



National Seniors  
Association

*The independent voice of senior Australians*

**Submission**

**to**

**Australian Senate  
Community Affairs Committee**

***Aged Care Amendment (Residential Care) Bill 2006***

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## Introduction

National Seniors is the largest senior's organisation in Australia with over 280,000 individual members in 170 branches across the country. It offers members a vast range of services and benefits and is an influential vehicle for contributing to policy debates affecting seniors in Australia.

National Seniors develops policy based on membership input, including through branches and member organisation forums and has a pre-eminent role in representing, advocating for, and serving, senior Australians.

National Seniors welcomes this opportunity to provide comment on the Aged Care Amendment (Residential Care) Bill 2006.

National Seniors has developed a *National Policy Document* (National Seniors 2006) with a number of priority areas including retirement incomes and residential aged care.

National Seniors continues to be actively involved in advocating for on behalf of the needs, rights and interests of seniors on issues relating to the wellbeing of, and justice for, all seniors, and redressing all forms of disadvantage.

## Discussion

### The Hogan Review

It is noted that the *Review of Pricing Arrangements in Residential Aged Care* (2004) [the Hogan Report] conducted a comprehensive review of the aged care regime in Australia. Two (2) key issues considered by the Review were:

1. Asset testing for entry into permanent residential aged care; and
2. Delegation of additional powers to the Aged Care Assessment Team.

#### 1. Asset testing for entry into permanent residential aged care

The Hogan Report recommended that the Assessment of residents' or prospective residents' income and assets should be the responsibility of the Australian Government and carried out by Centrelink and not the aged care provider, preferably prior to entry into care. Further, in the longer term, the aged care means testing arrangements should be brought into line with those that obtain for the age pension. Moreover, in determining an individual's income and assets the same gifting and deeming rules as obtain for the age pension should apply.

#### Delegation of additional powers to the Aged Care Assessment Team (ACAT)

With respect to additional powers for the ACAT, Hogan recommended that additional funding should be provided by the Commonwealth for the ACAT Program and should be

confirmed as ongoing and indexed each year in line with the base funding for the Program. It is further noted that Mr David Deans, Chief Executive Officer (National Seniors) was represented on the *Industry and Consumer Reference Group* and provided a major input to the review process.

### **Commonwealth Budget 2006-07**

It is acknowledged that \$24.2 million was identified in the 2006-2007 Commonwealth Budget to improve the capacity of Aged Care Assessment Teams so as enable them to carry out their important work in determining the care needs for older Australians. Further, the Budget foreshadowed savings of approximately \$71.7 million over five years as a result of improved administered costs resulting from the simplification of the current means testing arrangements for non-pensioners.

It is acknowledged that the proposed legislative changes formalize the recommendations made by Hogan and the Budget initiatives noted above.

### **Submission**

#### *Schedule 1 – Harmonising aged care and pension requirements in relation to income streams and asset disposals*

Given the intent of the amendments to the legislation is to treat gifts and complying income streams in the same way as the pension assets test (in other words, improved equity in the system) National Seniors supports this legislative change.

#### *Schedule 2 - Delegations*

Given the intent is to improve the capacity of the Aged Care Assessment Teams to assess the care needs of frail older people and extend the maximum number of days of respite care for those families who are in need, National Seniors supports this legislative change.