

Media Release

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UnitingCare Australia warns of ‘perfect storm’ in aged care looming

UnitingCare Australia today warned the possibility of a ‘perfect storm’ emerging in aged care, as older Australians face the prospect of being unable to access the supports they need. This is due to a deepening crisis of providers lacking the financial resources to meet the demands of quality service provision.

Informed by numerous recent reports that reveal the unsustainable financial performance of aged care providers across both ‘in-home’ and residential aged care settings, National Director of UnitingCare Australia, Claerwen Little, said the perfect storm forming is a direct result of increasing pressure on providers to deliver services in an unsustainable funding environment.

“Our ability to meet the needs of older Australians and provide support to all who require it will continue to be compromised without a commitment to adequately funding our sector,” Ms Little said.

The Aged Care Financing Authority (ACFA) revealed last week that residential aged care providers are enduring an increase of 5.3% in expenses each year, in sharp contrast to their income, which is increasing by only 1.7% annually. Similarly, ‘in-home’ care providers’ expenses per client are increasing at a rate of 7% each year, which greatly outweighs the increase in income received, which decreased in the 2017-18 financial year.

Figures also released in June 2019 by aged care industry analysis firm, StuartBrown, revealed that the current aged care funding model remains under serious stress, with more than 45% of residential aged care facilities now operating at a loss. StuartBrown’s figures also highlight a starker situation in regional, rural and remote areas, with over 67% of providers operating at a loss.

Ms Little said, “our aged care system is currently under incredible strain, and the needs of our older people, and particularly those most vulnerable, will continue to go unmet without immediate investment to ensure quality service provision and access”.

In June 2019, the Government announced a minor indexation increase of 1.4% in residential aged care, as a one-off contribution to buoy provider viability. There have been no subsequent commitments made by government to ensure that the delivery of quality services is sustainable.

“While we acknowledge and welcome the ongoing work of the Royal Commission into Aged Care Quality and Safety, the responses to-date from successive Australian Government’s to address the funding issues in Australia’s aged care system have proven inadequate to prevent the looming perfect storm,” Ms Little said.

“It’s imperative that the Government act immediately to address this clear and present issue so that older people can access the supports and services they need, when they need them, regardless of their circumstances,” Ms Little concluded.

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UnitingCare Australia is the national body for the Uniting Church’s community services network in Australia, supporting 1.4 million people each year across urban, rural and remote communities.

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