



**The Hon Kevin Andrews MP
Minister for Social Services**

*Parliament House
CANBERRA ACT 2600*

*Telephone: (02) 6277 7560
Facsimile: (02) 6273 4122*

28 JUL 2014

MC14-007943

Dr Dennis Jensen MP
Chair
Standing Committee on Petitions
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear ~~Dr Jensen~~

Thank you for your letter of 24 June 2014 on behalf of the Standing Committee on Petitions about the Age Pension.

Thank you for submitting the petition suggesting specific changes to the Age Pension. In the 2014-15 Budget, the Australian Government announced changes to the Age Pension to take effect from 2017-18 and later, after the end of the current term of Parliament. The changes to the Age Pension are subject to the passage of legislation.

I have enclosed further details about the Government's announced changes.

The Government welcomes feedback from individuals on policy settings, and appreciates the time you have taken to bring these matters to my attention.

The Government needs to balance a range of competing priorities when determining the direction of policy. Input from the public is an important part of this process.

Thank you again for writing.

Yours sincerely

~~KEVIN ANDREWS MP~~

~~Encl.~~

**“ Let’s talk
about changes
to aged care ”**



**Changes start
from 1 July 2014.**

**What does this
mean for you?**

Presented by [name]

[Date]

What will we cover today?

- Why talk about aged care?
- Why are changes needed?
- What are the changes?
- My Aged Care
- Find out more
- Let's talk



Why talk about aged care?

- Talking about aged care can be hard
- It's important to plan ahead and think about your aged care
- You'll have more choices
- You can remain independent



Why are changes needed?

- People are living longer, healthier lives
- More than 1.1 million Australians receive services each year
 - Around 75% receive home support
- Australian Government currently spends \$14 billion a year on aged care
- We need a sustainable system that will be there for all of us in the future



What are the changes?

- More home care packages
- People will contribute to the costs of aged care, if they can afford to
- Greater flexibility in how to pay for accommodation in an aged care home
- Transparent accommodation prices and services
- Income testing for people receiving home care
- Combined income and asset testing for people receiving residential care



Home care

- More support to stay independent
- More support to stay in your home and community
- 100,000 home care packages by 2017



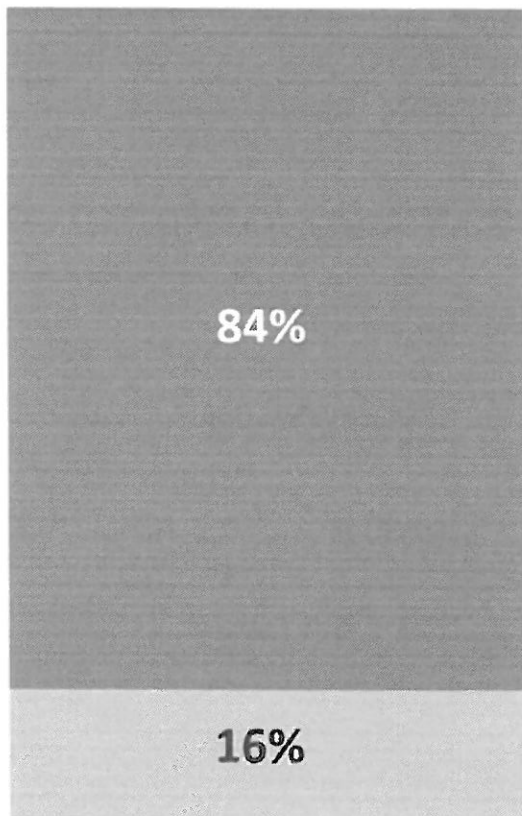
Home care fees and charges

- No change for those already receiving services
- Income testing from 1 July, conducted by Centrelink
- Caps on the amount of income-tested fees:
 - No income-tested fees for full pensioners
 - Part-pensioners pay up to \$5,000 pa
 - Self-funded retirees pay up to \$10,000 pa
 - Lifetime cap of \$60,000
- Financial hardship assistance

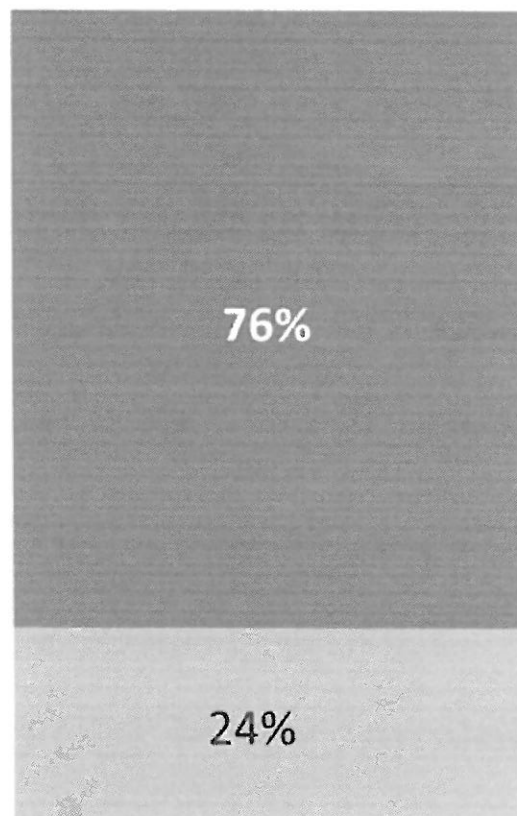


Home care

Current



Future



■ Government subsidy

■ Maximum client contributions

www.myagedcare.gov.au

Residential care accommodation

- Transparent accommodation prices and services
- Greater flexibility in paying for accommodation
 - refundable accommodation deposit
 - OR daily accommodation payment
 - OR combination of both



Residential care fees and charges

- Combined income and assets test conducted by Centrelink
- Determines the fees and Government subsidy paid
- Fee estimator now available

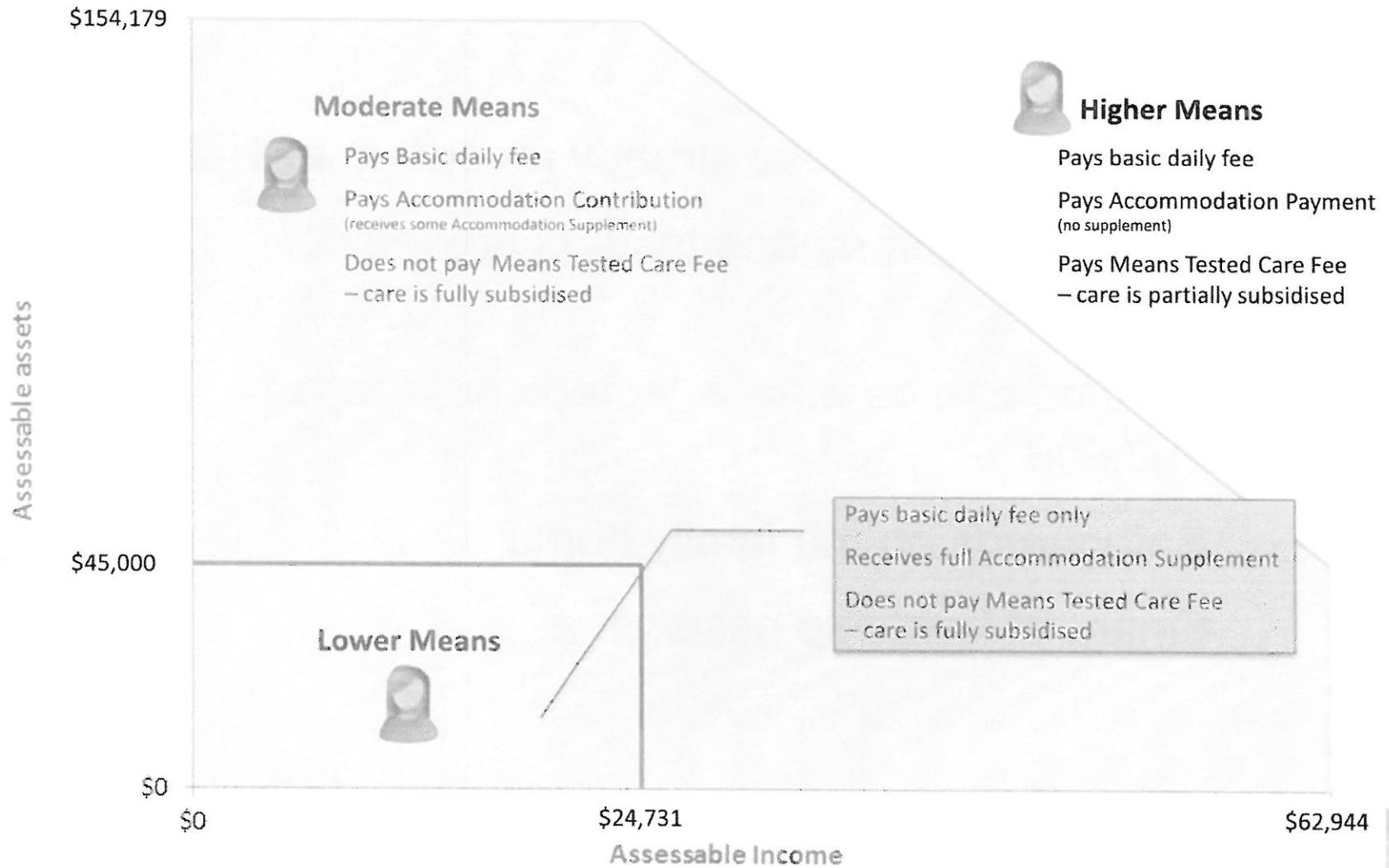


Residential care

- No change for those already receiving services
- Annual cap on means-tested care fees of \$25,000
- Lifetime cap on means-tested care fees of \$60,000
- Safeguards on the family home
- Financial hardship assistance



Residential care



Future changes

- Commonwealth Home Support Programme from 1 July 2015
- Simpler, flexible, consumer-directed care for all home care packages
- Red tape reduced for providers and consumers, and more efficient services



myagedcare

My Aged Care

- Find out what you need to know to start planning and talking about aged care with your family and loved ones
- Your choices, including basic home support, home care and residential aged care
- Compare accommodation prices and services
- Fee estimator



My Aged Care

Coming soon:

- More information
- Eligibility and assessment
- Easily locate the right services for you
- Tell your story once



More information

- Pick-up information materials today
- Speak to a real person on **1800 200 422**
 - 8am–8pm weekdays
 - 10am–2pm Saturdays
- Visit the website **myagedcare.gov.au**



**“ Let’s talk
about changes
to aged care ”**



**Questions and
discussion**

