



**Senator Mathias Cormann  
Acting Shadow Minister for Ageing**

**MEDIA RELEASE**

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**Lack of Aged Care Applications demonstrates crisis**

The Rudd Government must act to urgently address the issues concerning the aged care industry across Australia.

Ageing Minister Justine Elliot continues to frustrate the industry describing aged care applications for 2008 – 2009 as “healthy and competitive”.

“The Minister can try to spin the figures as much as she likes – the Rudd Government is failing to adequately fund the aged care sector, which has resulted in aged care providers refusing to apply for bed licences in this year’s round of licence allocations” Senator Cormann said.

“Not one aged care place was sought in the Northern Territory and only 536 places were sought out of 1208 offered in Western Australia.

“A number of providers have previously advised the Rudd Government that they would not be applying for further bed licences, nor would they be building any further aged care facilities until the Government considered undertaking funding reforms for the aged care sector.

“The 2008-2009 Aged Care Approvals Round data proves industry is serious in refusing to invest in further beds when the current ones are so unprofitable.

“With 40% of all aged care providers in Australia reporting a loss in the operation of their businesses it is clear that serious funding reforms through the budget process are required to secure the future of the aged care industry.

The Grant Thornton report found the average rate of return on a high care bed is 1.1% and interestingly the Minister’s media statement does not detail the breakdown of high care and low care places sought in the current round.

The Opposition is calling on the Minister for Ageing to come clean on these figures and also advise the Australian public how many bed licences have been handed back due to non viability for providers.

“The Rudd Government must undertake a fundamental review of the funding problems facing the aged care industry or our ageing population will see a continued decline in the provision of aged care services across Australia. Senator Cormann said.

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