



# AGED CARE INDUSTRY COUNCIL

Peak Council of Australia's Aged Care Providers



14 April 2009

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## AGED CARE FUNDING FIASCO IMMINENT WITHOUT CHANGE

The peak council of Australia's aged care providers has again called for the Federal Government to balance the books on aged care funding. The Aged Care Industry Council (ACIC) said without immediate change there was a real risk of job losses and closure of facilities.

Acting ACSA CEO Pat Sparrow said: "Aged care providers are already struggling to meet their costs. To impose further belt-tightening will simply rob older Australians of the care they need now and into the future.

"The dire consequences of the global economic crisis can not be allowed to strike at the heart of an industry which exists to provide optimum care for older Australians," Ms Sparrow said. "While the Government can claim that it is providing record levels of funding for aged care, the awful truth is that the funding does not match the cost of providing services."

"In the lead up to the Federal Budget we urge the Government to commit to continuing the Conditional Adjustment Payment (CAP) which forms part of the indexation component of the funding formula. The books have to balance to ensure aged care providers are not continually forced to live beyond their means and face a funding fiasco."

ACAA CEO Rod Young said: "Our research shows that if the CAP was removed it would result in a funding shortfall of some \$910million over four years. This would equate to job losses in the region of 16,000 over the same period".

ACIC said an independent report by Access Economics, released by a multi-denominational coalition of eight national aged care provider groups on Monday, was further evidence of a short fall in funding. "The report highlights that funding at current levels will fail to meet the increasing demand for new accommodation," Mr Young said.

"The current funding formula is a recipe for disaster that is threatening the viability of aged care facilities, which in turn will leave older people and their families unsupported and dedicated staff without jobs."

"Old age is not a new concept. Caring for older people is not a new idea and yet the constant struggle to ensure that providers are adequately funded continues each year," Mr Young said.

"This must stop. The time has come for the Government to provide real funding for aged care" Ms Sparrow said.

*ACIC comprises Aged and Community Services Australia (ACSA) and Aged Care Association Australia (ACAA) which represent 95 per cent of Australia's aged care providers in both the not-for-profit and the for-profit sectors.*

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