

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

Outcome Number: 3.4 Residential and Flexible Care Question No: SQ15-000382

Topic: Alignment of Aged Care Means Testing

Hansard page: Written

Senator Helen Polley asked:

Under the new measures, pensioners are paying 5-10 times more in accommodation. Can you please clarify how these changes make aged care more affordable?

Answer:

The new measure that will include rental income from the former home as income in the aged care means test improves the equity of the treatment of income for aged care purposes.

The impact on individuals has been covered in the response to SQ15-000380. The measure does not affect those with income (including rental income) at or below the income free area (currently \$25,316.20). The measure does not impact any residents already in care before 1 January 2016. As the measure applies to residents who are home-owners these residents would already be expected to pay their own accommodation costs at a price agreed with the aged care home and the measure does not change this.

The Government will continue to meet the care and accommodation costs of those classified as 'low means' residents. Financial hardship assistance may also be available in certain circumstances for those having difficulty meeting their fees.

Where means tested care fees do apply there are annual and lifetime caps which will continue to operate to limit fees.