



AGED CARE INDUSTRY COUNCIL

MEDIA RELEASE



Peak Council of Australia's Aged Care Providers

23 June 2010

Aged Care Plea for Action

Australia's aged care industry has today published an open letter to the Prime Minister to highlight the dramatic shortfall in funding.

The Aged Care Industry Council (ACIC), comprising the peak national bodies ACAA and ACSA, which represent organisations providing services and accommodation for older Australians, was forced to take the dramatic step because of the failure of successive Federal Governments to recognise the funding problems confronting the industry.

Aged and Community Services Australia (ACSA) CEO Greg Mundy said the decision to write an open letter was not taken lightly. "The Government has recognised that there are funding problems in aged care, this is one reason why they have asked the Productivity Commission to conduct an Inquiry. We welcome the Inquiry, it is a great improvement on denying that there is a disconnect between funding and real world costs. The Inquiry will not report until 2011 though and, in the meantime, older people are the losers

Aged Care Association Australia (ACAA) CEO Rod Young said the situation was intolerable. "The Prime Minister is supposed to understand the importance of a balanced budget and yet he expects aged care providers to operate in the red," he said.

Two weeks ago the Federal Government announced a 1.7 per cent funding increase for aged care services as the minimum wage was increased by 4.8 per cent and cost of living indicators (CPI) measured 2.9 per cent.

ACIC said no business, including aged care providers, could continue to deliver services at the same quality or operate effectively under these circumstances.

"Our industry-remains committed to working with the Government to implement long term reforms needed to sustain aged care," it said.

"The sad reality is that there are older people receiving care today who don't have the luxury of waiting for the system to be overhauled. They need to be assured the services they are receiving will continue unabated and not limp along before finally collapsing.

"We have urged the Government provide an additional supplement of 1.75 per cent effective from July 1.

"Prime Minister we need action now."

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