The Hon Ken Wyatt AM, MP

Minister for Aged Care
Minister for Indigenous Health
Member for Hasluck

MEDIA RELEASE

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Strengthening Residential Aged Care Funding

The Turnbull Government is continuing to explore options to strengthen the way residential aged care funding is determined.

Releasing the report Alternative Aged Care Assessment, Classification System and Funding Models the Federal Minister for Aged Care, Ken Wyatt, said that the Australian Government contributes around $17.5 billion a year to aged care.

"By 2019-20, that's expected to be just under $21 billion," Minister Wyatt said.

"It's important that we review the way we fund aged care to ensure we create an aged care system that is affordable, sustainable, flexible and responsive to consumers.

"In 2015–16, more than 1.3 million older people received some form of aged care and with more Australians living longer and healthier lives, those numbers will increase.

"To meet the level of demand for aged care services now and into the future the Australian Government needs to make sure its funding gives the best possible value for money."

The report was prepared by the Australian Health Services Research Institute, (University of Wollongong) which was commissioned by the Department of Health to evaluate current funding arrangements and look into alternative funding options.

"This report provides the Government with a number of options to consider for residential aged care funding," Minister Wyatt said.

A separate review of the current Aged Care Funding Instrument is also being undertaken by Applied Aged Care Solutions.

"That review will focus on options to improve the current tool to make it less subjective including the feasibility of external assessment,” Minister Wyatt said.
“These two separate but important pieces of work will help inform the Government’s deliberations over the future direction for funding reform.

“The aged care sector will continue to play a key role in this reform and there will be further consultation with the sector before any decisions are made on funding options.”


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