

I understand the need for changes in funding aged care in Australia.

However my concern is that when the government announced changes there was no reference to transparency in the funding to all these private operators. They are private companies and there is no way that us laymen can ascertain earnings and payments, legitimate or not.

I wonder how much investigation actually goes into analyzing where the funding goes or whether the government just relies on the Aged Care industry and their lobbyists.

Questions we often ask are:

1. How much do the owners skim off the top?
2. How much are the ██████████ General Managers and Executives paid?
3. Who owns the Nursing Home property and how much is paid in rent? is it excessive rent to justify fees charged to residents. I refer to the excessive rent paid by ██████████ run by the ██████████ ██████████ during the COVID outbreak.

My husband has dementia and I now have to look at what my options will be in the near future.

My husband was granted a level 3 HCP package which I rejected. I was happy paying a portion of my husband's respite so accepted Commonwealth Home Support Package.

My concern going forward is if he will need a nursing home. The way it all is now, and going forward, is that I have to pay for a room in a NH. At the moment that amount is on average is \$550000. The government now propose that a NH can charge up to \$750000 for a room. Not a house, a Room!

I have saved my whole life to make sure we had a comfortable retirement. Well there is no retirement for me. I am his carer.

We paid off our home early, I always put extra into superannuation. Which is just as well seeing as I haven't been able to work for over 10 years. It is only in the last 18 months that I have claimed a part pension for my husband and a carers pension for me.

I do not have an issue with the 2% that NH can withhold, per year for 5 years, from next year. Be assured that all nursing homes will put up the cost of their rooms so they can get maximum return. But I really don't think the government has done due diligence in what the NH also charges on top of the daily fee.

At the moment this is what my finances will look like if my husband has to go into a nursing home. Cost of room. \$750000 (the assumption will be that NH will go with this rate as they can claim 2% of \$750000 instead of \$550000. \$75000 instead of \$55000.

As I have said I saved. I could probably scrape up \$350000 towards a room. Happy to pay. But the NH will then charge me 8.38% interest on the outstanding amount of \$400000. They charge this to you monthly. For me that will equate to \$2794 per month. The daily care fee would cost \$1933 per month. This does not include other fees the NH chooses to charge such as laundry costs, activity costs. On top of this my husband is a self funded retiree so will have to pay a means tested fee. If I have done my calculation correctly that will be \$542 per month. A total cost of \$5269 per month. Our income is approximately \$7715 per month. I would be left with \$2446 per month. \$1223 per fortnight. This is less than a single aged pension and I have to pay all the household expenses.

Over a 5 year period the NH will earn \$32400 (from means tested fee) plus \$167640 (interest

charged) plus \$75000 in the new fee. Total for me could be as much as \$275040, over a five year period.

On top of this the NH has earned interest on my \$350000. At today's interest rate of 4% (not the 8.38% the nursing home charges) that would be \$14000 per year or \$70000 over 5 years.

In total the NH has earned approximately \$345040 in 5 years. This has nothing to do with the daily care fee.

If I could pay the \$750000. The nursing home would earn \$150000 in interest.

To avoid paying the interest (which is what I am most concerned about), on any outstanding accommodation fee, I will have to sell my house. Is it fair that I would have to sell my house in order to fund a room in a nursing home?

I sincerely hope you start looking at these issues. Take them to the Prime Minister. Take them to the minister for aged care. I will be very interested in your reply.

Sincerely

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