

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 31

Topic: Supported Accommodation for Pensioners

Hansard Page: E78

Senator Joyce asked:

Senator JOYCE—Are you aware of supported accommodation where residents pay 85 per cent of their pension?

Mr Gallagher—Are you referring to nursing homes?

Senator JOYCE—Yes.

Senator Sherry—That is really an issue for FaHCSIA, Senator Joyce.

Senator JOYCE—Why is that an issue for FaHCSIA?

Senator Sherry—It is not a retirement income superannuation issue. If Mr Gallagher can answer you, I am more than happy.

Senator JOYCE—It is a pretty straightforward question. How many single pensioners live in supported accommodation where they pay 85 per cent of their pension?

Mr Gallagher—I will take that question on notice and seek to get some numbers. They will probably need to come from FaHCSIA or the Department of Health and Ageing.

Senator JOYCE—I will give you the questions that I would like taken on notice. How many single pensioners and couple pensioners paid a straight 85 per cent? The increase obviously will go straight to the providers. The question is: this pension increase is not really for the pensioner but for the pension accommodation provider, so what did we do for the pensioners?

Mr Gallagher—My recollection of the policy announcement is that there are special provisions to prevent the benefits going to the provider rather than the pensioner. But, as I said, they are more properly questions for Families, Community Services and Indigenous Affairs.

Senator JOYCE—Thank you.

Answer:

Based on figures from the Department of Health and Ageing data warehouse, as at 30 June 2008, there were 157,393 permanent residents in aged care.

While the number of and proportions of residents may change slightly with time, at any one time approximately:

- 55% are full pensioners;
- 35% are part pensioners; and
- 10% are non-pensioners.

As part of the pension reforms announced in the 2009-10 Budget, single pensioners on the full rate of pension will receive an extra \$32.49 per week. The Government

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will share the base pension rise between aged care providers and pensioners to ensure that pensioners in aged care homes are able to benefit from the pension increase, while at the same time recognising that care providers also need additional funding to contribute to the costs of services.

The Government will amend the *Aged Care Act 1997* to reset the basic daily fee from 85 per cent to 84 per cent of the single age pension base rate, ensuring that full-rate pensioners in aged care receive an additional \$10.09 per week in their pockets, more than double what they would have received if the basic daily fee had remained unchanged.