

EXCLUSIVE POLITICS FEDERAL AGED CARE

## Aged care provider says wealthy homeowners 'should be paying more'

By [Dana McCauley](#)

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A major aged care provider has urged the federal government to force wealthy older Australians to pay more for the sector's services, especially those living in multimillion-dollar properties in Sydney and Melbourne.

"Many Australians are sitting on a huge financial resource," Catholic Health Australia chief executive Pat Garcia told the *Sydney Morning Herald* and *The Age*. "It's only logical and fair that people who have access to millions of dollars tied up in their home should be paying more for their aged care."



The amount aged care residents and home care recipients pay for the government-subsidised services they receive is means tested. LOUISE KENNERLEY

The amount aged care residents and home care recipients pay for the government-subsidised services they receive is means tested, but the calculation

factors in only the first \$169,079 in the value of a person's home. Australian National University research has shown about 242,000 pensioners are outright owners of properties worth more than \$1 million.

Mr Garcia said a "fairer" model would be one where wealthier Australians had the whole value of their home taken into account, as recommended by respected former public servant [David Tune in his 2017 review](#).

This would "bring a huge amount of money into the aged care system", he said, allowing more federal funds to flow to those who were less financially secure. "The funding model for aged care is so broken that nearly half of [aged care] homes are operating at a loss and staff are chronically underpaid."

Ian Yates, chief executive of COTA Australia, the national peak body for older Australians, said he supported "a more robust, equitable and sensible policy" for deciding who paid how much for aged care, noting that multiple inquiries and reviews had recommended charging wealthier people more.

Mr Garcia acknowledged the need to raise standards in the system, which [the aged care royal commission described in its interim report as "sad and shocking" after hearing evidence of widespread abuse and neglect](#). "If we expect people to pay more, we have to deliver much better care," he said.

It comes after the federal Health Department revealed it was yet to implement key recommendations of the [Australian Law Reform Commission's 2017 report on elder abuse](#). Responding to a question taken on notice at a Senate estimates hearing, Health Department bureaucrats this week said a "scoping study" was being done on a register of aged care workers, while "preparatory work" was under way on a serious incident response scheme for assaults in care.

Labor's aged care spokeswoman, Julie Collins, said older Australians at risk of abuse deserved "immediate action, not years of inaction and delays". Official data shows there were 5233 assaults in residential aged care facilities in 2018-19.

Catholic Health Australia outlined its proposed new means-testing rules in a pre-budget submission to the federal government.

Weeks after the interim report into aged care was handed down, Prime Minister Scott Morrison has announced a funding boost to tackle three key areas outlined during the royal commission.

Instead of forcing residents to sell their former homes, it said the government could slash the 5.25 per cent annual interest rate for its [pension loan scheme, which allows people to take out loans against the value of their homes to pay for aged care.](#)

"We need to find better ways of unlocking private wealth," Mr Garcia said.

He said aged care residents who wanted to pay extra for premium offerings like food delivery services, extra classes such as painting or yoga or "watching the streaming service of their choice" should be allowed to do so.

The current rules restrict the daily fee that providers can charge each resident for living costs to \$51.63, which is 85 per cent of the daily single pension. The submission called for caps on fees to be abolished, with daily fees of more than \$100 to be approved by the aged care pricing commissioner.



**Dana McCauley**



Dana is health and industrial relations reporter for The Sydney Morning Herald and The Age.