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BUDGET: CATHOLIC AGED CARE SERVICES LEFT DISAPPOINTED BY BUDGET AS INDUSTRY CONTINUES TO BUCKLE UNDER FINANCIAL STRAIN

The Morrison Government has missed a crucial opportunity to tackle the underlying financial pressures facing the residential aged care sector in today's budget, says Catholic Health Australia.

CHA says the sector needs an urgent injection of funding to tackle the triple whammy of declining revenues, rising costs and public expectations that standards need to rise.

CHA, the largest non-government grouping of aged care services in Australia, also says the announcement of \$1.6 billion for 23,000 extra home care packages is welcome but will still leave 80,000 people on the waiting list.

Pat Garcia, CEO of CHA said: "The aged care sector has been underfunded for years, staff are underpaid and many homes are operating at a loss.

"We shouldn't be in this position and older Australians deserve far better from our political leaders. It's disappointing that once again the aged care sector has largely been forgotten in today's budget."

Catholic Health Australia says the Government's investment of \$91.6 million to transition to a new funding model for residential aged care is welcome, but will do nothing to address the immediate financial pressures facing many aged care facilities and says an interim solution is needed urgently.

Mr Garcia said: "We know that more than half of aged care homes are currently operating at a loss, and almost 70 per cent are operating at a loss in regional Australia.

"Unless more money is made available now there is a very real concern that many care homes will be facing closure."

Staff costs account for almost 70 per cent of budgets, but the amount the sector has received from the government has not kept up with the real increases in wages and costs. Between 1999-2000 and 2018-19, subsidy levels increased by 70.3 per cent in nominal terms, whereas provider input costs increased by 116 per centⁱ.



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It is calling on the Government to revise the current approach to the indexation of wages and base it instead on the ABS Wage Price Index.

It is also calling on the Government to announce a strategy for releasing and funding the additional home care packages required to tackle the home care package queue and the growing demand for home-based aged care and support services.

Mr Garcia said: "An extra 23,000 packages will make a huge difference to many older Australians, and their families and carers. But we need funding to start flowing to reach everyone on the waiting list."

Note to editors: Catholic Health Australia (CHA) is Australia's largest non-government grouping of health and aged care services accounting for approximately 10 percent of hospital-based healthcare in Australia. Our members also provide around 25 percent of private hospital care, 5 percent of public hospital care, 12 percent of aged care facilities, and 20 percent of home care and support for the elderly.

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^{i i} (<https://agedcare.royalcommission.gov.au/system/files/2020-09/RCD.9999.0522.0001.pdf>)