



THE HON JUSTINE ELLIOT MP

Minister for Ageing

MEDIA RELEASE

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\$24 Million in Zero Real Interest Loans – More Nursing Home Beds and Support from Rudd Labor Government

The Australian Government has provided almost \$24 million in Zero Real Interest Loans to aged care providers in Western Australia, Tasmania, Victoria, NSW and Queensland to create more than 220 aged care places in areas of high need.

The Minister for Ageing, Mrs Justine Elliot said the Australian Government had exchanged contracts and provided funding to 12 aged care providers.

Mrs Elliot was providing an official update on the \$300 million Zero Real Interest Loans Initiative – a Rudd Labor Government election commitment.

“The first stage (\$150 million) of the loan process is well under way and working well. This popular initiative is just one of our responses to prepare for our nation’s ageing population,” Mrs Elliot said.

The loans are part of the Australian Government’s comprehensive plans to support aged care providers.

They are in addition to the more than \$88 million in capital grants to aged care providers being provided by the Rudd Labor Government through the Aged Care Approvals Round (ACAR) in 2007-2008 and 2008-2009.

On September 17, 2008, the Australian Government made offers of access to \$150 million in zero real interest loans to create 1,348 residential aged care places and 107 community care places.

The loans offered were: WA (\$46.6 million); Tasmania (\$16.07 million) NSW (\$30.11 million); Victoria (\$19.69 million); Queensland (\$24.73 million) and South Australia (\$12.8 million).

The Australian Government would continue to execute contracts for the remainder of the \$150 million loan agreements as the successful applicants meet the required criteria.

In the 2008-2009 budget, \$300 million was made available for zero real interest loans to build or expand aged care homes. The loans are to be delivered in two separate rounds of \$150 million.

A review of Round One was finalised in December 2008 and as a result the revised Round Two would now include culturally and linguistically diverse and Indigenous areas of undersupply.

In Round Two, where circumstances warrant it, the Australian Government may consider both a zero real interest loan and a capital grant.

Round Two would begin later this year and would be combined with the 2009-10 Aged Care Approvals Round.

Zero Real Interest Loan offers

Aged Care Facility	Location	Aged care places	Loan Amount
Eden on the Bay	Deception Bay (Qld)	34 residential high care places	\$3.58 million
Pam Corker House	Waroona (WA)	12 residential (9 high care and 3 low care) and 8 community care places	\$2 million
Cadorna House	Riverside (Tas)	10 residential places (5 high care and 5 low care)	\$1.216 million
Kanangra Hostel	Deloraine (Tas)	5 residential low care places	\$100,000
Broken Hill War Veteran's Home	Broken Hill (NSW)	13 residential low care places	\$3.25 million
Ashleigh House Hostel	Sale (VIC)	15 residential high care places	\$1.75 million
Presbyterian Homes Hobart	Warrane (Tas)	48 residential (24 high care and 24 low care) and 14 community care places	\$7 million
Abbeyfield House Hostel	Mortlake (Vic)	9 residential low care places	\$1.08 million
The Frank Whiddon Masonic Homes – Weeronga	Wee Waa (NSW)	10 residential low care places	\$1.2 million
The Cedars Nursing Home	Casino (NSW)	4 residential high care places	\$480,000
The Frank Whiddon Masonic Homes - Kyogle Court	Kyogle (NSW)	9 residential low care and 10 community care places	\$1.08 million
Namoi Valley Aged Care Hostel	Narrabri (NSW)	10 residential low care and 10 community care places	\$1.2 million
		TOTAL 221	\$23.846 million

Mrs Elliot said Australia was well placed to respond to the challenges of an ageing population.

Over the next three years, the Rudd Labor Government would create more than 37,000 new aged care places. This builds on the 221,144 aged care beds and community care places already operational.

No Australian Government has provided more support to residential and community care.

Over the next four years, funding for aged and community care will reach record levels of more than \$41.6 billion -- with \$29.5 billion of that on residential aged care alone.

This means that over the next four years, the Government will be providing an average of \$43,000 for every aged care home resident in Australia.

Currently, there are some 2.8 million Australians – about 13 per cent of the population – aged 65 and over. This number is expected to triple in 40 years.

The current life expectancy is 81.4 years and by 2060, an Australian woman can expect to reach the age of 90 on average.

NOTE: Decisions on places are made independently by the Department of Health and Ageing.

Details: please contact the Minister's office on 02 6277 7280.