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Financial pressures on aged care providers impacting on older Australians

Warning of service failures unless Government takes urgent action.

Leading Age Services Australia (LASA) has surveyed its Members and found four out of five aged care providers believe current financial pressures constrain their ability to deliver the care their clients and residents need and expect.

Many providers say they will be forced to withdraw services, cut jobs and reduce investment.

The survey reflects the feedback of 170 respondents servicing at least 70,000 older Australians both in residential care and home care.

Respondents warn that unless the Government takes urgent action to address these financial pressures their ability to consistently meet the needs of those they care for will be further compromised.

The first impact will be directly on older Australians in care, and will also likely result in the withdrawal of services, job losses and further reductions of investment in services and infrastructure.

Other key findings show that if conditions do not improve:

- 15 per cent said it was likely or very likely that they would have to withdraw services
- 41 per cent said it was likely or very likely that they would have to reduce direct care staff.
- 52 per cent said it was likely or very likely that they would have to reduce non-care direct service staff.

LASA CEO Sean Rooney says the survey results back up industry analyst StewartBrown's Aged Care Financial Performance Survey for March and the Government's own Aged Care Financial Authority's most recent report that show about 44 per cent of residential care providers operating at a loss and earnings per home care consumer falling 60 per cent.

"What this data shows is that urgent action is required to ensure high quality care and support for older Australians and avert the risk of service failures, job losses and missed care, while the Royal Commission considers longer-term reforms.

“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.

“However, the reality is that funding of aged care has not kept pace with rising operating costs and the growing needs of older Australians.”

Read the key findings of the Financial Risk Survey here. <https://lasa.asn.au/wp-content/uploads/2019/08/LASA-Financial-Risk-Survey-Key-Findings.pdf>

About Leading Age Services Australia (LASA)

LASA is the national association for all providers of age services across residential care, home care and retirement living/seniors housing. Our purpose is to enable high performing, respected, and sustainable age services that support older Australians to age well by providing care, support and accommodation with quality, safety and compassion - always.

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