



COVID-19 response – Further support for aged care preparedness, workforce and viability

Since the start of the COVID-19 pandemic, the Australian Government has committed over \$2 billion in funding for aged care.

This significant investment continues to support the most vulnerable while the COVID-19 pandemic persists, ensuring that the aged care sector remains prepared, responsive and viable.

Since the Mid-Year Economic Fiscal Outlook in November 2020, the Australian Government has extended a number of critical measures to support the COVID-19 Emergency Health Response. These measures, extended until 31 December 2021, will provide financial support and relief to providers impacted by the direct costs of COVID-19, and keep senior Australians and aged care workers safe.

Measures include:

- continued support for the surge workforce and reimbursement of eligible COVID-19 related expenses for Aged Care COVID-19 preparedness and outbreak management, with a total of \$204.6 million invested since March 2020
- the continued Support for Aged Care Workers in COVID-19 (SACWIC) grant opportunity to cover the out of pocket costs associated with establishing single site workforce arrangements, and deliver COVID-19 safe care in the event of further COVID-19 outbreaks. A total of \$93 million has been committed to deliver this support since March 2020
- a new Refundable Accommodation Deposit (RAD) Support Loan Program, providing \$128.8 million in zero-interest loans to support eligible residential aged care providers to refund their RAD obligations to residents, and
- \$90 million to a Viability Fund, as announced on 1 March 2021, to assist residential aged care providers facing financial stress in order to ensure continuity of care for senior Australians. This is in addition to the \$25 million announced when the Viability Fund was first established.

Why is this important?

Australia's aged care sector was significantly impacted by the COVID-19 outbreaks in 2020, with the largest proportion of Australian deaths occurring among aged care residents.

The impact of this is continuing to be felt across the sector, as aged care providers also prepare for the necessary reforms to deliver generational change in response to the Aged Care Royal Commission.

Protecting the residents of aged care facilities is a priority for the Australian Government and a suite of measures aimed at infection prevention and control and limiting the risk of virus spread have been in place since the initial outbreak in Australia.

Aged care providers have also carried significant financial costs in managing COVID-19 outbreaks, including additional leave for staff and training requirements in hotspot locations. Providers have also experienced higher than usual RAD outflows during COVID-19, impacting their ability to meet RAD obligations. These measures provide continued support to aged care providers in the event of further outbreaks and longer term support to ensure the ongoing stability of providers.

Who will benefit?

Aged care providers will continue to be supported through future outbreaks of COVID-19 through the provision of a surge workforce and reimbursement of eligible out of pocket expenses in the event of a COVID-19 outbreak. It also ensures that vulnerable older Australians are supported and provided appropriate care in the event of a further outbreak. To date, 196 services have received over \$58 million in reimbursement for eligible expenses.

Continuing to provide access to funding when single site arrangements are introduced in hotspot and high risk locations as determined by the Commonwealth Chief Medical Officer ensures workers are not disadvantaged in the event of an outbreak, supporting them to maintain their connection to multiple employers without a penalty. Similarly, it supports providers by covering the cost of paid leave so that workers are not coming into facilities while potentially infectious. To date, over 85 services have received over \$10 million in funding through the SACWIC Grant opportunity.

Funding for aged care providers through the RAD Support Loan Program will assist those eligible providers who may face temporary liquidity issues and the risk of insolvency. This will provide flow on benefits for senior Australians with the RAD Support Loan Program helping to guarantee continuity of care and stability in the market.

Care recipients, aged care workers, service providers and the Australian community will benefit from the ongoing delivery of quality care and the stability of the sector delivered through the Viability Fund.

Funding will cover essential business or operating costs required to enable the continued provision of quality care to residents as providers continue to adjust to the longer-term effects of COVID-19 on the sector. Support may also be provided around sales or closures.

The Department of Health will determine how much funding individual providers are eligible for by conducting a targeted assessment of their needs against specific criteria. This ensures providers receive the right level of support to remain operational and care for their residents.

How much will this cost?

To date, more than \$2 billion has been committed to support the aged care sector through the COVID-19 pandemic.