

dependency ratios — older people to younger, healthier Aus-

trians from consumers and continue to reinforce what value private

care providers compared to public care levels,” Mr Pittaway said.

# New rules cut home-care fees

## EXCLUSIVE

PAUL GARVEY

Aged-care providers in the multi-billion-dollar home-care industry have scrambled to cut fees after new disclosure rules took force, with the reduction in charges set to save consumers and taxpayers hundreds of millions a year.

Rules that came into effect last week requiring aged-care providers to detail their charges on the government's My Aged Care website appear to have led to an immediate drop in fees.

An analysis of six aged-care providers found some had slashed their charges by more than \$1000 a year following the introduction of the new rules.

*The Australian* last month revealed massive differences in charges between the not-for-profit and for-profit groups providing home-care services to the elderly.

The study, by independent Perth retiree planning service Primetime, found some groups charged as much as 50 per cent more than others for exactly the same services, due in part to the difficulty in accurately comparing

the costs of rival groups. The study also found one provider that charged an eye-watering \$190 an hour for gardening services.

Primetime founder Peter Tyndall noted at the time that taxpayers — who contribute hundreds of millions of dollars a year to subsidising home-care services — were not getting full value due to the lack of transparency on pricing across providers.

A follow-up study by Primetime found five of eight providers originally studied by the group had reduced their charges since the new rules came into effect.

One provider had raised its fees, while two other groups were yet to release their fees through the platform.

The \$190-an-hour gardening fee previously offered by one provider has also been slashed back dramatically, to just \$50.

“It’s clear that they’ve all had a look at their pricing,” Mr Tyndall told *The Australian*.

“Some of the costs were similar but a lot changed significantly, so they’re crunching the numbers. Certainly, where administration fees were very high, that seems to have been addressed.”

While the new disclosure rules

seem to have had a positive impact, Mr Tyndall noted the website was still far from perfect.

On top of the lack of disclosure from a number of providers, he noted one group had failed to properly disclose travel fees — which could add more than \$2500 a year in charges to a typical home-care package. He also noted the price gap between the highest and lowest-cost service provider still remained very wide, suggesting costs could come down further.

Home care has become a huge industry in recent years, with the combination of consumer preferences, an ageing population and the cheaper cost of home care compared with nursing homes driving a steady rise in demand.

Mr Tyndall estimated that the cost reductions generated by the new pricing disclosures could save taxpayers between \$480 million and \$960m a year.

Primetime’s analysis modelled the cost of providing a so-called level-two home-care package, including regular visits from support workers, cleaners, gardeners and a registered nurse, across eight different providers including four not-for-profit groups.