



AGED CARE INDUSTRY COUNCIL MEDIA RELEASE



Peak Council of Australia's Aged Care Providers

Friday, 14 September 2007

CALL FOR FAIR FUNDING DEAL FOR AGED AND COMMUNITY CARE

Industry leaders today renewed their call for a fair funding deal for the aged care sector, including indexation of subsidies and ongoing supplementary funding of all aged care and community care facilities.

“A sustainable funding model is essential to allow the aged care sector to continue to offer quality care and also cope with the impending tide of people needing access to services,” Aged Care Industry Council (ACIC) spokesman Rod Young said.

“Yet for a decade Federal Government inaction has locked the industry into a funding model that is entrenching a serious funding shortfall that worsens every year.

“Without a new funding model Australians will increasingly face difficulties finding care for ageing relatives and our older people will not be assured of the quality of care they deserve.”

ACIC, which represents almost 3000 residential care services and most community care services around Australia, has called on both major parties to:

- Introduce an indexation formula for aged and community care which reflects the real costs of providing a quality service
- Immediately commit to maintaining the Conditional Adjustment Payment, which provides an extra 1.75 per cent in funding, beyond 2008 and extend it to cover community care programs.

ACIC spokesman Greg Mundy said Professor Warren Hogan, who conducted a review of aged care pricing for the Federal Government in 2004, had backed the industry's position.

“As a minimum, payments for residential care need to continue to grow by an additional 1.75 per cent per year above the inadequate 2 per cent provided under the current formula,” Mr Mundy said.

“This was recommended by the review conducted by Professor Warren Hogan in 2004 and reiterated by him last week.

“A similar payment is also needed for community care – excluded from Professor Hogan's review by the narrowness of its terms of reference.”

“A sensible policy for making sure that aged care payments keep pace with cost increases would be to develop and use an index of aged care costs and adjust payments each year on this basis.”

For further comment:

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