

## Where do you stand on funding for the care of older Australians?

### THE KEY ISSUES:

- 1 Australia is facing increasing pressure on our aged care system:
  - Since 2009 the number of people in residential care with high care needs has steadily increased.
  - The majority (85%) of residents were diagnosed with at least one mental health or behavioural condition, including dementia and depression.
  - There are over 100,000 people in the national queue for home care packages.
  - Demand for more services is growing quickly as the Baby Boomer generation ages driving demand for services and requiring more investment.
- 2 Successive Federal Governments have withdrawn \$3 billion from the residential aged care system over the last five years.
- 3 Minimum wages have grown at 3.3% and 3.5% over the last two years with other costs such as energy growing too. Yet funding indexation was nil last year and just 1.4% this year.
- 4 Many residential aged care providers, especially those in rural and regional areas, are under significant financial stress. Independent industry analysis conducted by StewartBrown for the March 2018 quarter shows that:
  - 43% of residential aged care facilities are making a loss – this situation has been getting worse over subsequent quarters with this figure 34% in the June 2017 quarter.
  - For regional, remote and very remote facilities, 57.9% were making a loss at the March 2018 quarter.
  - Home care providers have experienced 18% decline in profitability over the past nine months.
- 5 A recent independent Inquiry (Tune Review) into aged care found that:
  - a. current planning mechanisms are not going to deliver sufficient services in the long term;
  - b. meeting projected future demand will need additional investment by Government beyond that currently planned; and,
  - c. a key issue is how increase in demand will be financed and the costs shared between Government and people receiving care.

### WHAT WE ARE SEEKING?

We are seeking an Australian aged care system that meets the needs and expectations of our older Australians and their families. This must include the capability to meet the new aged care standards and respond to frameworks set by the new Aged Care Quality and Safety Commission. The sector is striving to meet these challenges, but ongoing financial pressure is constraining our ability to do this and is placing many services at serious financial risk.

To ensure older Australians can access services they require:

- \$675 million per annum to respond to the gap between no indexation of residential aged care subsidies in 2017-18 and low indexation in 2018-19.
- An additional \$60 million per annum to current 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).

- Targeted support and different ongoing funding arrangements 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 sustainable aged care system that delivers the services that people need and want into the future.

### IF ELECTED, WHAT IS YOUR POSITION?

Recognising the critical nature of the issues raised above, what will you do to ensure the needs of older Australians, and the organisations that they rely on for care, support, services and accommodation in your electorate, are met now and into the future?