CHANGES NEEDED TO NEW AGED CARE FUNDING ARRANGEMENTS

UnitingCare Australia said changes in aged care funding announced by the Federal Government last night will reduce the ability of aged care providers to provide quality care to older Australians, at least in the short term, in an environment where the demand for and cost of aged care is growing.

Under the new funding arrangements, to start in just nine days time, facilities will lose significant funding over the next two years.

Anticipated funding to meet essential increases in staff wages applying from 1 July 2012 will no longer be available.

If the anticipated loss is not offset by other measures, staff numbers will be reduced and care will be affected.

We are especially concerned about the impact of changes on disadvantaged older people who need specialised services, including older people with mental health conditions, older indigenous people, older people who have been homeless, and people from culturally and linguistically diverse backgrounds.

Services in regional and remote communities will also be particularly vulnerable to the changes.

While the Government is confident the impact of the new arrangements is manageable, modelling from our network suggests all services face cuts.

UnitingCare Australia understands the proposed changes will be made in an effort to restrain growth. But this must not be done at the expense of appropriate care.

We have good reason to believe the Government will consider options for mitigating the negative impacts of the funding changes. And the Government’s commitment to monitor closely the impact of the changes and to respond quickly to the evidence is welcome.

UnitingCare Australia believes the adverse impact of the new Aged Care Funding Instrument could be balanced by well targeted changes to the timing and to details of other elements of the reform package.

There has been valuable, in-depth consultation to date. UnitingCare Australia will continue to work with the Government, with the National Aged Care Alliance and others to negotiate a solution to ensure no older Australian misses out on the care they deserve as a result of these changes.

The UnitingCare network provides social services to over 2 million people each year in 1,300 sites in remote, rural and metropolitan Australia. UnitingCare employs 35,000 staff and 24,000 volunteers.

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