



AGED CARE INDUSTRY COUNCIL MEDIA RELEASE



Peak Council of Australia's Aged Care Providers

Wednesday 16th April 2008

NURSING HOMES OF THE FUTURE WON'T BE BUILT

Aged care industry leaders have told the Federal Government that, without sweeping changes, the nursing homes we need to cater for an ageing population will not be built.

In the lead up to the weekend summit they called on the Government to match the Opposition's preparedness to look at new ways of financing aged care buildings.

"We need fresh thinking on this issue. We have had a series of patch-up solutions to the problems of charging for aged care accommodation. These date back to the former Government's back down on refundable accommodation deposits in 1997," commented Aged and Community Services Australia CEO, Greg Mundy.

"None of these patch-ups, including the measures that came into effect this March, address the two fundamental issues of raising sufficient capital to cover the cost of buildings and seeking contributions from residents on an equitable basis."

"We need a system in which the combined contribution of Government and residents to the cost of their accommodation reflects the cost of that accommodation in different parts of Australia" added Rod Young, CEO of Aged Care Association Australia.

"Whether people pay this in the form of a weekly rental or through the refundable deposit system known as Accommodation Bonds is less important than the principle of an adequate and equitable payment." Mr Young added.

"We could envisage an option of deferred payment, where people paid for their accommodation from their estate if the interest cost could be included." Mr Mundy stated. "A 'safety net', for those who can't afford to pay, must remain an integral part of the system too."

This issue has been made sharper by the ending last month of a temporary interim accommodation payment from the Government of \$3.50 per day and industry fears that subsidies for care will not be properly indexed this year with no commitment having been made to continuing a 1.75% 'top up' payment after June this year.

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