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## **LASA says aged care must be budget priority**

The age services industry says the Federal Government needs to make aged care a budget priority if it is serious about providing affordable, sustainable, quality care and services to older Australians.

Leading Age Services Australia, the voice of aged care, has detailed a list of funding priorities in its Budget submission to the Government, along with a range of measures to free up funding for age services without any cost to the Budget and vital research required to drive reform in the sector.

The funding priorities include:

- \$670 million per year to offset recent reductions in indexation so that residential care facilities can deliver care while remaining financially sustainable
- Around \$100 million per year in additional targeted relief for facilities in remote and outer regional areas where financial viability is under particular threat
- Around \$100 million per year to urgently boost funding to support older Australians experiencing the behavioural and psychological symptoms of dementia
- Around \$500 million per year to meet the needs of the growing numbers of older Australians on the Home Care national queue (including legislated maximum waiting times)
- Around \$60 million to boost indexation of home care subsidies to match cost increases and ensure that levels of care are maintained and enhanced, whilst regulatory assessment of quality is assured
- At least \$30 million per year as an initial investment in workforce training and development to upskill staff including in areas such as dementia care, palliative care and medication management (this is roughly enough for a staff member in each aged care service to attend a single day training course).

LASA Chief Executive Officer Sean Rooney said public spending on aged care in Australia is relatively low by international standards and has not kept pace with rising wages and the growing needs of older Australians.

“More than 40 per cent of residential aged care facilities are operating in deficit and a leading industry analyst forecasts that average earnings will turn negative by the end of 2019.

Mr Rooney said there are also a number of ways that the Government could free-up additional funding for aged care without any cost to the Budget, including:

- Implement the 2017 Aged Care Legislated Review recommendations to allow for higher consumer contributions from those who can afford to pay
- Lower the interest rate that must be paid by residential care providers on lump sum accommodation payments while awaiting a valid request to return the money to match the rate that consumers would have received if it were held as a retail deposit
- Fast track the home care queue for low means individuals to address the fact that they cannot pay for services privately while they wait
- Advertise the revised Pension Loans Scheme to everyone on the home care queue and introduce a Home Care Loans Scheme with a heavily discounted interest rate
- Outline a plan for the integration of the Commonwealth Home Support Program and Home Care Packages to provide certainty for operators and their clients.

LASA is also urging the Government to invest in building a foundation to support a shift from an 'aged care' sector to an 'ageing well' system by funding:

- Research to develop more robust outcome-based measures of life satisfaction and clinical quality that are robust and cost effective enough to act as quality measures across the system and at an individual service level in both home care and residential care
- Research building on the Resource Utilisation and Classification Study to identify the resources required, including funding and staffing models, to deliver care that achieves agreed benchmarks against these indicators
- Research on the interface between aged care and the health care system to identify opportunities to improve efficiency and effectiveness.

"The modest funding increases announced in the 2018-19 Budget and Mid-Year Economic and Fiscal Outlook (MYEFO) provide some relief, but conditions will continue to deteriorate without a significantly larger intervention," Mr Rooney said.

"LASA and the age services industry fully support the Royal Commission process, but we must press on with addressing a number of urgent issues without prejudice to the Commission's findings, and we must start with this year's Budget."

### **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.



# Media release

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.

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