



Aged & Community Services
SA & NT Inc



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The Aged Care Billion Dollar ‘Black Hole’

Aged care funding worth nearly a billion dollars over the next four years may be slashed as a result of the Rudd Government’s failure to commit to continuing the Conditional Adjustment Payment (CAP) in aged care funding, Aged and Community Services SA&NT and Aged Care Association Australia (SA) jointly announced today.

Aged and Community Services CEO Alan Graham said his organisation had unsuccessfully sought commitments from the Rudd Government to a continue the CAP funding formula for the aged care in next week’s Federal Budget pending a review of the current arrangements which better linked the indexation formula to real costs.

“The current payment is worth \$910 million over four years to the industry” ACAA-SA CEO Paul Carberry said “If the government proceeds with the real threat to cut annual funding this will translate to more than 1,700 lost jobs lost in South Australia and the Northern Territory.”

“Nationally this represents a loss of 16,000 jobs,” Mr Graham added. “What the public needs to understand is that funding cuts of this magnitude threaten to completely destabilise a sector that is already in severe financial difficulty.”

Mr Carberry commented that industry case for a fair funding deal was supported last week with the publication of a Senate Inquiry report into aged care. The inquiry recommended that a taskforce undertake a specific investigation of the indexation formula used for the aged care sector. It further added that an independent mechanism be established that ensured ongoing continual assessment.

Both ACS SA&NT and ACAA-SA called on the Rudd Government to fix the problem of inadequate funding for aged care. Ensuring the continuation of the CAP would be good first step.

“The public needs to understand that while the loss of the CAP will have significant economic implications, the real losers are going to be those people in residential facilities and in their own homes who are receiving care” Mr Graham concluded.

ACS SA&NT and ACAA SA members employ about 15,000 in the South Australian and Northern Territory aged care sectors. These dedicated professionals look after about 17,000 clients.

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