

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000531

OUTCOME: 6 - Ageing and Aged Care

Topic: Aged Care Services

Type of Question: Written Question on Notice

Senator: Siewert, Rachel

Question:

The Department has issued a reminder to services about meeting their care obligations, yet the funding to achieve this has been significantly reduced. How does the Department and Government envisage aged care services will meet the care needs of residents with reduced funding and staffing resources?

Answer:

The measures announced at MYEFO and Budget seek to mitigate the higher than anticipated growth in residential care expenditure.

Funding to the residential aged care sector will continue to grow in aggregate at an average of 5.1 per cent per annum over the forward estimates.

The sector has benefitted from major reforms in recent years, which include changes from 1 July 2014 of a 2.4 per cent increase in subsidies, the deregulation of accommodation payments and the higher rate of Government accommodation supplement. These changes had a favourable impact on the sector and the impact of all these reforms need to also be considered.

It is important to note that the changes only apply to new Aged Care Funding Instrument appraisals or reappraisals from 1 January 2017.