



Margaret May MP

Federal Member for McPherson
Shadow Minister for Ageing

MEDIA RELEASE

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THE FUTURE OF AGED CARE UNDER LABOR?

CRISIS!

The release of the independent Grant Thornton Aged Care Survey 2008 predicts a dire future for aged care in Australia.

The survey highlights that declining earnings and increased construction costs have prevented the redevelopment of many aged care facilities that are themselves ageing.

The viability of the aged care sector is under serious threat as the Rudd Labor Government continues to suppress incentives to invest in modern aged care facilities.

“A new age of old age has begun,” Margaret said, “and baby boomers have high demands for their retirement and care into old age.”

“I have serious concerns that the baby boomer generation will face immense difficulties finding an aged care facility when they need it.

“A decline in investment in new facilities will severely erode the choices that will be available now, and into the future, when it comes to aged care services, particularly given we are experiencing a time of unprecedented demand.

“The survey highlights that the average return on investment in a single bed room is a paltry 1.1 per cent per year. Such low returns on investment provide no incentive for new facilities to be built.

“The recent Productivity Commissioner research paper – *Trends in Aged Care Services* – predicts a significant rise in demand for aged care services over the coming 40 years.

“In case the Minister for Ageing missed it, the research paper states:

Today, those aged 65 years and older comprise around one in seven Australians. By 2050, about one in four will be aged 65 years or older.
(Productivity Commission, Sept 2008, pxv)

“What does the Minister intend to do about it? In every interview and in every media release she issues, she faithfully reads from her talking notes: ***“Over the next four years, we will invest more than \$40 billion into aged and community care.”***”

“It’s high time the Minister faced up to facts and did more than just stating the obvious. The aged care industry is heading towards a train wreck. Our most vulnerable Australians have never had their care so seriously compromised.

“Here are the facts:

- The aged care industry is falling apart;
- Aged care providers are leaving the industry in droves;
- There is an alarming under-subscription of beds;
- Licences are being returned;
- Those aged over 85 will increase from about 400,000 to 1.6 million in 2047;

“The aged care industry is not – and cannot into the future – operate in a sustainable way under these conditions.

“**NOW** is the time to turn words into action, before we have a national aged care crisis on our hands.

Media Contact: Josh Rosner (02) 6277 4716 or 0429 493 296