



Media Release

Retirees Concerned About the Increasing Costs of AGED CARE

“Retirees welcome the release of the **Aged Care Taskforce** report on funding arrangements,” said Wayne Strandquist, Chief Advocate for the Australian Independent Retirees (AIR). “The report highlights the need for additional aged care funding to meet future demand, improve the quality and safety of care, fund higher wages, and improve the financial viability of aged care providers.”

“The approach from the Taskforce on funding options was intended to ensure a fair and equitable approach in assessing the means of older people accessing residential and in-home aged care,” Wayne Strandquist said. “AIR supports the continuation of a safety net to provide aged care for people of low means, and we are pleased to see the Taskforce has recommended the continuation of financial arrangements for existing recipients of aged care”, he added.

“Significantly, the Taskforce has rejected the Royal Commission’s recommendation for a levy to fund aged care. Instead, an expanded use of co-contributions by consumers has been recommended”, Wayne Strandquist observed. “This is a major concern for fully and partly self-funded retirees and no details were provided in the taskforce report to indicate how much extra they will need to pay” he noted.

“AIR supports more transparent and simpler means testing arrangements for calculating co-contributions. We suggest that the alignment of **Commonwealth Seniors Card** Holders and Part Pensioners in the calculations would be a worthy consideration”, the Chief Advocate said. “AIR is also concerned about **how these co-contributions could cause an inequity with different aged care recipients** paying different prices for the same products and services”, he explained. “To help offset the increased Commonwealth government spending on aged care, the indirect tax base could be broadened with the introduction of a small social services fee on the sale of goods and services to be collected by the Federal government specifically for aged care funding purposes”, suggested Wayne Strandquist.

“Retirees are also surprised and disappointed with the recommended phasing out of **Refundable Accommodation Deposits** (RAD). Many retirees prefer to pay for aged care with a RAD that will provide interest income for the provider. In the meantime, we need to understand why aged care providers are currently losing money with the RAD interest income, and we are concerned that they also need to retain part of the RAD to be viable”, Wayne Strandquist noted. “While the Federal government considers its response to the report from the Aged Care Taskforce, we will continue to listen to views of fully and partly self-funded retirees and advocate for them”, Wayne Strandquist concluded.

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