



# Aged-care providers back high-care bonds

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WA's main aged-care providers are backing the Catholic Church's call for means-tested accommodation bonds for high-care residents to ensure the ailing sector survives.

Catholic Health Australia has reversed its 1997 stand against accommodation bonds paid by the frailest aged care residents, saying it was the only way to ensure new places were created.

Only people entering low-care places pay a bond while high-care residents pay a daily rate of \$32.95 and up to an extra \$26.88 a day, depending on their assets.

Bethanie Group chief executive Wayne Belcher said the move would be an easy and inexpensive option for the Federal Government, which was putting the sector in jeopardy through underfunding.

There was a public perception that bonds were non-refundable but most of the bond would be returned. "We need some educa-

tion so let's not call it a bond, let's call it a refundable deposit or a capital contribution," he said.

"If the bond is \$100,000 you might lose \$15,000 over five years.

"All of the ground work has been prepared to earn, safeguard and manage those funds appropriately from people who are deemed to have the assets at a level that they can contribute."

Federal Minister for Ageing Justine Elliot has ruled out bonds for high-end care, saying the Government had invested record funding of \$41.6 billion over the next four years for aged care with WA providers getting about \$547 million. She would continue to discuss ideas for the long-term viability of the industry.

However, providers say the industry is at crisis point, with many refusing to apply for new bed licences from the Government this year because they cannot justify the cost of creating beds. In WA, just 536 places out of 1208 were sought.

"In WA, this is the second year in a row the number of places has not been taken up and for the Minister to come out and say everything is fine is just totally head in the sand type stuff," shadow ageing minister Mathias Cormann said.

The Bethanie Group returned licences for 110 beds in October because each cost about \$180,000 to create and about \$65,000 to maintain while funding was a one-off \$109,000 and \$41,000 a year.

Amana Living acting chief executive Suzi Cowcher said it supported either bonds for high-care residents or removing the daily rate cap because funding for high-care patients was insufficient and left nothing for new beds.

Aegis Care Group chief executive Michael Cross said aged care was facing "a perfect storm". While 60 per cent of aged care beds were for low care, 70 per cent of residents required high care and that number would only increase while fewer beds were being created.