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Latest Data Highlights Ongoing Financial Challenges for Aged Care

Leading Age Services Australia (LASA) Chief Executive Officer Sean Rooney says new figures from a leading industry analyst show ongoing financial challenges for aged care providers in residential care and home care.

The September 2018 Aged Care Financial Performance Survey from accounting firm StewartBrown shows that in residential care, 41.4 per cent of facilities were operating in deficit compared to 33.9 per cent of facilities in the same quarter of the previous year.

“While there was a small improvement in results relative to the June Quarter, this reflects typical season variations and without further Government funding StewartBrown continues to forecast ongoing financial pressures for residential care providers,” Mr Rooney said.

“Funding announced in last month’s Mid-Year Economic and Fiscal Outlook (MYEFO) will help slow the decline, but much more will be needed to reverse the trend.”

On a more positive note, the StewartBrown data highlights that industry continues to invest in increased staffing hours, with average direct care hours per resident per day increasing to 3.17 from 2.92 in September 2014.

“The fact that residential care facilities have continued to invest in staffing despite the financial challenges is particularly significant.”

The data also shows increasing financial challenges for Home Care providers who recorded a further decline in average financial performance - all while the wait list for older Australians assessed as requiring care at home, but unable to access this care, continues to grow.

“Both the Government and the Opposition have recognised that aged care is an issue of national importance. World class quality in aged care requires world class funding for aged care.

“Unfortunately Australia currently spends about 30 per cent less as a share of GDP on aged care than the average of other advanced economies. With the national Budget forecast to return to surplus this year it must be a priority for Government to ensure Australia’s aged care system is adequately funded. Older Australians deserve nothing less,” Mr Rooney said.

The full report can be accessed on the StewartBrown website:
<http://www.stewartbrown.com.au/news-articles>

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.

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