit of the administrative effectiveness and efficiency of the Department of Health and Aged Care's processes for planning the Aged and Community Care Program. In particular, the audit focused on how well the planning process has achieved an equitable distribution of residential care and community aged care places between regions, and how well the program selects suitable service providers.

The audit examined the two planning rounds held in 1996-97 and 1997-98. They conducted field work in the Department's State Offices and also took the views of industry and consumers on the planning process.

The timing of the audit coincided with a period of concerted practice improvement in the planning and allocation process. A number of the Report's recommendations reflected practice improvements that were underway when the Report was tabled. The Department adopted a number of the ANAO insights and suggestions in the 1999 Approvals Round. The industry responded very positively to the approvals round. Improvements to the Legislation, the Application Forms and the Handbook were welcomed, as was the new approach to communicating information about the round through seminars, a video broadcast and the Internet.

The Department agreed with all of the Report's recommendations.

Report 371 of the Joint Committee of Public Accounts and Audit considers the Auditor General's Report No. 19 1998-99 "The Planning of Aged Care".

The Committee made favourable comments on the Department's work on achieving the allocation target of places over time, assessing the quality of applicants, and providing information to all sectors, both private and religious/charitable providers.

The Committee noted, however, the concern that the Department plans the provision of aged care services without necessarily obtaining the direct input of local communities. The Report states: "Without such input, particularly from local government, there cannot be adequate anticipation of the future needs of a community."

The Committee made the following recommendation in relation to this matter.

**Recommendation No. 2 paragraph 3.12**

**The Committee recommends that the Department of Health and Aged Care take action to ensure that local government input becomes an integral component of the planning process for the provision of aged care services.**

**Response to the recommendation**

The Department supports the recommendation.

The objectives of the aged care planning process as set out in the *Aged Care Act 1997* (the Act) expressly require the Department to identify community needs. The performance audit of aged care planning examined the issue of consulting with local communities, but the involvement of local government per se was not identified as an issue of concern by the Audit Office.

The Act allows for consultation through Aged Care Planning Advisory Committees (ACPACs) appointed by the Secretary for each State and Territory. The Act requires ACPAC members to be appointed on the basis of their knowledge of and experience in aged care and not as representatives of particular groups. Membership typically includes individuals with experience as service providers and individuals with knowledge of the needs of older people in general and people with special needs in particular. ACPACs also include individuals with knowledge of aged care services provided by State and Territory government agencies.

The ACPACs consider in detail statistical planning data that provides a picture of supply and demand at the level of the Local Government Area (or Statistical Local Area where appropriate). The Department also consults with key stakeholders, such as Aged Care Assessment Teams.

The Department supports the proposition that the flexibility and responsiveness of the planning system may be improved through systematic consideration of input from a wider constituency than the current membership of ACPACs. The Department also believes that there is some merit in the concept of incorporating local government input into the planning process.

**Action proposed**

1. When appointing new ACPACs after current membership expires after April 2000, the Department will invite on to the committees members of State Local Government Associations (LGAs) who have knowledge or experience in the provision of aged care or of the needs of older people who use aged care services.
2. The Department will examine the process used to select ACPAC members for recommendation to the Delegate of the Secretary to ensure that all the requirements of the legislation are met, and to consider options consistent with the legislation for ensuring ACPACs have access to more direct knowledge of community needs, particularly in regional and rural areas.

3. The Department will ensure that the review of rural aged care planning announced by the Government in the 1999 Budget will consider the following:
- (a) the JCPAA recommendation on local government input into the planning process; and
  - (b) the wider question of how to ensure that knowledge of local community needs, particularly in regional and rural Australia, is fed into the planning process.



Andrew Podger  
Secretary

Department of Health and Aged Care

26 April 2000