

## Media Release

### Retirees Need Clarity on Costs for Aged Care in the New Aged Care Act

The Exposure Draft of the new Aged Care Act is welcomed by retirees. It provides many important reforms to improve the quality and safety of aged care.

“However, **the source of funding, fees, payments, subsidies, consumer contributions, and means-test** arrangements are not included in the exposure draft legislation,” said Wayne Strandquist, Chief Advocate of the Association of Independent Retirees.

“To provide a comprehensive response to the New Aged Care Act Exposure Draft and Consultation Paper by 16 February 2024, full and partly self-funded retirees **need to evaluate the costs and affordability** of the reforms described in the new draft Act,” Wayne Strandquist explained.

“It is essential that the basis for **capital contributions** and the **ongoing care costs** for aged care recipients be known before the consultations on the new Aged Care Act are completed. It is very difficult to consider the implementation of reforms proposed in the new Act without knowing how the provisions of the new Act will be funded and **specifically** who will bear the cost?” said Wayne Strandquist.

There is also **concern** that with the additional safeguards and oversight incorporated into the New Aged Care Act for the Department of Health and Aged Care governance, the Aged Care Quality and Safety Commission, Office of Inspector General of Aged Care, the Office of Complaints Commissioner and the Aged Care Quality and Safety Advisory Council, the overall administration costs of aged care will increase.

“While there has been some public discussion on how aged care should be funded in Australia, there is no consensus. As with intensive medical care throughout their lifetime, not all the population will require intensive aged care in their later years,” said Wayne Strandquist.

“Members of the Association of Independent Retirees support changes to legislation that will provide safe, available, affordable, and high-quality aged care, and the new **Aged Care Act** needs to provide all the details of how this will be done,” concluded Wayne Strandquist.

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