



Australian Government
Department of Health and Aged Care



Presentation on the Aged Care Taskforce report

Frequently Asked Questions

We held a [presentation on the Aged Care Taskforce report](#) on Tuesday 12 March 2024. This document provides answers to frequently asked questions from the webinar. You can still [submit questions by email](#).

It is important to note the Taskforce is not a decision making or funding body. The report is a report to government, and the government has not yet decided its response to the recommendations.

Contents

Consultation	3
Government funding and participant contributions	4
Home care and ageing in place	8
The Taskforce’s report and the government’s response	10

1. Consultation

1.1 What consultation did the Taskforce undertake? What are the next steps?

The Taskforce conducted extensive consultation through four main channels:

Public submissions

- A written public submission process on the draft aged care funding principles was undertaken in August 2023 via the Aged Care Engagement Hub.
- In total 180 submissions were received from the community, including older people, carers and families, health professionals, providers, and peak organisations.

Roundtables

- 11 roundtables were held between August and October 2023 around the country and virtually, with 105 attendees in total.
- The roundtables included 41 providers, who between them provide around 72,000 beds across the residential aged care sector (approximately 33 per cent of total beds), and 39,000 Home Care Packages (approximately 17 per cent of total packages).
- Roundtables on financing aged care were also held with banks and superannuation funds.

Forums

- The Council on the Ageing (COTA) Australia and the Older Persons Advocacy Network (OPAN) hosted 12 in person forums across Australia on behalf of the Taskforce, with 312 in person attendees and 98 online attendees.
- COTA and OPAN also ran an online survey, with 1,994 responses.

Targeted consultation

- Taskforce members spoke directly with their networks to develop their understanding of key issues related to aged care funding arrangements.

As a next step, the government will undertake targeted consultation with the sector, consumer and provider peak bodies and subject matter experts to develop a practical policy approach.

Find more information about current and upcoming engagement opportunities by visiting www.agedcareengagement.health.gov.au/get-involved/.

2. Government funding and participant contributions

2.1 How much more will older Australians be expected to contribute to their aged care under co-contributions? How will equity be achieved?

The Taskforce made recommendations which seek to create a sustainable, fair, and equitable system now and into the future, particularly in the face of increased demand and a shrinking taxpayer base. The Taskforce did not recommend a specific level of co-contributions but considers that government will continue to be the main funder of aged care, with an increased role for consumer co-contributions to fund the gap in sector viability, where older persons have the means to do so.

Under the Taskforce recommendations, how much an older person contributes would depend on the services they receive and their financial position. The Taskforce recommended a strong safety net for low means participants to meet aged care costs. For example, a full rate Age Pension recipient with no other assets living in residential aged care might not be required to pay anything above the Basic Daily Fee.

2.2 Is there a difference between home and residential care co-contribution amounts?

The Taskforce considered it appropriate to have differences in contributions between home care and residential care due to the cost associated with delivering home care compared to residential aged care, as well as the wider range of services covered in residential care. People who remain at home with the support of a home care program still have the costs of maintaining that home, as well as food, electricity, and other everyday living expenses. In residential aged care, all these expenses are covered through aged care fees.

2.3 How will the transition to any new arrangements be managed? Will older people need to pay the new fees?

To support a smooth transition for older people and providers, the Taskforce recommended appropriate arrangements, including grandparenting for those already in residential aged care and phasing in of new arrangements for home care.

2.4 Will government funding increase?

The Australian Government has already made significant investments in the sector. The Taskforce notes the need for additional funding and made a range of recommendations on balancing government funding and consumer co-contributions, including continuing the significant role for government funding of aged care services (recommendation 2), with older people making a fair co-contribution to the cost of their aged care based on their means (recommendation 3).

The Taskforce is not a decision making or funding body. The report is a report to government, and the government has not yet decided its response to the recommendations.

2.5 How will the financial burden on pensioners be managed and reviewed?

The Taskforce recommends that only those with the capacity to contribute more will be asked to do so. For example, a full rate age pension recipient with no other assets living in residential aged care would not be required to pay anything above the Basic Daily Fee.

2.6 How will the financial burden on providers in rural and remote areas be managed and reviewed?

The Taskforce recommended tasking the Independent Health and Aged Care Pricing Authority (IHACPA) with a review of its pricing in rural and remote areas; and costing of the supplement for everyday living.

2.7 What will be covered by increased contributions?

The Taskforce's recommendations support an aged care system that is better funded, fairer, delivers better quality services and accommodation and is more innovative.

Government funding would focus on ensuring all older people can access the care they need, while co-contributions will be required for the things people have typically paid for their whole lives, such as daily living expenses and, for those in residential care, accommodation costs. For providers, the recommendations support more predictable and sustainable funding in-home care, and increased capacity to cover the costs of delivering services in residential care.

More broadly, this contributes to strengthening the financial viability of the residential care sector to encourage different forms of investment. In home care, the Taskforce recommends greater clarity for participants and providers through clearly defined inclusion and exclusion principles and service lists. There would also be an important continuing role for government support in thin markets.

2.8 Who will be responsible for collecting co-contributions? Will there be any consideration to reducing or removing provider risk for debt recovery and the burden of managing this?

The Taskforce did not recommend any changes to who pays providers. In the current system, co-contributions are paid directly by aged care participants to aged care providers. This is similar to how most services are paid outside the aged care system. Government also pays its contributions directly to providers.

2.9 Is there going to be any simplification of the means assessment process and fees and charges?

The Taskforce made a range of recommendations on balancing government funding and consumer co-contributions, including that aged care fees need to be fair, transparent, and simple (recommendation 5).

2.10 Will I have to sell my home or use my super to pay for aged care?

The Taskforce recommendations do not change the treatment of the family home in aged care. The government has also ruled out any changes to the treatment of the family home.

Currently many people sell their former home when they enter residential care to meet their aged care costs, particularly to pay a Refundable Accommodation Deposit.

The Taskforce report notes that growing superannuation balances and other asset wealth will mean that older people will have greater capacity drawn down on this wealth to pay for retirement living including aged care costs.

2.11 Will this lead to wealthy people cross-subsidising their less well-off peers?

The Taskforce recommendations do not require anyone to cross-subsidise the cost of anyone else.

The Taskforce agreed it is appropriate for older people to contribute to their aged care costs where they have the means to do so. The Taskforce also recommended a strong safety net for low means participants to meet aged care costs (recommendation 4). Rules would continue to be in place to ensure equitable access for people with low means, with progressive co-contributions from those who can afford to pay more.

2.12 What, if any, other strategies to increase revenue were considered by the taskforce, e.g., superannuation, tax concession, levy?

The Taskforce considered various options, some raised via consultations.

While the Taskforce supported government maintaining its central role in funding aged care, it did not support a specific increase to tax rates to fund future rises to aged care funding. The government has ruled out changes to how the family home is means tested and has ruled out any new taxes or levies to fund the aged care sector.

The Taskforce noted there are substantial intergenerational equity issues in asking the working age population, which is becoming proportionally smaller to pay for these services.

The Taskforce noted the superannuation system supports Australians to save for retirement. The Taskforce noted that over the next 20 years, the number of people with superannuation balances at age 85 will grow considerably, with a greater proportion of people having significant funds available.

As a result, there is more scope for older people to contribute to their aged care costs by using their accumulated wealth than in previous generations, noting that there will always be a group of participants who need more government support.

2.13 How will allied health be affected by these proposed changes?

The Taskforce recommended the introduction of Support at Home participant co-contributions that vary based on the type of service assessed (recommendation 8).

The Taskforce report discussed 3 classifications of service lists with different co-contributions:

- Clinical supports
- Independence
- Everyday living

It was the view of the Taskforce that allied health would be included under the definition of clinical supports. The Taskforce report did not specifically make any recommendations around allied health services in residential aged care.

2.14 What is the rationale for the phase-out of Refundable Accommodation Deposits (RADs) and how would this be managed?

The Royal Commission into Aged Care Quality and Safety (Commissioner Briggs) recommended phasing out of Refundable Accommodation Deposits (RADs) over time and replacing them with income through a 'rental model', where everyone pays with non-refundable periodic payments.

The Taskforce concluded that phasing out RADs would improve simplicity and equity for residents and reduce liquidity risks for providers, noting the sector is not currently in a financial position to be able to tolerate a phase out of RADs.

The Taskforce recommended phasing out RADs from 2035 allowing an orderly phase out, with steps to position the sector before RADs are withdrawn.

The Taskforce recommended an independent review would enable government to track progress on these pre-conditions. The independent review would need to

consider inputs from aged care providers, aged care participants and older people, banks, and the finance sector.

The government will continue to analyse this report and finalise its response to its recommendations.

Further consultation would be required to allow stakeholders to inform the design and implementation of any phase out.

3. Home care and ageing in place

3.1 What will be included and excluded in the home care service list? When will this be publicly available? Will there be room for flexibility in the system for more specialised needs?

The Taskforce did not make specific recommendations on inclusions and exclusions, and this would be a matter for government. The Taskforce did recommend greater clarity for in-home care participants and providers through clearly defined inclusion and exclusion principles and service lists. It recommended that the program be underpinned by specific inclusion and exclusion principles (recommendation 1).

The Taskforce supported the use of these principles to develop inclusion and exclusion lists to ensure program integrity and improve consistency. It also supported allowing flexibility in some circumstances.

3.2 Has there been any consideration of utilising unspent Home Care Package funds?

The Taskforce did note that people could leave significant unspent funds in the Home Care Package program but did not make any specific recommendations in relation to this, noting that unspent funds would be addressed in the new Support at Home program through charges based on the services an individual receives.

3.3 How will Home Care Package wait times improve?

The Taskforce did not make specific recommendations about wait times for Home Care Package program. However, it did note that existing programs require people to wait for much needed services and that if the current program settings are maintained wait times are expected to increase.

The Taskforce recognised that additional funding was needed to meet future demand and deliver quality improvements. The Taskforce recommended that government continue its significant role in funding aged care services (recommendation 2) and that older people make a fair contribution to the cost of their aged care based on their means (recommendation 3).

The government will be carefully considering the recommendations of the report.

3.4 How does enabling people to stay at home for longer fit with the care needs of dementia patients and the needs of people for social connection?

In 2022 it was estimated that 2 in 3 people living with dementia are living in the community. Many older people want to stay at home as long as possible and maintain their independence. Staying connected, spending time with friends and family and participating in social activities can have a significant impact on all areas of mental and physical health and happiness as people age.

People living with dementia access support from a range of mainstream services including support to remain living at home. Help at home can include services to support people to get out and about and stay social and connected with the community. This could include providing transport to appointments and community activities, or other social support activities such as outings, social groups, and visitors.

The government also funds the National Dementia Support Program (NDSP), which supports carers of people with dementia who still live in their own home. Delivered by Dementia Australia, the NDSP is the Australian Government's principal community-focused dementia support program. It provides dementia information, carer supports, education, counselling, group support activities, and peer mentoring including coaching, advice, and other supports to help carers maintain their caring role.

The Dementia Friendly Communities program aims to reduce the stigma surrounding dementia by increasing the understanding, awareness, and acceptance of dementia in the community. It assists in creating improved access to opportunities for social engagement for people living with dementia and their carers, and support people with dementia to remain engaged with their community.

3.5 What if any additional funding support will there be for those more vulnerable (dementia, disability etc)?

The Taskforce did not make specific recommendations about supports for people with dementia. However, people with dementia make up a significant proportion of the aged care population and would be impacted by any changes to aged care arrangements.

The government already provides significant support for people living with dementia and their families and carers, and for the aged care and health workforces, including through:

- The National Dementia Support Program, which funds information, education programs, services, and resources for people with dementia and their families and carers.
- Dementia Friendly Communities Program, which builds understanding, awareness and acceptance of dementia in the community.

- Improving respite care for people with dementia and their carers program.
- Dementia Behaviour Management Advisory Service, which helps staff and carers support people living with dementia experiencing behavioural changes by providing assessment, clinical support, care planning, mentoring, and a 24-hour help line.
- Severe Behaviour Response Teams that provide specialist clinical support and advice to organisations and aged care staff caring for people with severe behavioural and psychological symptoms of dementia.
- Specialist Dementia Care Program to fund specialist dementia care units in residential aged care homes, which provide specialised care to people with very severe behavioural and psychological symptoms of dementia.
- The Dementia Training Program offers a national approach to accredited education, upskilling, and professional development in dementia care.

The government is also working with state and territory governments to finalise a new National Dementia Action Plan and ensure that it reflects the needs, experiences and requirements of people living with dementia, their families, and carers. It is anticipated that the Plan will be in place in 2024.

4. The Taskforce’s report and the government’s response

4.1 Why was the release of this report delayed? When can we expect the government response?

The Taskforce gave their final report to government in December 2023. The report was released on 12 March 2024, with the government taking time to consider the findings before commencing consultation on the recommendations.

The Taskforce is not a decision making or funding body. The report is a report to government, and the government has not yet decided its response to the recommendations. The details of implementation timing will be considered by government as part of developing its response.

The Taskforce has noted several recommendations where further work is needed before implementation. As a next step, the government will undertake targeted consultation with the sector and subject matter experts to develop a practical policy approach.

4.2 What are the implementation stages and timeline for the recommendations?

The Taskforce is not a decision making or funding body. The report is a report to government, and the government has not yet decided its response to the

recommendations. The details of implementation timing will be considered by government as part of developing its response.

The Taskforce has noted several recommendations where further work is needed before implementation. As a next step, the government will undertake targeted consultation with the sector and subject matter experts to develop a practical policy approach.

4.3 What and how will Government review these recommendations and increase transparency? Will it be publicly available?

The Taskforce made a range of recommendations on balancing government funding and consumer co-contributions, including:

- That government will continue to be the main funder of aged care, with an increased role for consumer co-contributions to fund the gap in sector viability.
- The Taskforce agreed it is appropriate for older people to contribute to their aged care costs where they have the means to do so. It is fair for people to contribute towards everyday living and accommodation costs that they have paid for throughout their lives.
- The Taskforce recommended a strong safety net for low means participants to meet aged care costs.
- Aged care fees need to be transparent and simple, and reforms to co-contributions should support simpler fee arrangements.
- After considering the evidence, the Taskforce did not recommend the introduction of a levy or a new tax to fund aged care based on intergenerational equity issues.
- To support a smooth transition for older people and providers to new arrangements, the Taskforce recommended appropriate arrangements, including grandparenting for those already in residential aged care and phasing in of new arrangements for home care.

4.4 How will the report ensure the quality of accommodation in aged care improves and facilities become more like places people want to live?

The Taskforce identified that additional funding, including through increased participant co-contributions was necessary to lift the quality in aged care and made several recommendations to support this. For example, in relation to accommodation costs, the Taskforce recommended that providers retain a portion on the Refundable Accommodation Deposit (recommendation 13).

The Taskforce also recommended that the Accommodation Supplement be reviewed, including improving incentives to meet new accommodation design

principles. The Taskforce highlighted that the design principles would reflect community expectations as an appropriate metric of high-quality accommodation and that basing the Accommodation Supplement's quality incentive around the design principles would encourage providers to adopt them.

The department has been working with older people, the aged care sector and design experts to develop a draft set of National Aged Care Design Principles and Guidelines (Principles and Guidelines) to encourage flexibility and innovation in accommodation design while supporting providers to create safe and comfortable living environments that promote independence, function, and enjoyment. The draft Principles and Guidelines were released in September 2023 for further consultation and refinement, with a final version due to be introduced from 1 July 2024. The Principles and Guidelines consider a range of design elements including accessibility, dementia-friendly design principles, the role of small home models and the needs of diverse communities.