



THE HON JUSTINE ELLIOT MP

Minister for Ageing

MEDIA RELEASE

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Largest Allocation of Capital Grants for Aged Care in 2008-2009 ACAR: Creating New Aged Care Services

The Australian Government will provide up to \$44.562 million in capital grants to create residential aged care services within the 2008-2009 Aged Care Approvals Round (ACAR).

This is the largest single capital grant allocation by an Australian Government within the approvals round process – since the *Aged Care Act* came into effect in 1997.

And more than two-thirds of the grants are going to aged care services outside the major capital cities.

The record grants also build on \$40.469 million provided in 2007, bringing the total support to more than \$88 million by the Rudd Labor Government.

“No Australian Government has proven more financial support to the aged care sector,” the Minister for Ageing, Mrs Justine Elliot said.

“The capital grants for construction are important in the current economic climate.

“The Australian Government is aware that the economy and the aged care sector are not immune from the global financial crisis. That is why we are supporting aged care.

“The more than \$44.5 million will create construction jobs, support local communities and help respond to the challenges of an ageing population by providing nursing home beds,” Mrs Elliot said.

These comments coincide with the beginning of construction this week (Thursday February 5) of the new 91 bed Jemalong Retirement Village aged care service by Catholic Healthcare Limited in Forbes in Central West NSW.

On December 20, 2007, Minister Elliot announced the \$5.9 million grant from the 2007 ACAR for the Jemalong Retirement Village aged care service. It was the largest single grant in NSW and was one of 30 national ones.

Aged Care Approvals Round data – 2007-2009

Year	Capital Grants
2008-2009 (available)	\$44.562 million
2007	\$40.469 million
ACAR sub-total	\$85.031 million
Allocated out of round 2007-2008	\$3.000 million
Total	\$88.031 million

NOTE: Applications for capital grants are assessed independently by the Department of Health and Ageing and the final decisions are expected by mid year. The applications for the 2008-2009 ACAR closed on December 19, 2008.

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.

In addition, 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.

Aged care providers can apply for capital funding to:

- Acquire land to build new premises;
- Erect, alter or extend premises; and
- Acquire fittings or equipment for those premises.

Capital funding is not provided for routine administration of an aged care service, acquiring and operating vehicles and rent, insurance and State/Territory and Local Government statutory charges.

The eligibility criteria for Capital Grants are set out in the Essential Guide for the 2008-09 Aged Care Approvals Round.

The following is taken into consideration when assessing applications for funding:

- the urgency of the need for the capital works;
- the extent to which the proposal will maintain or extend the range of residential care services available in the region;
- benefits regarding enhanced long-term viability of a service and improved continuity of care for recipients;
- benefits to current and future care recipients and their families;
- the applicant's demonstrated lack of capacity to fund the proposed works; and
- the proportion of care recipients who are concessional and people with special needs as defined under the *Aged Care Act 1997*.

However, the capital funding is not available where:

- the approved provider is a State/Territory Government instrumentality;
- the aged care service has Extra Service Status; or
- the capital works have been contracted, commenced or completed prior to the formal execution of a Grant Agreement.

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