

Media Release

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The Henry Tax Review and aged care

Australia's peak body representing not-for-profit community and residential aged care providers says the Government's response to the Henry Tax Review must not undermine the fragile stability of the sector.

Aged and Community Services Australia (ACSA) CEO Greg Mundy said the aged care sector, the largest component of charitable service providers in the country, depended on existing tax concessions to deliver critical care and support to older Australians.

"Concessions for public benevolent institutions, such as aged care organisations, currently subsidize salaries which account for some 70 per cent of expenditure in aged care," Mr Mundy said.

"The removal of the subsidy would not only penalize staff but jeopardize the welfare of almost a million Australians who depend on aged care workers every day.

"The lack of funding to match the real costs of providing care and accommodation for older people is a critical issue and while it must be addressed as part of the Productivity Commission inquiry into aged care, the sector cannot afford any cuts to existing income.

"Any moves to erode the limited means available to aged care organisations to pay staff and provide quality care and accommodation would be unacceptable.

"Australia must have a sustainable aged care system which allows older people to choose and access quality care and services.

"A fair and equitable tax system for all Australians should be a priority and we welcome any tax initiatives which will support and not destabilize the care of older Australians."

Media contact: Chris Hornsey 0419 513 432