



AGED CARE INDUSTRY COUNCIL MEDIA RELEASE



Peak Council of Australia's Aged Care Providers

Tuesday, 13 May 2008

OLDER PEOPLE ESCAPE THE RAZOR – FOR NOW

Leaders of Australia's aged care industry expressed relief that the Federal Government did not cut services to older people in tonight's budget.

"We are relieved that pre-budget rumours about the axeing of CAP index payments for aged care services, worth over \$1.5 billion over four years, did not eventuate," commented Aged Care Association Australia's CEO, Rod Young.

"We were concerned that services to some of the most vulnerable people in our community would have had to be reduced if funding levels fell even further behind rising costs," added Greg Mundy CEO of Aged and Community Services Australia.

"Extending the Conditional Adjustment Payments for a further year is a step in the right direction but the Government must use this time to put the aged and community care industry on a sustainable footing," he warned.

The Government's review announced in the Budget must develop an index that accurately measures and funds the costs of providing care and eliminates the need for continual 'patch up' solutions," Mr Mundy added.

"There are other financial issues that must be addressed in aged care such as a lasting solution to capital raising," Mr Young stated

Mr Mundy, said, "We need to ensure that care for people living at home, which so far has missed out on this CAP Index funding, can also keep pace with rising costs."

"If the rumoured cuts had gone ahead they would have more than wiped out the value of funding announced by the Rudd Government earlier this year," Mr Young stated. "But this decision means we won't need an aged care 'razor gang' of our own in the short term."

The Government has followed through on its pre-election commitments in aged care confirming funding for low interest loans, return to work incentives for nurses and additional transitional care places but appears to have watered down its commitment to review planning ratios.

The Aged Care Industry Council is an umbrella body covering over 95% of Australia's aged care providers in the church and charitable and privately owned and operated sectors.

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