



the voice of older Australians

COTA Over 50s Ltd.

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CAP Review
MDP 76
Department of Health & Ageing
GPO Box 9848
Canberra ACT 2601

CAP REVIEW - COMMENTS BY COTA OVER 50s

COTA Over 50s National Policy Council has authorised the following comments in relation to the Conditional Assistance Payment (CAP) Review. We apologise for this late submission but we needed to discuss the position put forward here with our National Policy Council which only met in Canberra in mid-November.

COTA Over 50s is the peak consumer organisation in aged care and has been so for over 40 years. We do not have the capacity to undertake a detailed and in-depth financial and economic analysis of the aged care sector. However we are in active and regular consultation with the aged care industry peaks and leading providers.

We have also read and considered a number of the aged care industry submissions to the Review. These include in particular the joint submission from the two industry peaks under the auspices of the Aged Care Industry Council, the Access Economics analysis prepared for Baptist Care, Catholic Health and Uniting Care Ageing NSW & ACT, and the Grant Thornton Aged Care Survey.

It is clear to COTA Over 50s that the aged care industry is experiencing significant financial stress and that the trends are worsening. The CAP is only one part of the current aged care funding mix. Given the evidence on financial stress why would just one component of the funding be questioned?

The second point to make is that the CAP was intended as a temporary instrument while the longer term funding of the sector was reviewed and

restructured. Therefore our view is that: this review needs to be broadened to examine and recommend on:

- the levels of funding required to ensure high quality aged care provision for all who are assessed as needing it, on an equitable and sustainable basis;
- the separation of care, living and accommodation costs;
- who should pay for what proportion of each of these three sets of costs, providing that no citizen should be excluded from care and support due to financial incapacity ; and
- a new model for service user contributions to these costs incorporating a number of payment method options.

The third point we need to make is that the CAP currently applies only to residential care. Any meaningful review of aged care costs needs to also encompass the variety of community care programs and their cost benchmarks.

COTA Over 50s strongly supports the retention of the CAP in the short term while the government undertakes a root and branch review of aged care funding. This can be done within the first half of 2009, as much work has already been done by the Productivity Commission.

COTA Over 50s is happy to follow up this brief submission in discussion with the Review. For further information please contact the undersigned or the CE of COTA SA, Ian Yates AM - one of our national representatives on aged care.

Yours sincerely,

Dr Geoffrey Bird
Executive Director