



Margaret May MP *Shadow Minister for Ageing*
Senator Gary Humphries *Senator for the ACT*

SENATE TO INQUIRE INTO **GOVERNMENT'S SHORTFALL** **IN AGED CARE FUNDING**

DATE: Friday 26 September, 2008

The Senate has established an inquiry into the adequacy of funding for the aged care sector on the motion of ACT Senator Gary Humphries.

The inquiry will investigate funding levels for aged care services, as well as related issues, and is due to report by the first sitting day of April 2009.

"The care of older Australians is being placed at risk because the Government is not guaranteeing an adequate income stream past the 2009 Budget and many aged care facilities are rightfully concerned about this," Senator Humphries said.

A 2005/6 report of the aged care sector pointed to 40% of aged care facilities operating at a deficit and further figures for subsequent years have yet to be released from the Department of Health and Ageing.

Provisional allocations of bed licences have also been undersubscribed in several states, pointing to a lack of confidence amongst aged care facility operators in the Government's funding stream.

Shadow Minister for Ageing Margaret May MP said the establishment of the inquiry was good news as it was an opportunity to gain a true picture of the level of under-funding that the aged care sector was facing.

"The aged care sector is at the cross-roads," Mrs May said.

"It is seriously under-funded and there is an urgent need for complete reform of the industry.

"Band aid solutions are not the answer."

"We have a situation where facility operators – including not-for-profit bodies - are not confident they will be adequately funded to care for our older Australians and those seeking to start up facilities to care for our elderly cannot do so with any degree of confidence they will be sustainable," Senator Humphries said.

"We need to evaluate if there are any structural problems with the industry or the funding regime for aged care places that we can address to restore confidence."

Senator Humphries also flagged that the inquiry would consider whether aged care facilities in regional and rural areas require special consideration.

“Rural and regional care facilities face workforce shortages due to a disparity in wages paid by the state systems,” Senator Humphries said

The inquiry will coincide with the Grant Thornton aged care industry survey, due for release in October.

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