



**Senator the Hon Santo Santoro
Minister for Ageing
MEDIA RELEASE**

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Santoro explains aged care approvals process

The Minister for Ageing, Senator Santo Santoro, has outlined the independent process for the allocation of aged care places, in response to recent incorrect media reports.

Senator Santoro provided a detailed description of the independent process to *The Courier-Mail* in Brisbane, in response to the newspaper's demand for him to fully explain the 2006 Aged Care Approvals Round and the results.

Despite its demands for this information, however, the newspaper has declined to publish any part of the explanation.

Senator Santoro has therefore made his article public in the interests of fair and accurate commentary about the \$206 million Aged Care Allocation Round.

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The 2006 ACAR Process

**By Senator Santo Santoro
Minister for Ageing**

One of the more popular methods of bashing politicians in Australia – and as a nation we enjoy many and varied forms of that pastime – is to accuse them of a “Sergeant Schultz” response to questions.

That is, to imply that a Minister or MP who says he or she has no knowledge of a situation is at best bumbling, and at worst lying.

This is a charge that has been levelled – unfairly and inaccurately – at me in recent days, in relation to the allocation of aged care places.

The Courier-Mail on Thursday challenged me to provide “a full explanation” of the aged care allocation process, and to outline any involvement that I had in determining the successful applicants. I am happy to do so.

The latter question is answered very simply. I had no involvement whatsoever in the process of allocating places. Far from being some Sergeant Schultz-type excuse, this is in fact a requirement of Federal Law.

The Aged Care Act 1997 requires that the application process is handled entirely within the Department of Health and Ageing, and that the Minister remains completely uninvolved and unaware of the applications until the decisions are finalised.

The more detailed explanation of the independent Aged Care Approvals Round (ACAR) process, demanded by the newspaper, is as follows:

1. Regional allocation. To begin the process, the Government decides the number of places to be funded, depending on the Budget. The Department of Health and Ageing makes recommendations about the regional allocation of these places, based on demand and existing supply. As Minister, I approve those recommendations. This took place in February 2006.

2. Applications. The number of places available in each region is made known, and applications are invited from interested parties. In the 2006 ACAR, applications were invited from late May, and closed on 30 June. At no time during this phase did I see any applications or have any influence or role in the process.

3. Assessment. Applications are forwarded to the relevant State/Territory Office of the Department, to be assessed by expert, trained assessors. Assessments are made on the basis of objective, nationally consistent criteria, including the applicant's ability to deliver services, their suitability as aged care providers, the location and type of services proposed, and the financial sustainability of their business. Again, the law requires that the Minister at no time influence this stage of the process.

4. Delegate's assessment and approval. The State/Territory Offices forward their recommendations to a senior official in the Department of Health and Ageing in Canberra, who makes a final decision on the allocations, taking into account national priorities and consistency. Again, as Minister I legally must not have any role in this process.

5. Announcements - The Delegate's decisions are forwarded to me, at which point I have no discretion or influence over the successful applicants. I do, however, have the opportunity of announcing the successful completion of the round, both to my Parliamentary colleagues and to the Australian public.

This is a process that has worked for many years in matching the available supply of new places to the areas of greatest demand, and the aged care providers best positioned to deliver them.

Through the 2006 ACAR, the Howard Government has funded and delivered 7,777 new aged care places across Australia (including 1,774 in Queensland), at a cost of \$206 million per year.

It is true that some of these places – around 1.2 per cent of the total allocation – were allocated to a person known to me as a member of the Liberal Party. But as the above process shows, there was no opportunity for me to either know about or influence that application.

It is also true that a person who took a commercial decision to build a nursing home on the Gold Coast in the hope that places would be provided to him was unsuccessful in the application round.

The competitive nature of the ACAR process – last year 53,379 applications were received for the 7,777 available places – means that many applicants will miss out. In some cases, perfectly sound applications are turned down simply because others better meet the criteria.

Because of the sensitive and private business information contained in the applications, I am prevented by the Aged Care Act from discussing the reasons for the success or failure of various applicants.

Being “bed-ready” is only one of the selection criteria, and they must measure up against all of them.

However, all failed applicants can request a full explanation from the Department. They may appeal to the Administrative Appeals Tribunal and then to the Federal Court.

The Gold Coast region was well serviced in the 2006 ACAR – 274 new places in total – and all applications were judged against the same criteria by that independent process.

So while it is easy to pick on individual examples among the thousands of applicants and make suggestions of bias or ineptitude, the above outline of the ACAR process shows that it is both reasonable and necessary for a Minister to be unaware of the applications.

That’s as it should be, and as the 2007 approvals round progresses, I will once again remain completely independent of the process.

I will, in the words of Sergeant Schultz, “know nothing” about it until it is completed.