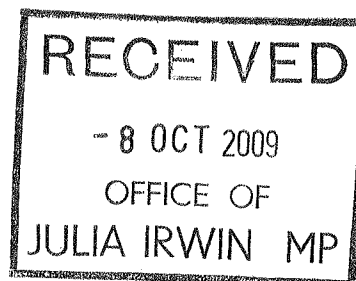


**THE HON JUSTINE ELLIOT MP
MINISTER FOR AGEING**



Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mrs *Julia* Irwin

Thank you for your letter of 9 June 2009 to the Minister for Health and Ageing, the Hon Nicola Roxon MP, regarding a petition submitted for the consideration of the Standing Committee on Petitions. As this the petition concerns aged care services, I am responding as Minister for Ageing with this letter, as requested by Standing Order 209(b).

The Rudd Government is committed to a sustainable aged care sector and the protection of the nation's frail and elderly. Over the next four years the government will provide a record \$44 billion in direct financial support for aged and community care providers who care for older Australians. This is more than \$2.5 billion over previous projections for aged and community care. No Australian government has provided more.

In 2009-10, the Rudd Government will provide \$9.9 billion for aged care, including \$7.1 billion for residential aged care – an increase of nearly 10 per cent on the previous year. This year, residential aged care providers will receive, on average, an increase in funding per resident of 6.5 per cent – around three times the rate of inflation.

It is not valid to compare aged care indexation increases with those increases built into the Australian Government and States Health and disability funding agreements. The proposed increases in health funding take account of increases in volumes and new technologies. The appropriate comparator in the case of residential care is funding per resident – and funding per aged care resident in 2008-09 was approximately 8 per cent higher than it was in 2007-08.

The Rudd Government recognises the increasing demands that will be placed on the aged care system in the coming years as a result of Australia's ageing population. The Government is considering the longer term needs of the aged care system, taking into account the recommendations of the National Health and Hospitals Reform Commission.

Yours sincerely

JUSTINE ELLIOT

28 SEP 2009