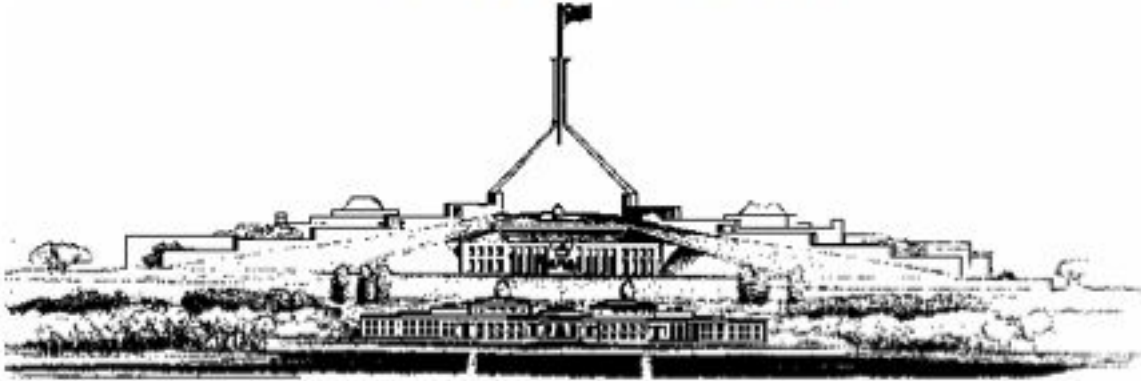




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

STATEMENTS BY MEMBERS

Hunter Electorate: Allandale Aged Care Facility

SPEECH

Thursday, 30 November 2000

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Thursday, 30 November 2000	Source House
Page 23200	Proof No
Questioner	Responder
Speaker Fitzgibbon, Joel, MP	Question No.

Mr FITZGIBBON (Hunter) (9.40 am)—This morning I want to raise an issue involving my electorate and which I have spoken about in this place on a number of occasions. I refer to an aged care facility in Cessnock known as Allandale. Allandale has traditionally been one of Cessnock's major employers and a source of apprenticeships and all sorts of training in the electorate. It was established in 1962 and has operated as an aged care facility for most of that time. For all of that time it has been owned and operated by the New South Wales state government.

The CEO of the Hunter Area Health Service, Professor Katherine McGrath, is determined that that should not be the case any longer and is determined to privatise Allandale. I do not take an ideological approach to privatisation. In fact, I think privatisation should always be considered on a case by case basis. If governments can make out a case for privatisation, so be it, particularly in circumstances where a huge injection of capital is required to keep the facility viable or competitive. Professor Katherine McGrath has not made out a case for privatising Allandale, and I am very concerned about the implications of privatisation for residents of the facility and their families. In particular, for those who work at the facility, I think employment numbers will decline significantly. I do not think there is anything in it for the Cessnock community.

Professor Katherine McGrath says that the privatisation of Allandale is about enhancing the standard of care at Allandale and, indeed, attracting a greater amount of Commonwealth funding. As you would understand, Mr Deputy Speaker, in the early nineties the Commonwealth agreed to take over all funding responsibilities for aged care because of concerns regarding inconsistencies in standards of care across the country. It was also agreed that the Commonwealth would not pay the capital component of bed funding for those homes that were operated by the state government. In other words, the New South Wales government has a lesser ability than a private provider to attract Commonwealth funds.

Professor Katherine McGrath's plan to privatise Allandale is no more than an exercise in shifting costs from the New South Wales government to the Commonwealth. It is about saving her budget \$3.5 million each year. Professor McGrath says that if she can make savings of \$3.5 million in relation to Allandale each year, that represents more money that she has available to put into acute care. I say that if Katherine McGrath has identified shortfalls in acute care funding she should take her case to the government and secure additional funding. She should not be seeking, at the expense of the local community, to embark upon a cost shifting exercise by privatising Allandale. (*Time expired*)