



Home Care Wait Times	
Party:	Independent Member for Indi
Summary of proposal:  This proposal would improve the delivery of Home Care Packages in Australia by amending the <i>Aged Care Act 1997</i> to legislate a maximum 30-day wait time between the assessment and delivery of a home care package. To ensure a maximum 30-day waiting period, the cap on the total number of Home Care Packages would be removed.  The proposal would have effect from 1 October 2022.	

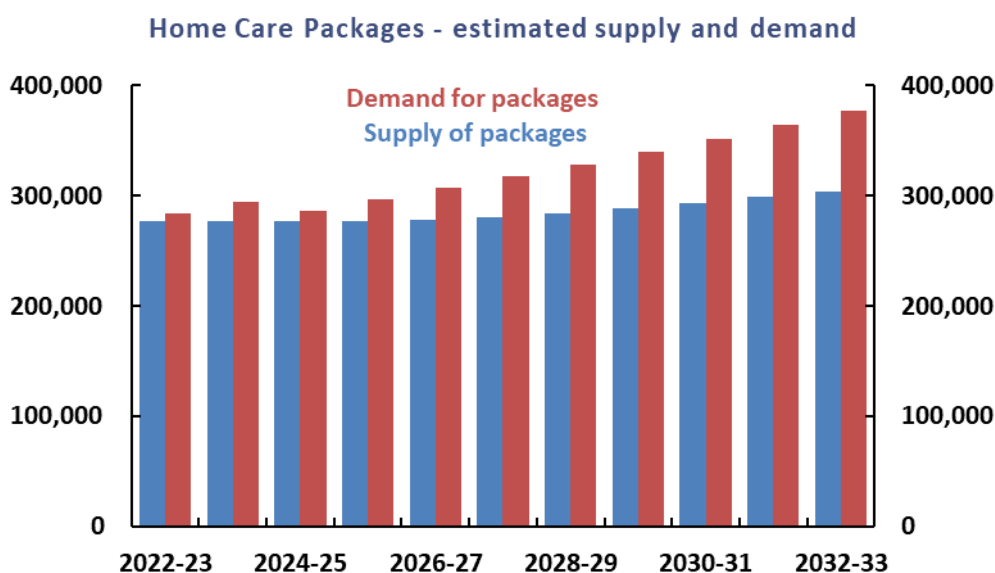
### Costing overview

This proposal would be expected to decrease the fiscal and underlying cash balances by around \$722 million over the 2022-23 Budget forward estimates period. This impact reflects an increase in administered expenses of around \$720 million and an increase in departmental expenses of around \$2 million.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to the number of people on the waiting list at any time and the number of people who have waited more than 30 days.

There is only a small amount of unmet demand for Home Care packages in the first years of the proposal due to the extra 80,000 Home Care Packages announced in the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*. The chart below compares the projected number of Home Care Packages available under the baseline and demand for packages, in the absence of this proposal. Under this proposal, supply would equal the demand for Home Care Packages.



The Parliamentary Budget Office (PBO) has not undertaken any analysis to determine if staffing or any other resourcing constraints would prevent the desired objective of a maximum 30-day waiting period being met.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-110.4	-170.5	-120.4	-321.0	<b>-722.3</b>
Underlying cash balance	-110.4	-170.5	-120.4	-321.0	<b>-722.3</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Key assumptions

The PBO has made the following assumptions in costing this proposal.

- In the absence of the proposal there would be no change in average waiting times for Home Care Packages.
- The annual growth of people queued for home care packages would remain constant at approximately 1% throughout the medium term, consistent with the projected annual growth for the 2024-25 financial year.

## Methodology

The financial implications include administered and departmental expenses.

Administered expenses were calculated by multiplying the estimated number of people in the home care package waiting list who have waited for more than 30 days by the average cost of a package in that year. The Department of Health provided the estimated number of people in the home care package waiting list, the distribution of wait times by package levels and number of days, and the home care estimates model from which the average cost of a package was derived.

The departmental expenses are based on the 2021-22 Budget measure *Aged Care – Government response to the Royal Commission into Aged Care Quality and Safety – home care*.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

The Department of Health provided:

- the home care estimates model as at the 2022-23 Budget
- the annual estimated number of home care package waiting list as at 22 April 2022
- the waiting time distribution for people queued for home care package as at 22 April 2022.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Home Care Wait Times – financial implications

**Table A1: Home Care Wait Times – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<i>Administered</i>	-110.0	-170.0	-120.0	-320.0	-600.0	-840.0	-1,020.0	-1,170.0	-1,310.0	-1,380.0	-1,650.0	-720.0	-8,690.0
<i>Departmental</i>	-0.4	-0.5	-0.4	-1.0	-2.0	-2.7	-3.3	-3.8	-4.3	-4.5	-5.4	-2.3	-28.3
<b>Total – expenses</b>	<b>-110.4</b>	<b>-170.5</b>	<b>-120.4</b>	<b>-321.0</b>	<b>-602.0</b>	<b>-842.7</b>	<b>-1,023.3</b>	<b>-1,173.8</b>	<b>-1,314.3</b>	<b>-1,384.5</b>	<b>-1,655.4</b>	<b>-722.3</b>	<b>-8,718.3</b>
<b>Total (excluding PDI)</b>	<b>-110.4</b>	<b>-170.5</b>	<b>-120.4</b>	<b>-321.0</b>	<b>-602.0</b>	<b>-842.7</b>	<b>-1,023.3</b>	<b>-1,173.8</b>	<b>-1,314.3</b>	<b>-1,384.5</b>	<b>-1,655.4</b>	<b>-722.3</b>	<b>-8,718.3</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Home Care Wait Times – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<i>Fiscal balance</i>	-1.0	-4.0	-8.0	-13.0	-24.0	-43.0	-71.0	-105.0	-148.0	-198.0	-260.0	-26.0	-875.0
<i>Underlying cash balance</i>	-1.0	-4.0	-7.0	-12.0	-23.0	-41.0	-67.0	-101.0	-143.0	-192.0	-253.0	-24.0	-844.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)