

APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Better Dementia Care Across Australia
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	16/06/2016
Date of request to cost the policy:	17/6/2016
Summary of policy (please attach copies of relevant policy documents):	This policy will establish specialist dementia care units (SDCUs) to provide temporary, transitional residential support to people with severe behavioural and psychological symptoms of dementia who are not able to be cared for in existing care settings (\$7.5 million). It will also target \$3.9 million to help Australians better understand dementia through 'Dementia Friendly communities'.
Intention of policy:	To provide assistance for people living with dementia and their local communities.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office	This policy has not been submitted to the PBO.
<p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including:</p>	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	No.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped.

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy?</p> <p>If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>Primary health networks would coordinate the SDCUs. Funding is capped.</p>
<p>Are there associated savings, offsets or expenses?</p> <p>If yes, please provide details.</p>	<p>Yes.</p> <p>Costs will be offset by a reduction in the release of Aged Care Approvals Round (ACAR) places.</p> <p>Remaining costs are to be redirected from within the Health and Ageing portfolio.</p>
<p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including: (continued)</p>	
<p>Does the policy relate to a previous budget measure?</p> <p>If yes, which measure?</p>	<p>No.</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/cost require indexation?</p> <p>If yes, list factors used.</p>	<p>N/A</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>It is estimated that the policy will cost \$11.4 million over the forwards, but there will be nil UCB impact, as funds will be redirected from within the health portfolio. This includes \$7.5 million for SDCUs and \$3.9 million towards building 'Dementia Friendly Communities'.</p>
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>See attachment.</p>
<p>Has the policy been costed by a third party?</p> <p>If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No.</p>

What is the expected community impact of the policy?

How many people will be affected by the policy?

What is the likely take up?

What is the basis for these impact assessments/assumptions?

The impact on the community is expected to be positive by assisting people living with dementia and their local communities.

NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.

Administration of policy	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	The Department of Health.
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to programme management (by policy agencies) and additional transactions/processing (by service delivery agencies).	The cost of the policy includes \$3 million in departmental expenses.
Intended date of implementation.	The policy will begin to take effect in 2016-17, but places will become available in 2017-18.
Intended duration of policy.	The policy is ongoing subject to review in 2019-20.
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	N/A.
Are there any other assumptions that need to be considered?	No.

Costing assumptions

The proposal assumes:

- A cumulative rollout of places of 84 in 2017-18, 180 in 2018-19 and 276 by 2019-20.
- The average cost of a place will be around three times the cost of the average aged care place.
- The occupancy rate of SDCUs is around 95 per cent.
- Residents would spend between 12 and 18 months in an SDCU.