

Dear Treasurer

2010 - 11 BUDGET SUBMISSION

The Aged Care Industry Council (ACIC) is pleased to make a submission for Government's consideration in developing the 2010-11 Federal Budget.

It is an exciting and challenging time for Australia. The Rudd Government has recognised the critical importance of aged care services and the need to reform them as part of its broader health and hospitals agenda. The Third Intergenerational Report will reinforce that, with a growing aged population and decreasing tax base, reform is essential.

It is imperative that this budget address aged care issues so that the health and hospitals reform agenda can proceed successfully. We are aware that the Productivity Commission will be undertaking a review of the specific aged care reform recommendations and we look forward to working with Government on that review.

While the review is occurring Government has a window to effectively prepare for reform and, as the NHHRC states, create an environment that fosters a robust and sustainable aged care sector. This means that Government must develop:

- An indexation formula which meets the real costs of providing quality care;
- A sustainable capital raising system to build quality facilities;
- An effective community care service system;
- A modern, learning and supported workforce; and
- Aged care IT capacity to support the ehealth agenda.

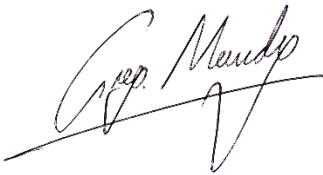
Without Government action in these areas older people's access to essential aged care services will be ever more limited and there will be ongoing blockages in the health system overall.

ACIC's submission outlines how undertaking the above preparation can result in savings in the health budget, a successful reform process and most importantly more effective services to support older Australians.


On election the Government made a number of promises to the aged care industry and the Australian public. ACIC looks forward to seeing those that have not yet been actioned, such as establishing the concessional resident ratio at a target that reflects the regional socio-economic demographics rather than an arbitrary 40%, being implemented in this Budget.

We would welcome the opportunity to discuss the submission with you and look forward to your Government's favourable consideration of, and action on, our recommendations as the first step to successfully reforming health and aged care.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Mundy', with a long horizontal stroke extending to the left.

GREG MUNDY
Chief Executive Officer
Aged & Community Services Australia

A handwritten signature in black ink, appearing to read 'Rod Young', with a long horizontal stroke extending to the left.

ROD YOUNG
Chief Executive Officer
Aged Care Association Australia