

HOME / BUSINESS



# No transparency in home care costs, report finds



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

**EXCLUSIVE**

By **PAUL GARVEY**, RESOURCES REPORTER

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A new analysis of the multi-billion-dollar taxpayer-funded home-care industry has found some providers are charging 50 per cent more than others for the same care.

The study also found some home-care providers charging up to \$190 an hour for rudimentary services such as gardening, prompting warnings the system is failing to deliver value for both taxpayers and customers.

The author of the study, Primetime founder Peter Tyndall, said his findings and the transparency around home-care pricing showed the system was “a dog’s breakfast” in its current form.

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The study by Primetime, an independent Perth group that provides planning for pensioners and retirees, modelled the cost of providing a so-called level-two home-care package across eight different providers including four not-for-profit groups.

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testing.

Mr Tyndall said the wide variance in pricing showed the home-care market was not functioning properly. "A transparent and open market provides the best outcome for consumers but we currently are a very, very long way away from having that," he said.

"It's not open and transparent for consumers and the costs are higher than they should be." Home care has become a massive industry in Australia, with the combination of consumer preferences, an ageing population and the cheaper costs of home care compared with nursing homes driving a steady rise in demand.

Mr Tyndall also found substantial differences in both the amount and type of administration fees associated with home care. In one instance, administration fees chewed up more than \$7000 a year, almost half of the government funding before an hour of service was provided.

The study also found some home-care providers charging up to \$190 an hour for gardening and \$68 an hour for cleaning. Individuals, he said, should be able to find cheaper services themselves.

"The government wants to use an accredited services manager to manage the funds, but there doesn't seem to be controls about what they can charge to manage those funds," he said. "They seem to be charging what they think they can get away with."

The government, which can provide up to \$50,000 in funding for home-care services for individuals with the highest level needs, has moved in recent years to a system where consumers choose the services and products they need.

Aged & Community Services Australia chief executive Patricia Sparrow noted home-care providers would be required to publish their pricing on the My Aged Care website from next month, which should improve competition.

"That's something we at ACSA and our members have supported as it's been very difficult for individuals to know exactly what they're paying for," she said.

PAUL GARVEY, RESOURCES REPORTER

The same level of services, including support workers, cleaning, gardening and a registered nurse, varied from as little as \$12,734 a year to as much as \$19,165. A pensioner eligible for level-two home care would be entitled to \$15,000 a year of government funding for the services before means



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