

## Senate Community Affairs Committee

### ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

#### HEALTH PORTFOLIO

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

Ref No: SQ16-000693

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

**Topic:** Residential aged care consultant review

**Type of Question:** Written Question on Notice

**Senator:** Polley, Helen

**Question:**

It was stated that experts from the University of Wollongong have been engaged to 'reviewing how to assess the care needs of residents', with a view to have the process performed by external, third-parties. Can you detail how the University of Wollongong has been engaged and what the terms of the engagement are - including costs and time frames. Can you provide the brief that the University of Wollongong was given? Does this engagement include a review of ACFI, with a view to reforming the instrument or introducing a new funding tool? If it does, why have you chosen to conduct this review through a contractor, rather than through the Living Longer Living Better Legislative review, or through another independent review process that would engage with the consumers and sector affected by the current system?

**Answer:**

In response to higher than expected growth in the expenditure of the Aged Care Funding Instrument (ACFI), the Government announced changes to the ACFI funding at Mid-Year Economic and Fiscal Outlook 2015-16 and in the 2016-17 Budget. In addition, at Budget 2016-17 it was announced that the Government would further consult with the sector to strengthen the way care funding is determined, including options such as separating residents' needs assessments from service provision, and having it done by an independent party.

On 18 August 2016, the Department of Health issued Request for Quotation (RFQ) to all panellists of the Aged Care Policy Development Panel to seek external expertise to undertake an international review of alternative long term aged care assessment, classification and funding models and provide options for consideration for future use in Australia. A total of 8 submissions were received.

The Department assessed the submissions in accordance with the evaluation criteria set out in the RFQ and the University of Wollongong was assessed as the Department's preferred supplier. The Department entered into a contract with the University of Wollongong on 14 October 2016. The contract value is \$170,321.80 and the contract period is from 14 October 2016 to 3 February 2017.

The terms of reference of the Living Longer Living Better Legislative review do not specifically include reference to the ACFI. The University of Wollongong will consult with sector representatives, including through the Aged Care Sector Committee.