



28 February 2023

Parliament of Australia
PO Box 6021
Parliament House
CANBERRA
Canberra ACT 2600

To Whom it May Concern,

RE: Inquiry into the Operation of the National Redress Scheme

I write to you on behalf of the National Aged & Community Care Roundtable for Forgotten Australians. This National Roundtable was formed in 2019 and has extensive membership of Forgotten Australians themselves, aged and community care service providers who want to make a difference in delivering more appropriate services, and researchers exploring the ageing of this cohort.

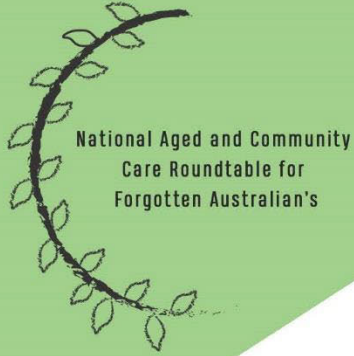
Forgotten Australians is a term used by the Senate in its 2004 inquiry into Children in Institutional 'Care'. There are estimated to be over 500,00 children who were placed in institutions and out-of-home 'care' around Australia between 1940 and 1989. This group is now ageing and ageing prematurely as a result of the neglect, abuse, and treatment they received as children in institutional or out-of-home care.

The National Aged and Community Care Roundtable for Forgotten Australians has a mission to improve the quality and models of care and support for Forgotten Australians, promote evidence-based approaches and leading-edge research, and ensure that there is an appropriately skilled and aware aged care sector to respond to the needs of this group. As a special needs group under the Aged Care Act, this group must be seen as the largest with the most pressing needs.

The National Roundtable has been approached by many concerned Forgotten Australians, their specialist services, and key support personnel about the injustice that they are experiencing entering the aged and community care system if they have received a Redress Payment under the National Redress Scheme.

As you would be aware, Redress Payments are made to eligible applicants who have experienced childhood institutional sexual abuse. Redress Payments are not intended to be compensatory but are a recognition of the harm caused to those who experienced abuse. These payments are made by the institution where the abuse was experienced (which could include the Government), however, they are not a Government payment. We are aware that Forgotten Australians make up a large proportion of those who seek Redress Payments.

The National Aged and Community Care Roundtable for Forgotten Australians held a National Forum on 4 April 2022 with the purpose of highlighting what the future could hold



for more responsive and appropriate aged and community care for Forgotten Australians. The Enabling Better Aged and Community Care for Forgotten Australians National Forum showcased presentations from individuals with lived experience on key issues that Forgotten Australians and Care Leavers are currently facing.

A presentation was given by a Western Australian Care Leaver highlighting significant issues relating to Redress Payments. A major issue surrounding the Redress Payments is that Forgotten Australians wanting to enter the aged care sector either in a residential facility or by receiving a home care package fall under the assets testing as of the Aged Care Act 1997. For those who have received a Redress Payment, this can put their overall assets over the threshold, in which case they will need to pay fees for receiving aged care services. For many Forgotten Australians, these fees will need to be paid with the money they have received from the Redress Payment, as many do not have other assets.

The National Roundtable believes this is unacceptable as Redress Payments should be excluded from accessible income or assets. Forgotten Australians who attended the National Forum spoke up on the day saying, "Redress doesn't pay back what was lost, and what is the point of receiving the payment if we must lose it once we enter aged care". This issue needs immediate addressing in the context of the redrafting of the Aged Care Act.

You can watch the presentation, sponsored by Tuart Place Western Australia, by accessing the link here: <https://www.youtube.com/channel/UCjBl1wjV1DWFpbo3X0Zz-wA>

Applying Redress Payments to the assets that are taken into account in the financial testing for access to aged care is unfair, unjust and is a further blow for already disadvantaged and traumatised individuals. For new people entering Home Care Packages similarly, these Redress Payments are being taken into account with higher fees being paid by the Redress Recipient. This is cause for major concern for Forgotten Australians, as the majority of them are getting to the age where entering the aged care system is a necessity. There is precedent in this area as Veterans' one-off payments are not considered in aged care asset testing. We would recommend that the on-off Redress Payments are treated the same way to mitigate any further disadvantage thrown their way.

I detail the following further examples to give you an understanding of the problem and its ramifications. These case studies have been provided by Knowmore, the specialist legal service supporting redress applicants and recipients.

Case Study One:

As one example, a Knowmore client living in aged care received a National Redress Scheme (NRS) payment of \$72,300. Our client pays her aged care fees from her age pension, and has no other income, no house and no other assets. The client's NRS payment was treated as an asset for the purpose of calculating her aged care fees, putting the value of her assets over the relevant threshold of \$50,500. As a result, our client



is now required to pay an accommodation contribution of \$12.84 per day, meaning she will pay more than \$4,670 extra for her aged care this year alone.

Case Study Two:

Another Knowmore client, an _____ man living in aged care in _____, recently received an NRS payment of \$100,000. He too receives the age pension as his only source of income and has only \$2,000 in savings. As a result of receiving his NRS payment, which has been treated as an asset for the purpose of calculating his aged care fees, our client will now pay more than \$6,000 extra for his aged care this year alone.

Case Study Three:

In one of the worst-case scenarios, a survivor who receives the maximum Redress Payment of \$150,000 would lose more than 10 per cent (\$17,410) of their payment to increased aged care fees in the first year alone. These people will continue to pay fees to their remaining Redress Payment falls below \$51,000.

The National Roundtable and Knowmore have been working together to push for action to be taken against the negative outcomes of the Redress Payments on Forgotten Australians and Care Leavers. The National Roundtable has made a submission to the Royal Commission into Aged Care Quality and Safety involving several recommendations based on the combined views of all members regarding the Redress Payment. The National Roundtable has continued to work on addressing concerns relating to this issue. A letter was sent to The Hon. Annika Wells Minister for Aged Care and The Hon. Amanda Rushworth Minister for Social Services on why removing Redress Payments made under the NRS from consideration in asset testing for entry into residential and in-home aged care packages is essential. A subcommittee from the National Roundtable has met with the Department of Health and Aged Care to discuss plans to redraft the Aged Care Act concerning the asset testing. This subgroup has been working with Knowmore Legal Services to advocate for this issue, however there has been a commitment from the Department of Health and Aged Care to review the Aged Care Act.

We appreciate the opportunity to provide our views on topics for your consideration on behalf of this group.

Kind Regards,

Ms Anne Livingstone
Chair
National Aged and Community Care Roundtable for Forgotten Australians
E: admin@forgottenaustraliansroundtable.com.au

