



MEDIA RELEASE

Urgency of Aged Care Reform Confirmed by new findings

Industry magazine 'Aged Care Australia' out today contains an analysis of recent average cost of care figures in each state and territory; as estimated by the Government. The article then compares the average cost of care with the average income received by an aged care provider and estimates the shortfall between income and cost.

The CEO of Aged Care Association Australia (ACAA) Rod Young said 'the figures highlight a serious gap in subsidies received with an average shortfall per resident per day of \$10.17. That translates into an annual shortfall of \$630M across the whole industry.'

'In a seventy bed aged care facility, that is an annual reduction in income of approximately \$260,000.00. That translates into a registered nurse and three carers who cannot be employed to support the level of service and care we already provide to frail older Australians,' said Mr Young.

'Contrary to adverse statements concerning the level of wages in aged care; the simple reality is that under the current funding levels we cannot pay higher wages. We can only pay what the funding levels dictate,' said Mr Young.

'An additional consequence of this under-funding is that many providers are now eating into their capital reserves or capital income stream to subsidize their operating income. This means providers can no longer afford to invest in new and replacement building stock that should be being planned and constructed now if we are to meet the huge growth in demand over the next twenty years,' said Mr Young.

ACAA is pleased with the Government's health review process and preparedness to consult widely with health and aged care stakeholders however, is anxious to ensure that that dialogue now translates into decisions that will ensure long term viability for the aged care industry.

For further comment:

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The full article from Aged Care Australia magazine summer edition can be viewed at <http://www.agedcareassociation.com.au/content/CEOs%20Report%20Dec%2009%20final%20Epdf>

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