



NEWS RELEASE

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FEDERAL BUDGET – AGED CARE STILL IN WAITING

“The Federal Budget has delivered the aged care commitments already promised as part of the National Health & Hospitals Network, and additional funds for staff development, but all else now waits on the Productivity Commission Inquiry into aged care not due until April 2011” said Ian Yates, Chief Executive of COTA Australia.

“Additional funds for training for aged care workers through scholarships and direct financial incentives are welcome as is the announcement of a nurse practitioners program in aged care”.

“However unless the wage gap between aged care and other parts of the health sector is addressed soon those new enrolled and registered nurses will leave aged care for higher paid jobs elsewhere in health.

“The **biggest disappointment** for aged care in the Budget is the lack of any interim or bridging funding for aged care subsidies for 2010/11, while the government awaits the Productivity Commission Inquiry’s reports.

“The current aged care funding indexation formula (known as COPO – the Commonwealth Own Purpose Outlays index) is grossly inadequate, well below actual wage and cost increase, and will in 2010/2011 result in a reduction in the real value of aged care subsidies.

The government should have provided bridging or interim increases in both residential and community care funding.

“The redirection of high care residential places to high level community care is welcome. However this is a short term measure largely driven by the financial non-viability of building new high care beds in certain states.

“COTA will argue to the Productivity Commission for a well planned and better structured long term shift from residential to community care.

“We will also seek strong commitments to aged care reform from both parties in this years Federal Election.

COTA Australia is the peak organisation for older Australians, representing Councils on the Ageing in every State and Territory and through them over 500,000 senior Australians.

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