

# Press release

21 July 2008

## **Grant Thornton Aged Care Survey**

Grant Thornton, one of Australia's leading aged care specialist advisory firms, today announced that it will conduct a comprehensive, Australia-wide survey of the residential aged care industry. The survey process will be managed by Aged Care Director, Mr Cam Ansell and Professor Warren Hogan, who was the reviewer for the last comprehensive industry report, *Review of Pricing Arrangements in Residential Aged Care* (the Hogan Review) in 2004.

The aged care industry has matured considerably in the past four years and with a new Government and the recent introduction of a new national funding instrument, it is not only timely, but paramount that a new review be conducted accordingly. With around 175,000 people relying on residential aged care services in Australia, ensuring the sustainability of the industry is paramount.

The survey will address the recommendation made in the Hogan Review for greater access to quality industry financial data for operators, Government and the community. Through the contribution of aged care providers throughout Australia and the support of industry peak bodies and professional industry advisers, Grant Thornton will present invaluable information regarding industry trends. Importantly, the review will focus on key aspects of changing resident demand and its financial impact on provider performance. This will provide crucial background on the framework required to facilitate choice for the consumers of tomorrow.

Professor Hogan said "This initiative represents a truly independent national aged care survey that will facilitate the development of an uncompromised report and will enable providers to glean a realistic appreciation for their commercial competitiveness."

Mr Ansell said "To facilitate positive change and to support regulatory reform, it is imperative that future strategies are supported with relevant and reliable data. As outlined in the Hogan Review, the lack of industry financial information is a major impediment to evaluating industry performance and substantiating the need for change."

For the past two years Grant Thornton had been engaged to analyse the 'general purpose financial reports' prepared by aged care providers as a requirement to receive the Conditional Adjustment Payment (CAP). The CAP is an additional funding stream implemented as one of The Hogan Review recommendations. Mr Ansell said, "Unfortunately the previous reports generated from general purpose financial reports have limited value in terms of determining the key drivers of financial trends in the sector and do not enable improved sector efficiency through financial benchmarking."



The Grant Thornton Aged Care Survey will deliver more concise and relevant information to the industry. The use of a simple but well structured data set will genuinely reflect national comparisons for aged care providers. This initiative is being undertaken at no cost to the industry and the results will be provided to all contributing to the survey.

Mr Ansell said, "It is a privilege to work with Professor Hogan and our industry partners on this significant initiative. This research will provide invaluable information for industry participants and policy makers to facilitate positive change for the benefit of our rapidly ageing population."

The Grant Thornton Aged Care Survey report will be completed and available before the end of 2008.

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