This year’s Budget continues the Australian Government’s strong commitment to supporting older Australians.

It contains more than $1.7 billion in new funding for further improvements to our aged care system. This includes an extensive package of reforms, called Securing the Future of Aged Care for Australians. This package will support the financial investment needed by the aged care industry so that it can continue to grow and meet the demands of Australia’s ageing population. The package was announced by the Prime Minister in February 2007.

The package allocates $1.1 billion to increase Government payments for residents of aged care homes. Overall, including resident contributions, funding for residential care will increase by $1.3 billion over the next four years, on top of increases for indexation and the increased places already factored into Budget estimates. The Budget adds an additional $92.2 million to the Securing the Future package over the next four years in the form of a Transitional Accommodation Subsidy to offset reduced revenue to some aged care providers in respect of low care residents as new accommodation subsidies are phased in, taking the total cost of the package to $1.6 billion.

Funding for additional care will be targeted to those with the highest care needs, although residents with moderate asset levels will also attract extra accommodation support.

The Minister for Ageing, Christopher Pyne, said that the number of Australians aged 70 or older will double over the next 20 years. “That’s why we’ll need more aged care places and the investment to support them. These reforms are delivering that, and will also improve the fairness of care and accommodation charges for older Australians, particularly for self-funded retirees with modest levels of income or assets,” he said.

“The Government’s new Aged Care Funding Instrument (ACFI) will also ensure the additional funding for care is targeted more closely to those who require the greatest levels of care.”

“We also know that the majority of older people prefer to stay in their own homes for as long as possible. We are helping them to do that by substantially increasing community care.”
More aged care in the community

There’s growing demand for people to receive good quality care while ageing in their own homes and communities. This package delivers on the Government’s commitment to increase the availability of aged care in people’s own homes, at a total cost of $411.1 million.

An additional 7,200 community care places will be funded over the next four years. These places will take Australia’s aged care ratio from the current target of 108 places per 1,000 people aged 70 and over, to a record 113 places per 1,000 people aged 70 and over in 2011. This compares with around 93 places when the Government was elected in 1996.

Mr Pyne said: “This Government has developed community care like no other, and this package continues the upward trend. In 1996, there were fewer than 5,000 community aged care packages. There are now around 40,000, and community care has been extended to the provision of high level care at home.”

The package announced in February 2007 increases the target ratio for community care to 25 places per 1,000 people aged 70 or over. This includes – for the first time – four places per 1,000 for high care at home.

The package also includes:
- specific funding for stronger quality assurance in community care;
- an additional 100,000 days of respite care over the next four years to support carers of older people living at home;
- over 6,000 extra training places for community care workers;
- funding to increase the availability of helping technologies that can support people living at home (for example, systems to help people remember their medication); and
- additional support for those aged care providers that care for people in difficult circumstances such as in remote and very remote Australia.

Further improvements

Additional measures announced today include:
- Making more medical services available to residents of aged care homes ($92.9 million);
- Extra money to enhance access to aged care services for people from a wide range of cultural backgrounds ($13.2 million);
- More help for people with incontinence ($98.5 million); and
- More money to provide further respite for carers ($41.2 million).

Details of these are available in separate media releases.

The Minister said the Budget was a good outcome for older Australians and for the future of aged care in this country.
“We are securing the future of aged care, as well as improving the quality of care and the facilities available to people right now,” Mr Pyne said.

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