



MEDIA RELEASE

EXTENT OF INDUSTRY CRISIS REVEALED: AGED CARE LEADER

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The latest analysis of the largest independent survey of residential aged care ever undertaken in Australia has shown further worrying trends for the industry, says a national aged care industry leader.

Greater in-depth analysis of the ground-breaking Grant Thornton Report will be presented to aged care providers at a national seminar in Melbourne tomorrow.

Aged Care Association Australia Chief Executive Officer Rod Young said, "Analysis had now been done of facilities built before 2000 and those after that date."

The latest figures show facilities built before 2000 recorded a profit per bed of \$1036 per year. On facilities built after that time, providers reported losing \$584 per bed, per year. The report also found 44 per cent of all facilities built since 2000 were recording a loss – with 20 per cent losing more than a million dollars per annum.

"In response to changing community expectations and government requirements, regulations were changed to encourage the construction of private rooms, with en-suites, rather than multi-bed facilities," Mr Young said

Coupled with the current financial crisis, it was hardly surprising aged care providers were now thinking hard before committing to build new high care facilities, indeed many providers are now saying they will not commit to build," he said.

"The very type of facility the government and community wants us to build is the very thing the industry can't afford to construct," Mr Young said. "Something has to give."

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