



Margaret May MP

Shadow Minister for Ageing

MEDIA RELEASE

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3,000 JOBS UNDER THREAT

Shadow Minister for Ageing Margaret May said Australia's aged care industry was under threat unless the Government committed to the Conditional Adjustment Payment subsidy.

Margaret said the Government must commit to the subsidy now otherwise aged care facilities would close, jobs would be lost and the care of older Australians would be seriously compromised.

"The subsidy was introduced in 2004 to assist aged care providers keep pace with escalating costs as funding to the aged care industry did not reflect the real costs faced by the industry.

"The Howard Government undertook to review the subsidy prior to the end of the current financial year.

"The current Government has made no commitment to the subsidy and the aged care industry is very concerned that this funding initiative will lapse unless steps are taken in the Budget to fund the continuance of the initiative beyond 30 June 2008.

"The aged care industry simply cannot sustain a cut in funding.

"This has been made abundantly clear to me by aged care bodies and aged care providers over the past few months.

"Already 40% of residential aged care providers are operating in the red and all sectors of the industry are trending steeply downwards with the financial position of aged care entities deteriorating steeply.

"The additional 1.75% index – a compounding subsidy – is valued at approximately \$102m per annum with approximately \$735.00 per week (\$38,000 per annum) being lost to a standard sixty bed aged care facility.

"If indexation is not continued, the viability of Australia's \$7 billion aged care industry is under threat, aged care facilities will close, 3,000 jobs will be lost in the first year and millions of dollars will be lost to the sector.

“Where are the Rudd Government’s priorities?”

“There’s no doubt that running a country requires a great deal of skill, hard work, diligence, discipline and know how.

“But there’s a growing suspicion that the Rudd Government isn’t up to the job.

“Rather than face challenges head on, it seems bent on blaming the previous Government for everything and doesn’t miss an opportunity to talk down Australia’s future.

“This is causing considerable anxiety in the community at large and particularly in the aged care sector.

“The Government’s performance in relation to the carers’ and pension bonus last week is a clear demonstration of how insensitive it is to the realities of life in everyday Australia.

“Local McPherson residents have come up to me in the supermarket and thanked me for the stance the Alternative Government took on the carers’ and seniors’ bonus.

“Imagine the uproar if senior Australians suspected there was going to be a cut to aged care funding.

“It would only deepen the sense of insecurity and anxiety that the Rudd Government is harvesting.

“The commitment of the Minister for Ageing Justine Elliot to older Australians and carers is also being questioned.

“Why did she not speak on the Matter of Public Importance last week – carers and seniors are her responsibility and its not good enough that she doesn’t stand up for them.

“Also her comments about expecting unfettered access to aged care facilities without an invitation has caused much angst in the community.

“Residents of aged care facilities view the facility as their own home. Therefore it does not matter who you are – you need to be invited to visit a home and not assume that you can enter at will as the Minister believes she should be entitled to.

“It’s obvious that ageing issues isn’t registering on the Government radar. Ageing hasn’t even rated a mention on the 2020 Summit agenda even though it is one of the most important and compelling issues of today.

“The Government’s performance so far certainly doesn’t bode well for the future of aged care and older Australians.

“I call on the Government to commit to the continuation of the Conditional Adjustment Payments subsidy, otherwise the future of aged care in Australia and the welfare and care of some of our most frail and vulnerable is at risk”, Margaret said.

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