



MEDIA RELEASE

Care for the Aged = Adequate Funding

Aged Care Association Australia (ACAA) today called on the Federal Government to recognize in the 2011/2012 budget, the need for interim funding pending implementation of the Productivity Commission Report.

'Community and Residential Care are pegged at an average annual increase of 2.0% which is less than CPI and considerably less than the recently approved Private Health Insurance premium increase of 5.7%,' said Rod Young, ACAA CEO.

'ACAA has estimated that the likely index that Government will allow the industry for the 2011/2012 financial year will be 2.00%; again at a level considerably below CPI and below average wage rises across all sectors of the economy,' said Mr Young.

'Community care providers are particularly impacted by these very low index levels,' said Rod Young, 'as the only way they can adjust their costs is to reduce the hours of service delivery in the field.'

ACAA recognizes that though the Productivity Commission has released a draft report designed to deliver major reform for the industry; this is unlikely to start until July 2012 and take five to seven years to implement.

'It is essential therefore if the 2011/2012 budget is as tight as is claimed, that the Government works on a range of measures that will assist aged care providers reduce their compliance and administration costs and not impact the public purse. The Government could initiate the following steps; all of which are at no cost to the public purse,' said Rod Young.

1. Raise the extra service ceiling to 30%
2. Remove the distinction between high care and low care and treat the whole program as residential care
3. Re-calibrate community care to eight funding levels

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4. Remove the certification requirements
5. Remove the requirement for residential care providers to submit audited general purpose financial reports annually
6. Change the ACAR rules so that a provider does not need to re-submit a fresh application for each aged care approvals round

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