

STATEMENT BY THE PRIME MINISTER  
THE RT. HON. WILLIAM McMAHON  
IN THE HOUSE OF REPRESENTATIVES

COMMONWEALTH ASSISTANCE FOR NURSING HOME PATIENTS

5 OCTOBER 1971

For some time past now, the Government has been examining the role of nursing homes in caring for the sick aged, their financial position and the extent of Commonwealth financial assistance for all nursing home patients.

Over the past five years, the number of nursing home beds has increased from about 33,000 to about 47,000. There is no doubt that this has resulted in a very significant improvement in the care of the sick aged in Australia.

The financial assistance provided by the Commonwealth for nursing home patients, which amounted to nearly \$50 million in 1970/71, has been an important factor contributing to the growth of these homes and to the overall raising of standards of care.

The assistance to be provided to those people requiring nursing home care is an extraordinarily complex question involving consideration of the differing needs and circumstances of patients in various types of homes. These homes are run by State Governments as well as by religious and charitable organisations and by private proprietors.

As I have indicated, the present arrangements relating to the care of, and assistance to, those requiring nursing home treatment have been under review for some time. We are continuing this review with the aim of introducing new long term arrangements as soon as it is practicable to do so. This, of course, will include consultation with State Governments as necessary.

We recognise that the recent steep increases in running costs, notably in nurses' salaries, has placed many homes in an extremely difficult financial position. Those homes relying largely on Commonwealth assistance to patients through benefits or pensions have been hit particularly hard.

We have therefore decided, as an interim measure, to increase nursing home benefits to take effect as soon as the necessary legislation is passed by Parliament and assented to.

Benefits for patients receiving ordinary nursing home care will be increased from \$2 per day to \$3.50 per day or \$24.50 per week. Benefits for patients receiving intensive care will be increased from \$5 per day to \$6.50 per day or \$45.50 per week. The cost of these increases will be approximately \$24 million in a full year. The cost in 1971/72, which will depend on the date of assent to the amending legislation to give effect to the new legislation, will be of the order of \$12 million to \$14 million.

This action is being taken in accordance with the Government's overall policy of assisting the sick and the aged wherever areas of need exist. Nursing home benefits are only one of the many provisions made by the Commonwealth to help aged persons, and the increase in benefits is to be seen in the context of the substantial assistance we are providing in other ways. I refer to such measures as the age pension and related payments, assistance with aged persons housing and assistance provided through our home care programme.

Within the limits necessarily imposed by available resources, it is the policy of the Government to improve progressively the welfare of elderly citizens.