

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000533

OUTCOME: 6 - Ageing and Aged Care

Topic: Aged Care Services

Type of Question: Written Question on Notice

Senator: Siewert, Rachel

Question:

Is the Government aware that some services have indicated that they will be forced to reconsider admitting residents from the acute care sector?

a) If this is the case, where and how does the Government believe these patients will have their future care needs met?

Answer:

The Australian Government is committed to having an aged care system that supports older Australians while ensuring aged care expenditure is affordable and sustainable.

The Australian Government subsidises a range of aged care services in Australia and is the principal funder of aged care with estimated funding of \$17.5 billion in 2016-17, aged care funding continues to grow over future years and is expected to be in vicinity of over \$21 billion by 2019-20.

Even after the 2016-17 Budget changes to the Aged Care Funding Instrument (ACFI) are implemented, funding for residential aged care continues to grow over the forward estimates by approximately 5 % per annum.

The sector has benefited from major reforms in recent years, including changes from 1 July 2014 including a 2.4% 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 evidenced by a noticeable increase in investment interest and activity.

It is also of note that the ACFI changes are phased in and only apply to new appraisals and reappraisals.