



MEDIA RELEASE

“Aged care investment collapses”

Aged Care Association Australia (ACAA) said today that “recent Government data completely vindicated the industry’s position that the risk involved in investing in aged care is now too great considering the poor returns that providers are able to achieve within the current scheme.”

ACAA CEO, Rod Young said, “the 2008 survey of the aged care industry undertaken by Department of Health and Ageing showed a more than 50% decline in the planned building work for the future.”

Proportion of aged care homes undertaking building work:

% of total homes	2002	2008
Planned Building Work		
Proportion of homes that were planning new building work (%)	10.1	3.8
Proportion of homes that were planning rebuilding work (%)	3.5	1.7
Proportion of homes that were planning upgrading work (%)	14.3	8.1

“If you’re looking for an aged care place for your mother or father anytime during the next thirty years then you better get used to a long wait,” said Rod Young.

“This trend data clearly shows that the industry will be radically under supplied in residential care places and that the public policy objective of ensuring future choice for residents and their families will simply fail to materialize,” Mr Young said.

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"Aged care providers have until recently, been investing up to \$1.5B per annum in new and replacement building stock. The flow on effect to the broader economy has been estimated to be as much as \$6B. It is difficult therefore to understand, in the current economic climate, why the Government would not assist the aged care industry to maximise its building work which would add to the broader impact of the economic stimulus," said Rod Young.

"Current Government policies are going to lead to huge delays in older Australians being able to access care and services in the future. This is not how older Australians and their families should be treated," Mr Young said.

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