

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015-16 Budget Estimates Hearings

Outcome Number: 1.6 - Income Support for Seniors

Question No: SQ15-000769

Topic: Age Pension

Hansard page: CA99, 4 June 2015

Senator Claire Moore asked:

What impact will this measure have on income for the aged care sector? Has any modelling been done on what that impact will be in terms of the link between the pension and the aged care sector?

Answer:

There is no impact on the overall income for the aged care sector from the measure Social Security Assets Test – rebalance assets test thresholds and taper rate.

The amount of income an aged care provider is entitled to for caring for a person is based on appraising the person's care needs. The aged care means test determines the share of this paid by Government and the share chargeable to the care recipient in the form of a means tested care fee.

For care recipients impacted under this measure, their means tested care fees will move in the same direction as the pension income. That is:

- if the person's pension income is reduced, their means tested care fees may also be reduced (and the Government contribution increased by an offsetting amount);
- if their pension income increases, their means tested care fee may also increase (and the Government contribution reduced by an offsetting amount).

Modelling shows that the expected outcome of this measure is an increase in the Government contribution to the aged care sector of \$110 million over the forward estimates. This will be offset by a reduction in fees from care recipients paid to aged care providers.