

27 July 2018

Commitment to address aged care funding issues welcomed

Australia's peak age services body, Leading Age Services Australia (LASA), today welcomed Minister for Health Greg Hunt's commitment to strengthen residential aged care funding following a public address in Sydney yesterday.

LASA CEO Sean Rooney said LASA was pleased that the Government had listened to providers about the need to review aged care funding and prompt action is now required.

"LASA has been advocating strongly that the industry needs urgent funding relief to address the increasing demand for services and acuity of residents, while the work on longer term sustainable funding arrangements is being undertaken."

Immediate actions being called for include:

- \$675 million per annum to respond to the gap between rising costs and stagnating subsidies in residential care.
- At least \$60 million per annum more for home care subsidies to respond to rising costs, as well as review of the overall level of investment to ensure that the roll-out of additional home care packages keeps up with the actual numbers of people in the national queue (currently over 100,000 people).
- Additional targeted support for those residential aged care providers that are struggling in regional and remote Australia.
- A sustainable aged care funding strategy that ensures we have an equitable and viable aged care system that delivers the services that people need and want into the future.

Mr Rooney said ultimately the development and implementation of a sustainable funding strategy must ensure care and services are available for older Australians as their needs arise, while also providing certainty, stability and viability for our aged care system for the next decade, and not just the next year.

"LASA has been advising the Federal Government for the past year of the impact on residential care providers of the combination of rising operating costs and stagnant revenues from government," Mr Rooney said.

"It is not unreasonable to expect that Australia's aged care system is adequately funded to be sustainable and to meet the needs of older Australians.

"Regrettably, this is not currently the case. Independent reviews and industry experts have identified funding as the major issue for the industry, but there is no clear plan to resolve the fact that the level of funding provided to providers is not adequate to meet the changing and growing needs and expectations of older Australians.

"This commitment by Minister Hunt is most welcome and we look forward to working with the Federal Government on actions and a speedy resolution of these critical funding issues."

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