



Senator the Hon Santo Santoro Minister for Ageing

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REFORMS SECURE THE FUTURE FOR AGED CARE

The \$1.5 billion package of reforms announced today will ensure that the aged care industry can deliver quality, choice and affordability in care as Australia's population ages, the Minister for Ageing, Senator Santo Santoro, said today.

Senator Santoro said the *Securing the Future of Aged Care for Australians* package would provide the financial security needed by the aged care industry to ensure it is able to grow and meet the demands of Australia's ageing population.

"This package strikes a sensitive balance between the needs of care providers, care recipients and the taxpayers who help fund the provision of services," Senator Santoro said.

The package allocates \$1 billion to increasing Government payments for residents of aged care homes. Additional care funding will be targeted to those with the highest care needs, while residents with moderate asset levels will also receive extra accommodation support.

It also delivers on the Howard Government's commitment to increase the availability of aged care in the community, with 7,200 additional community care places to be delivered over the next four years, at a cost of \$411.7 million.

These additional places will take Australia's aged care ratio from the current target of 108 places per 1,000 people aged 70 and over to a record 113 places per 1,000 people aged 70 and over in 2011. This compares with around 93 places when the Government was elected in 1996.

"Most older Australians want to remain in their own homes for as long as they can, close to their friends and families, their shops, clubs and churches. And they want to receive aged care in their homes where ever possible," Senator Santoro said.

"Through the strong commitment to community care contained in the *Securing the Future for Aged Care* package, the Howard Government is indicating a clear intention to assist older people to achieve those goals."

In addition to this commitment to community care, residential aged care will be available for an increasing number of people, particularly those requiring higher levels of support.

"The cost of building has increased significantly in recent years, making it difficult for aged care providers to bring new high-care places on line," Senator Santoro said.

“This package of reforms will see the Federal Government increasing its accommodation subsidies for those with moderate asset levels. It will also allow care providers to implement reasonable increases in accommodation fees for those with higher levels of assets.

“So those who can afford it will pay some more, while the Government will pay more for those who need support.

“The stronger revenue streams that these changes will generate for aged care providers will give them the confidence and financial stability needed to make new investments in high level care. In turn, that will ensure a ready supply of high-care places as Australia’s population ages.

“It’s important to note, however, that existing residents will be protected from any increase in fees and charges, and some will actually enjoy a reduction in fees as a result of changes to aged care income tests.

“And in line with the Howard Government commitment to high-quality care, the increased accommodation fees and subsidies will only be permitted where aged care homes meet the new, higher building standards required by the end of 2008.”

The *Securing the Future for Aged Care* reforms will improve the fairness of care and accommodation charges, particularly for self-funded retirees with modest levels of income or assets.

The Government’s new Aged Care Funding Instrument (ACFI) will also ensure the additional funding for care is targeted more closely to those who require the greatest levels of care.

After lengthy consultation with the aged care industry, Senator Santoro also announced the introduction of the ACFI would be delayed following requests from providers for additional time to prepare for the new system. The ACFI will now become operational on 20 March 2008, rather than on July 1 this year as previously indicated.

Senator Santoro said the reforms contained in *Securing the Future for Aged Care* followed on from the very significant investment that the Howard Government has already made in transforming Australia’s aged care sector.

“Only 10 years ago, there was no accreditation system, no independent quality checking, fewer than 5,000 community care packages and 29,000 fewer residential places.

“Today, the Australian aged care industry can rightly claim to have the highest standards of accommodation and care anywhere in the world, and older Australians and their families have a wide range of options to choose from when the time comes for them to access aged care.

“The Howard Government is committed to the principles of quality, choice and affordability in aged care. Today’s announcement shows we are delivering them.”

More details: www.health.gov.au/securingthefuture

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