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## **ACSA: Aged care needs sustainable funding for ‘aspirations’ to become reality**

Ongoing talk of ‘aspirations’ from both sides of politics this week fails to acknowledge the financial reality of residential aged care providers who face deteriorating financial conditions and funding constraints.

Data released by StewartBrown this week reveals that 43 percent of residential aged care facilities experienced a financial loss in the last nine months (to March 31, 2018) up from 41 per cent in the December quarter.

“This is a serious and disturbing trend,” said ACSA CEO Pat Sparrow. “This week we have heard the Prime Minister talk about aged care workers and their career prospects, as well as the Opposition Leader speak of his ‘aspirations’ to fund the sector properly - but actions speak louder than words.”

“Now is the time to back the rhetoric with funding commitments that address the tough financial reality faced by many aged care providers.”

While funding provided in the recent Federal Budget are welcome they do not address the deteriorating financial health of providers attributed by StewartBrown to a combination of the aged care funding indexation freeze in the 2018 financial year, amendments to the Aged Care Funding Instrument which commenced in January 2017, and the increasing costs of direct care.

Ms. Sparrow said the data indicates the financial health of providers is particularly acute in rural and remote communities where the trend shows 60 per cent of providers are making a loss.

“Communities that rely on aged care services for care of their elders, employment and economic support are at risk of losing it all without the long-term funding needed to keep services sustainable and regional communities strong and thriving.”

Financial conditions are deteriorating for home care providers too, according to the same StewartBrown data showing declining trend-lines on revenue and profit over consecutive quarters.

“In light of these troubling trend lines, we urge politicians to back up their aspirations with some basic funding commitments that recognise the importance of caring for the ageing population into the future, and providing some certainty to the care required to tackle that challenge effectively.”

“Staff costs and resident acuity is increasing – including those operating in rural and remote communities and those caring for homeless and other disadvantaged groups – while funding is standing still.

“The vast majority of services in these areas are delivered by the church and charitable sector on a not-for-profit basis and many of them are increasingly financially vulnerable.

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*ACSA is the peak body for Australia’s not-for-profit, church, charitable and community-based aged care providers.*

“The future of service delivery in these more remote, rural and regional communities can only be achieved with funding certainty that ensures the continuity of care for older Australians, families and communities that rely on those valuable aged care services.

“We need a serious overhaul of the financing approach to aged care so that the costs of care can be met. This can only be achieved through a combination of taxpayer funding and individual contributions from those who can afford it.”

“That is why a funding model – based on real delivery costs – needs to be developed. This would result in additional funding which could then be indexed appropriately to keep pace with inevitable cost increases” said Ms. Sparrow.

“Estimates suggest Australia will need another 83,500 beds over the next 10 years to meet the rising demand, so the issue of funding needs to part of a longer-term sustainability strategy and requires more than well-meaning public statements.

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