

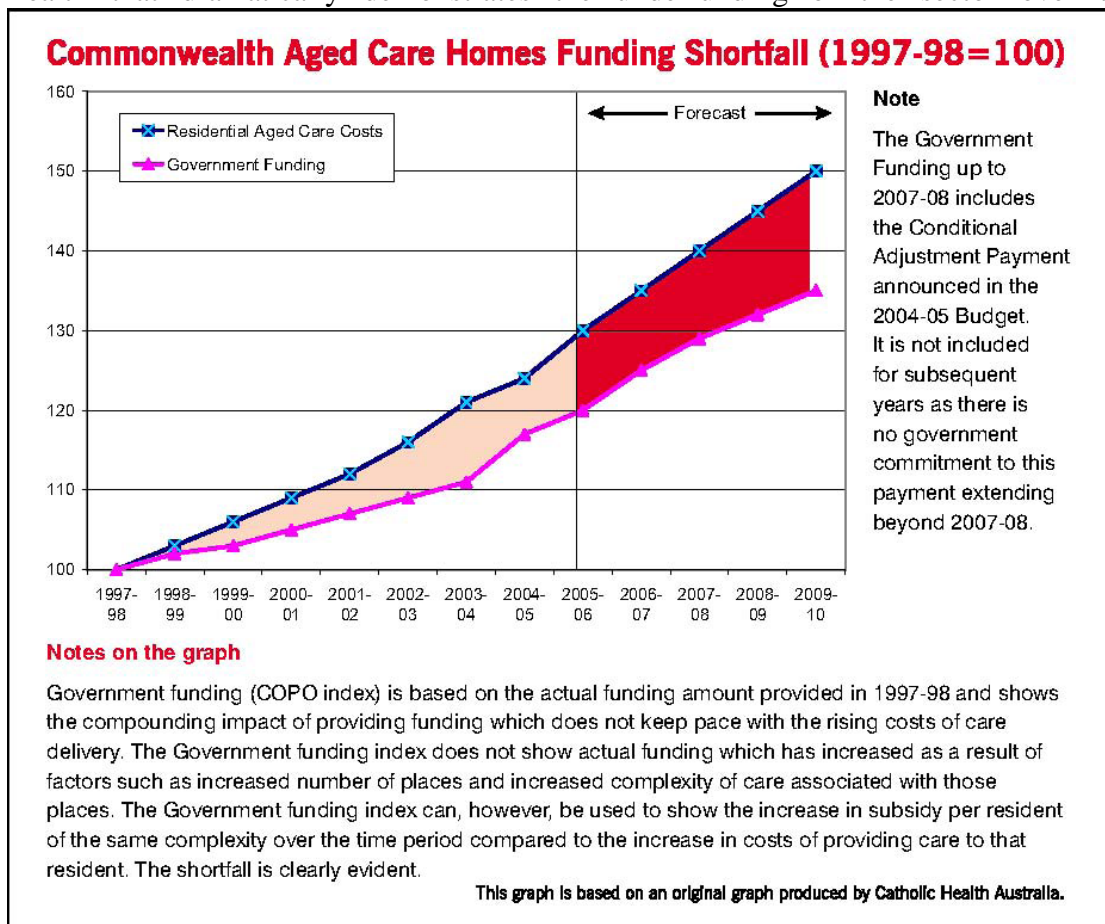
	<b>Senate Finance and Public Administration Committee</b> <b>BRIEFING NOTE</b>	<b>Critical Date:</b> <b>12 May 09</b>
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**Overview:**

- At the request of the Senate Select Committee Presbyterian Care Tasmania has reviewed the Department of Health and Ageing (DoHA) submission to the Senate Inquiry. We offer the following comments.

**Recurrent Funding:**

- The DoHA report whilst very detailed is misleading. There is no dispute by providers that Governments past and present have allocated significant additional funds into the aged care sector for veterans care, community, the Aged Care Accreditation Agency and additional residential and community places. This however has been at the neglect of making sure that appropriate recurrent funding provided through annual indexation has been based on real costs. The COPO model is flawed and has resulted in an underfunding of the industry from its inception.
- Reproduced below is a replication of ACSA 's graph originally developed by Catholic Health that dramatically demonstrates the underfunding of the sector over time:



- **Maintenance of the Conditional Adjustment Payment (CAP)** From a review of the data above and information previously presented to the Senate Inquiry it is vital that the CAP be retained as withdrawal will force the closure of many aged care facilities across the Nation. **We are firmly of the belief that an immediate 3% increase in 08/09 indexation effective from 1 July 2008 is required and that future indexation needs to be the same as or better than the 29 November 2008 Australian Government and States five year indexation agreements (6% - 7.3%).**

### **Current Issues:**

- Unless addressed by Government urgently in the 09/10 federal budget a significant number of residential aged care facilities in Tasmania and throughout the Nation will close.
- DoHA has access to all providers financial returns as a part of the CAP requirement and should be required to disclose the true nature of the financial position of Australian service providers to the Inquiry rather than rely on external industry Consultants reports which incidently agree with the position of the industry on the current financial crisis which is at variance with the position painted in the DoHA academic report.

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8 April 09

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**Chief Executive Officer** .....

8 April 09