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Aged Care budget a step in the right direction but much more work to do

Australia’s voice of aged care, Leading Age Services Australia (LASA), said while the 2018-19 Federal Budget is a step in the right direction for older Australians and the age services industry there is much more work to do.

LASA CEO Sean Rooney said Australia is facing a ‘new normal’ as the ‘baby boomers’ generation ages and this Budget does not provide the system settings and the funding levels to meet the growing demand and provide the ‘fit for purpose’ aged care system that Australia needs.

“The Budget provides some good news for older Australians seeking care in their own home with more than 14,000 new high-level home care packages funded over four years, following on from the extra 6,000 high level packages delivered in the second half of 2017,” Mr Rooney said.

“Safety and quality in aged care is not negotiable and we also welcome the Government’s budget announcement of $50 million for residential aged care funding to transition to a new quality regime.

“Measures to support ageing-well, including mental health, active ageing and a pensions loan scheme, are particularly welcome, along with specific measures to support the provision of aged care services in rural communities, such as $40 million for infrastructure maintenance and upgrades.”

Welcomed initiatives announced in the 2018-19 Budget include:
- 14,000 new high-level home care packages over four years following on from the extra 6,000 high level packages delivered in the second half of 2017;
- 13,500 residential aged care places and 775 short term restorative care places in the 2018-19 Aged Care Approvals Round will be released, with a $60 million capital investment to support new places;
- Funding of $105.7 million over four years from 2018-19 (including $32.0 million from within the existing resources) to support the National Aboriginal and Torres Strait Islander Flexible Aged Care Program to deliver additional residential aged care places and home care packages in remote Indigenous communities;
- Capital grants funding of $40.0 million over four years from 2019-20 for aged care facilities in regional, rural and remote Australia;
- The development of a new Aged Care Quality and Safety Commission from 1 January 2019.
- $50.0 million over two years from 2018-19 for a Better Quality of Care program to assist residential aged care providers to transition to a new quality standards framework;
- Funding of $82.5 million over four years from 2018-19 for mental health services for people in residential aged care facilities;
- $5.3 million over four years from 2018-19 for the development of technological solutions to support people living with dementia to better manage their care; and
- $32.8 million over four years to deliver palliative care in residential aged care. Contingent on State’s matching funding.

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Mr Rooney said individually, and collectively, these budget initiatives respond (in part) to the growing demands for age services in Australia and are welcomed by our industry.

“However, we had hoped that this Budget would map out a plan to meet the longer-term needs of Australia’s rapidly ageing population,” Mr Rooney said.

“This Budget does not adequately address the growing complexity of residents’ needs, changing consumer and community expectations, and rising operating costs, which are all placing increasing financial pressure on residential care providers and the overall aged care system.

“Funding cuts by successive Governments to residential aged care services, combined with rising operating costs and growing acuity/complexity of residents, means we still face a crisis of sustainability with an estimated 40% of residential aged care providers recording financial losses last financial year.

“The situation is even more serious in rural and regional settings where access to staff and higher costs further compound the situation.”

Mr Rooney said an ageing workforce that needs both renewal and growth is also a key issue for our industry.

“Ultimately, what Australia requires is the development of a long term, sustainable funding strategy to ensure that the needs of older Australians can be met,” Mr Rooney said.

“We need a strategy that will resolve aged care funding for the next two decades as our country transitions to supporting the ‘baby boomer’ generation to age well.”

LASA will continue work on behalf of our Members to ensure fundamental issues relating to the four key areas of quality of services, access to services, funding of services, and delivery of services are resolved.

Mr Rooney said 2018-19 is a critical year in aged care and it is urgent that more work is done to ensure we have a high performing, respected and sustainable aged care system that delivers accessible, affordable, quality care and services for older Australians.

“Expectations are set that 2018 must be the year of ‘action’. The issues of ageing and aged care in Australia are too important not to get right.”

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