



MEDIA RELEASE

'AGED CARE REFORM STILL ON BACKBURNER'

The 2009/2010 Budget though welcome in these very difficult financial times is unlikely to solve the underlying capital needs of the industry.

"The Government's decision to increase the single aged pension by \$32.49 per week and to split the benefits is an equitable compromise recognising the very difficult financial circumstances aged care providers are currently experiencing and the Government's desire to make sure all aged pensioners receive some benefit from the pension increase," said Rod Young, ACAA CEO.

"Unfortunately, the Government's decision to offset the pension increase against a long term sustainable index for the industry will mean that Government will have no alternative but to address this issue before the next budget," said Mr Young.

"Government cannot expect aged care providers to provide quality care for residents without some inbuilt recognition of the real cost of providing the standard of service that care providers and our clients expect," said Mr Young.

Aged care will need to spend \$21B over the next twelve years to build new and replacement building stock to meet the growth in population requiring care services by the year 2020.

"The industry has been telling Government and every Inquiry undertaken in the last ten years has confirmed that the current capital system for the industry is not sustainable," said Rod Young.

Mr Young said, "Aged care providers have signalled to Government that providers can no longer afford to build. That means the \$1.5B we currently spend on new and replacement building works will cease. At a time when Government is looking for every possible economic stimulus the flow on effect to the economy is a reduction in activity in the order of \$6B per annum."

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