



## SENATOR THE HON MITCH FIFIELD

ASSISTANT MINISTER FOR SOCIAL SERVICES  
MANAGER OF GOVERNMENT BUSINESS IN THE SENATE  
SENATOR FOR VICTORIA

### TRANSCRIPT

#### SENATE ESTIMATES COMMUNITY AFFAIRS COMMITTEE OUTCOME THREE – OPENING STATEMENT

5 June 2014

E & OE

**Subject: Dementia and Severe Behaviour Supplement**

I thought I'd use the opportunity afforded by Senate Estimates to inform the Parliament of an issue that has arisen within the aged care portfolio.

By way of background, the previous administration legislated a Dementia and Severe Behaviour Supplement in residential care in the last Parliament.

The Dementia Supplement was introduced as part of the aged care reform package and was designed to provide additional resources for providers who give care to people with severe behavioural and psychological symptoms of dementia.

The Coalition, when in Opposition, gave the then Labor Government our support for the majority of the aged care reform package because we recognised the necessity for change in this area and accepted that, in the broad, the package was a step in the right direction.

That being said, it has become increasingly clear that not all elements of the reform package went through the sort of rigorous policy design process necessary to ensure programmes keep within their budget.

Unfortunately it is incumbent upon me to advise that the Dementia Supplement is one such program that has gone well beyond the budget allocated to it by the previous administration.

The previous government estimated that 2,000 people in residential care would be eligible for the Supplement.

As at March 2014, 25,451 people were receiving the supplement.

This represents a 12-fold blow out in the eligibility estimates of the previous government.

The Supplement was budgeted at \$11.7 million for this financial year, and this amount was spent in January 2014 alone.

As of January this year, almost \$50 million had already been spent on the Supplement.

Based on these figures, there will be almost a ten-fold blowout in expenditure.

The Dementia Supplement is another example of poor design and execution of a well-intentioned initiative by the previous government.

Since our election in September it has become clear to this Government that the legacy of our predecessors – and this is an example – is one of poor policy execution leading to unintended consequences.

I do want to reiterate here in this forum that I am fully cognisant of the challenges of providing a good quality of life to older people with dementia.

I don't underestimate the challenge and I don't shy away from the role of the government to provide support to people living with dementia and to the aged care providers who care for them.

Nonetheless, it is clear that the Dementia Supplement is not working as was intended by the previous administration due to poor design.

Once again, this is not a problem of the Government's making, but it falls to this Government to find a solution.

I am actively considering options that will realign the design of the program to the funding envelope laid down by the previous administration.

I intend to seek input from the Aged Care Sector Committee on an appropriate response to this situation.

And I want to make it clear that I will not rush the policy development process only to see a repeat of further poor design.

We will work hard and take the time necessary to be assured that our response is the best possible outcome in the circumstances.

I just want to reiterate again that these are not circumstances of this Government's making.

We have been left a ticking policy package with a programme blowing out 10-fold.

This is, I think, another example of how there can be no sustainable social policy without a sustainable economic policy and without good budget management.

As I often say, they are two sides of the same coin.

The Government does remain committed to supporting providers who give care to people with dementia and severe behaviours, and we will work to find a solution to this situation.

Media contact: Lydia Bevege | 0409 792 081 | [lydia.bevege@dss.gov.au](mailto:lydia.bevege@dss.gov.au)