

Submission to Senate Affairs Committee: Aged Care Service Delivery – Peter Willcocks 3 Aug 2025

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Committee Secretary

Senate Standing Committees on Community Affairs

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Re: Inquiring into aged care service delivery Submissions Close 22 August 2025.

https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Agedcareservice

Dear Senate Standing Committees on Community Affairs,

Please find below my submission to the Senate referred inquiry into aged care service delivery.

My request to the Standing Committee is to do all that is possible to address the design flaw with Individual Contributions that will have the effect of making home support unaffordable for the people who most need our support.

I thank the Senators for raising their strong voice to not only raise awareness of people who have been on wait list for home support, but also to include other matters.

It appears that many of the people currently denied support were assessed as eligible for a package and placed on wait lists prior to 12 September 2024.

People receiving Home Care Packages prior to 12 September 2024 are to be grandfathered by the principle of no worse off, into the new Support at Home program with regard to Individual contributions. Whether existing will be no worse off is yet to be demonstrated.

‘You won’t be expected to pay fees if you don’t already, and you’ll be no worse off if you are paying fees’

Note: *‘The Australian Government introduced the Aged Care Bill 2024 to Parliament on 12 September 2024. It passed Parliament on 25 November 2024 and will become the new Aged Care Act from 1 November 2025.’* – most likely start now 1 July 2026

All new entrants who Support at Home from 12 September will be assessed at the full rates for individual contributions.

People approved for services were first promised a start date of 1 July, then there was further delay to 1 November 2025. It is now likely that Support at Home will be

rescheduled to 1 July 2026. We are led to understand that the cost of their support has been included in the ongoing cost of providing aged care services.

I am sure the Senate would agree that people must not be exposed to further harm and disadvantaged by the failures to address administrative processes.

My submission on Other Matters, Individual Contributions

*‘By **not** enabling older people to stay at home longer, the new restrictive home support system will create a nation of burden on nursing homes instead of creating a country of respected and valued elders with their appropriate culture’.* A simply brilliant encapsulation from a colleague.

The Cruel Mistake – is that users pay with their money and their dignity to access care

Individual Contributions –percentage you will pay for the cost in-home services

Standard participant contribution rates from 1 November 2025

Age Pension status	Clinical care	Independence	Everyday living
Full pensioner	0%	5%	17.5%
Part pensioner and eligible for a Commonwealth Seniors Health Card	0%	Between 5% and 50% depending on income and assets	Between 17.5% and 80% depending on income and assets
Self-funded retiree	0%	50%	80%

Case study – Bill

Bill is retired and on a part Age Pension. He owns his house and has \$10,000 in his savings account in addition to his superannuation income. His total income, including his pension is \$45,500. Bill is assessed as eligible for Support at Home services after 1 November 2025. As Bill is a new participant, he is subject to new arrangements and will make a total contribution of 14.0% to his Support at Home services. The government covers 86.0% of the cost of his care.

The Flaw is more services the more you pay – but the income stays the same.

Some consumers may cope with 4 hours a fortnight but the majority of people with disability/ complex health needs will struggle with anything less than 12 hours a week. In many cases their family carers need respite where nothing less than 20 hours a week is needed to supplement and maintain their own 24/7 care contribution.

Some at Services Australia are well aware of this flaw in the design of Individual contributions; the user pays at a set percentage of what you use model. I hope that greater engagement with Services Australia will lead the discussion back to the current manageable model of income tested fees. Individual Contributions via percentages was

an ill-conceived idea and is just another example of changes made where none was realistic nor needed.

Note: In 2024 88% of people who received a home care package were assessed by Services Australia as not required to pay income tested fees.

Inequity: No meaningful Hardship support or Safety Nets

*A person is **NOT** eligible for hardship support if they have assets valued at more than \$44,811.00*

*A pensioner is **NOT** eligible for hardship support with a deemed income of \$45,386, that is \$29,874 max. pension and max. rental assistance \$5,512 plus \$10,000 in savings*

Note: A pensioner who is able to work can earn an extra \$212 per fortnight without affecting the fortnightly pension amount.

However, if stay at home support is needed, a single pensioners or low-income, self-funded retirees with a deemed income of 45,000, the Individual contribution rates are 9.4% independence and of 23.7% for everyday living in-home services. For basic support this equates to co-payments of \$40 plus per week from the pension.

Current estimates are that someone needing high levels of support, in excess of 12 hours per week their co-payment would be \$150 to \$200 each week.

Furthermore, it is impossible to budget for co-payments where one week co-payment maybe \$50 and the next \$300 and the next \$150 and so on... depending upon episodic need and availability of services. Some at Health and Services Australia understands that the design flaw in the three rates of contribution cannot be averaged in an equitable way to provide meaningful safety nets.

Consequences

Bill (Case Study) the homeowner above will need to manage his home care and his living expenses very carefully. If Bill's health needs increase or his house needs major repairs, his \$10,000 in savings will not be sufficient. Bill's choices are limited, he can sell the house, reverse mortgage will only provide temporary respite, or he can enter residential care where for many in Bill's circumstance, the entire proceeds from the sale will be used to move to residential care.

However, if Bill's sister Billie had the same deemed income but was a renter, Billie will need to move from her community to residential care as a fully supported resident.

The shame of these outcomes is that both Bill and Billie just needed a little extra support to stay at home but the unrealistic 20% plus from disposal income to pay Individual Contributions of \$100 to 150 per week are just not possible from the base weekly pension of \$525.65.

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The \$10,000 in savings would make very little difference to the outcome.

summary of indicative Support at Home prices

Twelve hours is a minimum for a person managing disability and complex need for Independent and Everyday living services. Services included 3 showers per week, household cleaning, clothes washing, meal preparation, supplementary meals on wheels, weekly shopping, social support, light gardening, and transport to medical appointments.

Individual Contributions towards 12 hours each week for stay-at-home services

Independent living	6hrs x \$100 = \$600 @ 9.4%	= \$56.4 per week	\$2,932.8 p.a.
Everyday living	6hrs x \$100 = \$600 @ 23.7%	= \$142.2 per week	\$7,394.4 p.a.

Equity: To do anything else would be a tax on frailty.

The 2018-21 Aged Care Royal Commissioners delivered their report and recommendations in May 2021. The commission held 23 public hearings over 99 days, 641 witnesses and over 10,000 public submissions. Recognizing the risks associated with a two-tier aged care system the commissioners recommended that the cost should be born across community as a hypothecated tax or levy.

We know that most people agree that there is a need for additional funding from taxpayers and the Government to improve the aged care system. A study undertaken on our behalf by Flinders University found that most current taxpayers (61%) indicated that they would be willing to pay more income tax to support a quality aged care system.

Solution: Amend rules under consideration by the Senate. Delete all references and calculations to Individual Contributions and replace with the language to support a continuation of the current practice of Income tested fees.

The government will still have a user pays system (where possible) but not a system of Financial Elder Abuse.

I most sincerely thank the Senate for the opportunity to lodge this submission.

Kind regards,

Peter Willcocks
Volunteer Disability/Aged Care Advocate