

Media Release

Shadow Parliamentary Secretary for Health - Senator Hon Richard Colbeck

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## **RUDD GOVERNMENT CANNOT AFFORD TO CUT AGED CARE FUNDING**

Tasmania's rankings in the *National Economics YourPlace* report shows just how badly this State's aged care services need adequate funding from the Rudd Government, Shadow Parliamentary Secretary for Health and Senator for Tasmania Richard Colbeck said.

"The rankings indicate what other reports have also shown – Tasmania and particularly the North West Coast attract retirees and simultaneously struggle to retain the younger demographics," Senator Colbeck said.

"With a great proportion of older people and heightened workforce issues resulting from the shortage of younger workers, it follows that Tasmania's aged care sector needs to carefully plan for future demand of services.

"But without funding certainly from the Rudd Government, there is no way this can happen.

**Uncertainty over future aged care funding arrangements was on the agenda when Opposition Leader Brendan Nelson met with industry representatives in Launceston as part of his National Listening Tour today.**

"The Howard Government introduced the Conditional Adjustment Payment (CAP) in 2004, which was a 1.75% additional subsidy per annum compounding over four years and expiring in June 2008," Senator Colbeck said.

"This subsidy help aged care providers meet the real cost of providing adequate care for older Australians, which the existing funding formula used for aged care did not do.

"But the Rudd Government has not committed to continuing with CAP and if they don't we will see quality of care compromised, jobs lost and possibly even closures of some facilities.

"The aged care industry is acutely aware of the Rudd Government's silence regarding the future of the CAP payment.

"A recent report for the Government by accountant Grant Thornton revealed that up to 40% of aged care providers are under funding stress.

"If the Rudd Government does not commit to the CAP it will have devastating effects on the industry.

"It would be grossly negligent for the Rudd razor gang to slash the CAP subsidy in the face of overwhelming evidence that Australia's aged care sector needs more support, not less, and those funds are needed right across the country, not just here in Tasmania," Senator Colbeck said.