

Response to the Department of Health's Consultation Paper on the Residential Aged Care Pricing Review, November 2025

Thank you for the opportunity to respond to the department's consultation paper.

I am responding as a member of the public, from two perspectives:

- Firstly as the carer for someone who may need to access residential aged care in the near future
- Secondly on my own behalf as one of many Australians without children. As such I expect to independently manage my own financial and health needs for the rest of my life. People like me rely deeply on government policies and structures to protect our interests.

I am providing a response to questions 17 and 19 only.

Question 17: Would setting DAPs as the default make accommodation pricing easier to understand for prospective residents and their families?

No. On the contrary, it would be much worse.

You only need to understand the system once if you are dealing with a RAD - investigate it properly when you're about to make a decision and that's the end of it. If DAPs were the default, residents would need to stay across changes to the system for the rest of their lives. The confusion and impact on the aged community from the present transition to Support at Home illustrates how challenging most people find understanding changes to the system.

The paper suggests that the introduction of retention deductions is going to make RADs too confusing. I disagree strongly - it's not a difficult concept as such. The thing which is causing difficulty is that it is a change from the old system, and most older people - probably most people of all ages - prefer certainty and stability. Forcing everyone onto DAPs would be terrible because they would have to keep checking for changes, and then investigating what each new tranche of changes means for them. An ongoing nightmare!

Question 19: Do you think the DAP should be set as the default payment type?

No. The paper acknowledges that many Australians prefer the RAD over the DAP. It is important to continue to give them that choice.

The RAD is advantageous in a variety of circumstances, including for those who want to make their aged care residential arrangements once and not have to worry about it after that. Some examples of common situations:

- The person is developing dementia, doesn't have any family to manage their financial interests in the future, and wants to be confident they can stay in the place they've chosen.
- The person wants to make sure they are able to afford the accommodation of their choice indefinitely, and is concerned about the potential for the DAP to increase significantly over time.
- The person doesn't have anyone to inherit their house, and would prefer to sell it to pay for a RAD rather than the hassles of renting it out (or selling it and having to find a suitable ongoing investment vehicle) to pay for a DAP year after year.

The number of Australians in situations such as those described above (developing dementia, childless, wanting financial certainty) is already large and growing. Taking away their preferred option of a RAD would create terrible stress and uncertainty for them in their final years.