

11 December 2018

MYEFO an Opportunity for Government to Back Older Australians

Leading Age Services Australia (LASA) says next week's Mid-Year Economic and Fiscal Outlook (MYEFO) is an opportunity for the Federal Government to show its commitment to supporting older Australians and the age services industry.

LASA CEO Sean Rooney says providing levels of funding that reflect the increasing costs and growing demand for age services is the only way we can guarantee a sustainable age services industry that meets the growing and changing needs of older Australians in all types of care settings.

"Funding for residential aged care has not kept pace with costs and this must be addressed as a priority," Mr Rooney said.

"Figures from industry analysts Stewart Brown show more than 63 per cent of facilities in outer regional, rural and remote locations are operating at a loss, while more than 45 per cent of residential facilities are forecast to report a before tax operating deficit for the year.

"Furthermore, Stewart Brown estimates an anticipated 21 per cent of facilities are likely to report a cash loss from operations.

"This funding shortfall has been further compounded by rising operating costs, and annual funding indexation much lower than CPI – this year just 1.4 per cent on top of successive minimum wage rises of 3 per cent and 3.5 per cent in July 2017 and July 2018.

"The residential aged care industry has received around \$3 billion less in funding over the past five years than it would have under previous funding arrangements.

"Yet it has also had to meet the care needs of not only an increasing number of older Australians, but older Australians with more complex needs.

"MYEFO also offers the Government an opportunity to develop a sustainable funding strategy for home care that considers all the available public and private funding levers," Mr Rooney said.

"Figures released just last month show that with 126,732 older Australians on the national queue, an increase in higher level home care packages is needed to ensure older Australians are supported to age in their own homes.

"The continuing shortfall in higher level home care packages is not only impacting the care available to older Australians, but providers are also facing increased challenges to deliver appropriate services and manage risks associated with unmet care needs.

"Appropriate and sustainable funding is vital to implement leading practice models of care across Australia, particularly in rural and regional settings, where access to staff can be limited and there can be higher costs for the provision of services.

“We need to work towards ensuring all providers have the right numbers of staff, with the right mix of skills, to meet the different needs of every individual they care for and support.

“This applies to every different type of care setting, be that in the home, a retirement village or a residential aged care facility.

“The aged care industry is committed to reform and is working with the Government and other stakeholders on a continuous improvement agenda, but adequate resourcing is needed to address the key issues facing the industry.

“While the Royal Commission is underway we must press on with addressing key industry issues, and not lose sight of making Australia’s aged care system better right now.”

About Leading Age Services Australia (LASA)

LASA is the national peak body representing and supporting providers of age services across residential care, home care and retirement living. Our purpose is to enable a high performing, respected, and sustainable age services industry delivering accessible, affordable, quality care and services for older Australians.

We represent providers of age services of all types and sizes located across Australia’s metropolitan, regional and rural areas. Consistent with the overall industry profile, 57% of our Members are not-for-profit providers, 33% are for-profit providers and 10% are government providers.

Our diverse and representative membership gives LASA the ability to speak with credibility and authority on issues of importance to older Australians and the age services industry.

Contact: David O’Sullivan Ph 0427 138 024 E davido@lasa.asn.au