

Finance & Public Administration Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

SENATE INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE

13 March 2009

Question: 01

OUTCOME 4: Aged Care and Population Ageing

Topic: Norfolk Island

Hansard Page: F&PA: 94 and Written Question

Senator Carol Brown asked:

Prof. Cullen mentioned in his evidence on Friday, 13 March 2009 that some providers are registered o/s ie Norfolk Island. Is it possible for Dr Cullen to elaborate on this?

Answer:

All 6 approved providers in the Tricare Group are Australian registered companies which are subsidiaries of TRICARE GROUP PTY LTD of Norfolk Island (as per the Dun & Bradstreet Report extracted from the Australian Securities and Investments Commission (ASIC) records).

The 6 approved providers in this group are responsible for 14 residential aged care homes with 1,189 places.

Senate Finance & Public Administration Committee

ANSWERS TO QUESTIONS ON NOTICE

INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE IN AUSTRALIA

13 March 2009

Question: 02

Topic: Break Down of ABS Building Activity Data

Hansard Page: F&PA 83

Senator Gary Humphries asked:

Does the ABS information available break up the construction activity in aged care by state and territory?

Answer:

The Australian Bureau of Statistics (ABS) publishes quarterly estimates of the level of building activity in various sectors, based on building approval details and returns collected from builders and other organisations engaged in building activity. It has published separate statistics for the residential aged care sector since the September Quarter 2001. These data exclude retirement villages. (See ABS, *Building Activity, Australia, September 2008* (Cat. 8752.0), Canberra: ABS, 2009.)

This data can be disaggregated by state and territory.

The ABS provides five different measures of building activity:

Commenced	This represents the anticipated completion value of jobs that commenced in the reporting period
Done	This represents the estimated value of work done on jobs during the reporting period, including jobs that commenced before or during the reporting period.
Under construction	This represents the estimated completion value of jobs that were under construction at the end of the reporting period, including jobs that commenced before or during the reporting period.
Yet to be done	This represents the difference between the anticipated completion value and the estimated value of work done on jobs up to the end of the period for jobs that commenced before or during the reporting period and that were not completed during the reporting period.
Completed	This represents the estimated completion value of jobs that were completed in the reporting period, including jobs that commenced before or during the reporting period.

The ABS data for these five measures for the twelve month period from 1 July 2007 to 30 June 2008 are reproduced in the table below, disaggregated by state and territory. Further information is available in the Department's Supplementary Submission.

<i>State</i>	<i>Work Commenced (\$000)</i>	<i>Work Done (\$000)</i>	<i>Work Under Construction (\$000)</i>	<i>Work Yet to be Done (\$000)</i>	<i>Work Completed (\$000)</i>
NSW	531,994	499,158	662,478	326,877	375,938
VIC	362,998	386,245	505,938	250,606	320,004
QLD	236,686	205,335	312,368	172,215	163,756
SA	104,175	119,882	187,965	95,329	95,719
WA	99,818	70,123	122,817	79,479	98,314
TAS	32,030	36,090	28,392	21,682	49,160
NT	16,000	9,697	16,000	6,303	-
ACT	61,246	28,560	61,411	46,474	48,051
TOTAL	1,444,947	1,355,090	1,897,370	998,966	1,150,942

Source: ABS, Building Activity, States and Territories, 1 July 2007-31 June 2008 (Cat 8752.0), Canberra, ABS, 2009.

Senate Finance & Public Administration Committee

ANSWERS TO QUESTIONS ON NOTICE

INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE IN AUSTRALIA

13 March 2009

Question: 03

Topic: Average level of building activity

Hansard Page: F&PA 84

Senator Gary Humphries asked:

That the Department table information that it provided in its testimony on the average level of building activity that commenced in aged care over the last two years compared with the two years prior to that.

Answer:

The Australian Bureau of Statistics (ABS) publishes quarterly estimates of the level of building activity in various sectors, based on building approval details and returns collected from builders and other organisations engaged in building activity. It has published separate statistics for the residential aged care sector since the September Quarter 2001. These data exclude retirement villages. (See ABS, *Building Activity, Australia, September 2008* (Cat. 8752.0), Canberra: ABS, 2009.)

These data show that in the two years from July 2006 to June 2008 the average quarterly value of total building activity commenced in aged care was \$352.3 million, compared to the two years prior to these dates (July 2004 to June 2006), when the average quarterly value of total building activity commenced in aged care was \$218.7 million.

Quarterly ABS data have been reproduced below. The September 2008 quarter of data has been excluded as it is incomplete. Further information is available in the Department's Supplementary Submission.

Quarter	Value of work commenced during quarter (\$000)	Quarter	Value of work commenced during quarter (\$000)
Sep-2004	194,418	Sep-2006	348,162
Dec-2004	299,200	Dec-2006	357,459
Mar-2005	126,975	Mar-2007	395,335
Jun-2005	257,405	Jun-2007	272,693
Sep-2005	194,687	Sep-2007	430,262
Dec-2005	205,683	Dec-2007	383,770
Mar-2006	179,365	Mar-2008	260,068
Jun-2006	291,709	Jun-2008	370,844
Average 2004-06	218,680	Average 2006-08	352,324

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SENATE INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE

13 March 2009

Question: 04

OUTCOME 4: Aged Care and Population Ageing

Topic: ACAT standards of timeliness

Hansard Page: F&PA 86 - 87

Senator Siewert asked:

What is the standard of timelines in terms of the number of days that will lapse between when a facility requests an ACAT assessment and when an ACAT team turns up? Could you provide us with your starting basis?

Answer:

Referrals to an Aged Care Assessment Team (ACAT) are allocated to a Priority Category at referral, based on client need.

Priority Category 1 for emergency situations such that the client is at immediate risk of harm or the likelihood of being hospitalised. Response within 48 hours.

Priority Category 2 for situations where for example, the client is not at immediate risk of harm, but the level of care currently available to the client does not meet their needs. Response between 3 and 14 days.

Priority Category 3 for cases where the referral information indicates that the client has sufficient support available at present, but that they require an assessment in anticipation of their future care needs. Response after more than 14 days.

Clients who are currently in a residential aged care facility are not usually considered Priority Category 1, but may be Priority Category 2 or 3 depending on their individual circumstances.

SENATE INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE

13 March 2009

Question: 05

OUTCOME 4: Aged Care and Population Ageing

Topic: Blue Care Submission

Hansard Page: F&PA 91

Senator Gary Humphries asked:

Could you look at what they say on page 12 of the Blue Care Submission and on notice tell us whether they have inaccurately quoted the Stewart Brown report?

Answer:

The Blue Care submission to the Review of the Conditional Adjustment Payment stated on page 12 that “Stewart Brown’s survey for financial year 2007... shows that... only 18.2% (or 18 of 99 high care facilities) achieved a break-even or better result.”

The June 2007 Stewart and Brown Financial Performance Survey did make that statement in respect to the 2006-07 financial year.

The corresponding Stewart and Brown finding in respect to the 2007-08 financial year was that 29 of the 94 (or 31 per cent) of the high care facilities achieved an operating profit. It also found that 65 of these 94 aged care facilities (or 69 per cent) achieved a positive EBITDA, or earnings before interest, tax, depreciation and amortisation – which is used as the preferable comparator of financial performance because it is net of financing arrangements which are variable across the aged care industry.

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SENATE INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE

13 March 2009

Question: 06

OUTCOME 4: Aged Care and Population Ageing

Topic: NGO's in the top quartile

Hansard Page: F&PA 91

Senator Rachel Siewert asked:

- a) In regards to the quartile, how many places will that cover?
- b) Can you provide a list of the NGOs in that top quartile?

Answer:

a and b) The Department receives deidentified unit record data from both the Bentleys MRI National Aged Care Survey and the Stewart and Brown Financial Performance Survey. As part of the deidentification process the data does indicate the number of beds in each aged care home and does not identify which organisation owns each home.

It is therefore not possible to estimate how many places would be covered by homes in the top quartile or to provide a list of the NGOs in the top quartile.

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13 March 2009

Question: 07

OUTCOME 4: Aged Care and Population Ageing

Topic: Growth in provision of aged care beds

Hansard Page: F&PA 92

Senator Gary Humphries asked:

- a) Even if the top quartile is profitable enough to have some money put aside to grow, we are expecting a huge amount of growth in provision of aged care beds in this country in the next 20 years. Is all of that going to come from one quartile of the existing providers and not from all of them?
- b) Is that sustainable

Answer:

An analysis of the recent aged care approval rounds suggests that the allocation of new places has been distributed across both existing and new providers. The growth going to existing providers seems to be distributed across providers of all sizes and differing financial performance. However, a substantial share of the new places does go to the For-Profit providers and those providers in the top financial performance quartile, many of whom are large providers.

The For-Profit providers have received about 52 per cent of all new places allocated over the last four years.

The providers in the top quartile (as measured by EBITDA) in 2007 received about 44 per cent of the new places in the 2007 ACAR. Those providers in the top quartile in 2006 received about 39 per cent of the new places in the 2006 ACAR.

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SENATE INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE

13 March 2009

Question: 08

OUTCOME 4: Aged Care and Population Ageing

Topic: Assessment of data sources

Hansard Page: F&PA 98

Senator Claire Moore asked:

Provide further information summarising the data sources and the department's evaluation of them. Would this document become public?

Answer:

A response to this request was provided in the Department's supplementary submission, which is now public.