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Budget slices aged care worker benefit while Government lays path for changes

Among the raft of announcements about the next round of aged care changes, Aged and Community Services Australia (ACSA) is disappointed the Government capped the Fringe Benefit Tax (FBT) meal and entertainment concession at \$5,000 as a tax saving, rather than considering the policy issue as part of the Government's broader taxation reform.

"In the aged care sector, the vast majority of those who access this benefit are lower income care staff and most utilise the FBT benefit at very small levels," said Adj Prof John Kelly, ACSA CEO.

"This was a significant benefit in the NFP aged care sector and setting the cap so low will make it harder to recruit staff at a time when we need to significantly increase the aged care workforce. Based on projections for service growth just in the next eight years alone, it is estimated that there will need to be an additional 55,770 aged care workers needed during this short period.

"For a Government committed to workforce initiatives and support, this decision is short sighted," Prof Kelly said. "To wipe \$40 million off Workforce Strategy forward estimates seems like poor policy when 55,770 additional employees are required over the next eight years."

In other announcements, the Government is planning to provide consumers control of their aged care funding by February 2017 and will merge the Commonwealth Home Support (CHSP) and Home Care Package (HCP) programmes by July 2018.

"ACSA intends to be closely involved in these processes to ensure the sustainability of aged care providers and the maintenance of high quality services for all consumers into the future," Prof Kelly said. "Our members provide services to disadvantaged older Australians every day and we need to make sure that as the system changes, strong supports and safety nets remain in place."

Other measures in the Budget include:

- The Aged Care Commissioner to take over the Aged Care Complaints Scheme in January 2016.
- The Transition Care Program to be rolled into the overall aged care provision ratio and will make up two places in the ratio of 125 places. This is estimated to provide 6,000 places by 2021.
- The accreditation system is to be opened up to private accreditation services with full cost recovery and hardship provisions.
- The rent of a resident's home will now be included in the means test for residential care.
- Funding for the Workforce Strategy will be cut from \$260million to \$220million.
- Funding for the WA and Victorian governments to help them transition from HACC to CHSP.

"ACSA will examine the details of these proposed changes and we look forward to working with the Government on the further development of a high quality and sustainable aged care system," Prof Kelly said.

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Aged and Community Services Australia is the peak body for mission-based aged care providers and its members care for 700,000 Australians every day.