



Opulence Wealth Advisory

'YOUR FUTURE' OUR PRIORITY

AGED CARE · A GUIDE FOR FAMILIES

Aged care has changed.

Is your family ready?

A calm, plain-English guide to the new aged care rules: the options on the table, what each fee really costs, how much more families now pay, and how to plan ahead with confidence.

By Raj Narayan, Accredited Aged Care Professional ♦ 15 October 2026 ♦ 12-minute read

IF YOU ARE READING THIS AT 11PM

You are not alone

Most people come to aged care the same way: suddenly. A fall, a hospital stay, a doctor saying it is no longer safe at home. Within days you are expected to understand means tests, room prices and contracts, while also looking after someone you love.

If that is you right now, take a breath. The system has changed, and for many families it now costs more. But it is understandable, the costs are capped in important ways, and there is almost always more than one good option. This guide walks you through it step by step, with a real-life style example and the questions I would ask if it were my own parent.

THE SHORT VERSION

- Anyone moving into an aged care home since 1 November 2025 is on new fee rules under the new Aged Care Act.
- Nursing and clinical care are now fully funded by the government.
- Families with a home or savings pay more for daily living and personal care, and homes keep part of any lump-sum deposit.
- Planning one to three years ahead can save tens of thousands of dollars and a great deal of stress.

AT A GLANCE

What has gone up

+44%

Room price cap

\$550,000 → about \$790,000
before a home needs approval

+58%

Lifetime care cap

About \$88,930 → about \$140,650,
and the yearly cap is gone

2% p.a.

Kept from your deposit

Up to 10% of a lump sum over five
years

WHAT CHANGED

The new Aged Care Act, in one page

On 1 November 2025 the new Aged Care Act replaced the old system. It puts the rights of older people at the centre, strengthens the rules providers must follow and changes who pays for what.

The government now pays for all clinical care, such as nursing and physiotherapy. In return, people who can afford to are asked to contribute more towards everyday living and non-clinical care, like help with showering, dressing and getting around.

Who stays on the old rules?

Anyone who was already living permanently in an aged care home before 1 November 2025 stays on the old fee arrangements. People who were receiving or approved for a Home Care Package by 12 September 2024 are also protected under a “no worse off” principle. Everyone else is on the new rules.

YOUR CHOICES

The options on the table

Aged care is usually a path, not a single decision. Every option starts with a free assessment through My Aged Care on 1800 200 422.

01

Support at Home

Help in your own home: cleaning, meals, personal care, nursing and home changes. Suits people who can stay home safely with support.

02

Respite care

A short stay in an aged care home, often a few weeks. A break for carers, or a gentle trial run before a permanent move. No deposit.

03

Residential care

A permanent move into an aged care home when needs can no longer be met safely at home. Daily fees plus a room price.

STAYING AT HOME

What Support at Home costs

Support at Home replaced Home Care Packages from 1 November 2025. Your contribution is a percentage of the price of each service, and the percentage depends on your pension status.

Type of service	Full pensioner	Part pensioner	Self-funded
Clinical care (nursing, physio, and personal care from 1 October 2026)	0%	0%	0%
Independence (transport, respite, social support)	5%	5% to 50%	50%
Everyday living (cleaning, gardening, meals)	17.5%	17.5% to 80%	80%

Good to know: what you contribute at home counts towards the same lifetime cap as the care contribution in an aged care home. The dollars you spend staying at home are not wasted if you later move into care.

MOVING INTO CARE

The fees, in plain English

Think of an aged care home as a hotel with nurses. You pay for the room, you pay for daily living, and you may contribute towards care. These are the maximum rates from 20 September 2026; they change every March and September.

Fee	What it covers	Maximum
Basic daily fee	Meals, cleaning, laundry, power. Everyone pays it.	\$68.93 a day
Hotelling contribution	Extra towards everyday living, based on your means. No lifetime cap.	\$22.15 a day
Non-clinical care contribution	Showering, dressing, mobility, activities. Stops at about \$140,650 in total or after 4 years of paying it.	\$109.45 a day
Room price	Your room, unless you are assessed as low-means. Agreed with the home.	Approval needed above ~\$790,000
Higher everyday living fee	Optional extras such as a premium menu or a larger room TV. Only if you agree in writing.	Set by the home

THE BIGGEST DECISION

Paying for the room: RAD, DAP or both

The room price can be paid as a refundable lump sum (RAD), as a daily payment (DAP), or as a mix. Here is how each works on an \$800,000 room, using the current government interest rate of 8.51% a year.

Full lump sum (RAD)	Daily payment (DAP)	A mix (50 / 50)
------------------------	------------------------	-----------------

(RAD)

\$800,000

Paid up front and refunded when you leave. The home keeps \$16,000 a year for up to five years, so after three years \$752,000 comes back.

(DAP)

\$187 a day

About \$68,080 a year, like rent. Nothing paid up front and nothing kept from a deposit, but the amount is now indexed over time.

**\$400,000 +
\$93/day**

Half up front, half as about \$34,040 a year. Retention halves to \$8,000 a year, and the rest of your money keeps working for you.

You have 28 days after moving in to decide how to pay. Do not let anyone rush you on the day.

OLD SYSTEM VS NEW SYSTEM

How much more families now pay

Comparing the old rules with the new rules, at today's indexed rates:

	Old rules	New rules	Change
Room price without approval	\$550,000	About \$790,000	Up about 44%
Part of your deposit the home keeps	Nil	2% a year for 5 years	New cost
Maximum means-tested fee per day	About \$101.50	\$131.60	Up about 30%
Yearly cap on means-tested fees	About \$37,060	None	Cap removed
Lifetime cap on care contributions	About \$88,930	About \$140,650	Up about 58%
Clinical care (nursing)	Partly in your fee	Fully government funded	Better for you

Full pensioners with modest assets are largely protected and may see little change. The higher costs fall mainly on people who have worked hard to build something to pass on: homeowners, self-funded retirees and families with savings.

A REAL-LIFE EXAMPLE

Margaret's move into care

Margaret is 84, widowed and lives in Penrith. After a fall and three weeks in hospital, her family is told she needs permanent care. She has savings of about \$450,000 and a home worth about \$1.1 million, so she pays the maximum fees. Her daughter Priya finds a lovely home nearby with a room priced at \$800,000.

“What will this actually cost Mum?”

Cost

Year 1

3-year stay

Old rules

Basic daily fee	\$25,159	\$75,478	\$75,478
Hotelling contribution	\$8,085	\$24,254	Nil
Non-clinical care (old: care fee)	\$39,949	\$119,848	\$88,935
Deposit retention	\$16,000	\$48,000	Nil
Total	\$89,193	\$267,580	\$164,413

+\$103,000

More for a three-year stay under the new rules, about 63% higher

\$752,000

Returned to her estate from the \$800,000 deposit after three years

Where advice changed the outcome

The family home. Keeping, renting or selling each changes her means test, Age Pension and cash flow differently.

Where the money sits. Some assets are treated differently under the means test. Careful structuring can reduce what she pays, legally and within the rules.

RAD, DAP or a mix. A mix halved her retention and kept more of her money invested and earning.

The paperwork. A current will, enduring power of attorney and enduring guardian meant Priya could act quickly and confidently.

Margaret is fictional. Figures use maximum rates from 20 September 2026 held flat, with the full room price paid as a lump sum. The old-rules column uses today's indexed caps. Actual fees are set by a Services Australia means assessment.

THE FAMILY HOME

Keep it, rent it or sell it?

For most families the home is the largest asset, and the decision about it shapes everything else. There is no single right answer, but there are some rules every family should know.

- For the aged care means test, the home is only counted up to a capped value. It is not counted at all if a “protected person” still lives there, such as a partner, a dependent child, or a long-term carer who meets the conditions.
- For the Age Pension, the home is generally exempt for two years after moving into care, while it is not sold.
- A RAD is counted in the aged care means test but is generally exempt from the Age Pension assets test, which can increase the pension for some people.
- Renting the home adds income, which affects both the pension and aged care fees. It also brings tax and capital gains questions.

Selling in a hurry is one of the most expensive mistakes I see. Take the time to model each option before you decide.

How the move into care actually works

- 1 **Get assessed**
Contact My Aged Care. An assessor visits and confirms which care you are eligible for.
- 2 **Lodge the means assessment**
Services Australia works out your fees from your income and assets. Do this before you sign anything.
- 3 **Visit and compare homes**
See at least three. Ask about room prices, extras, staffing and how the home feels on an ordinary afternoon.
- 4 **Accept an offer and sign the agreements**
Read the accommodation agreement carefully, including any retention and optional extra fees.
- 5 **Move in, then choose how to pay**
You have 28 days to decide between a RAD, a DAP or a mix. Until you pay a lump sum, the daily payment applies.
- 6 **Review regularly**
Fees change with indexation and with changes to your assets. A yearly review keeps everything on track.

WHAT TO LOOK OUT FOR

A checklist for families

- ◆ Start the My Aged Care assessment early. Waiting lists for home support can be long.
- ◆ Compare at least three homes. Similar rooms can differ by hundreds of thousands.
- ◆ Extras are optional. You do not have to agree to them to get a room.
- ◆ Use your 28 days to decide how to pay for the room.
- ◆ Keep records of Support at Home contributions. They count towards the lifetime cap.
- ◆ Lodge the means assessment before signing anything.
- ◆ Ask what the 2% retention will cost you in dollars over five years.
- ◆ Do not sell the family home in a hurry. Get advice first.
- ◆ Check the will, enduring power of attorney and enduring guardian are current.
- ◆ Look after yourself too. Carer burnout is real, and respite exists for a reason.

Five things to do one to three years ahead

1. **Have the conversation early.** Talk as a family about wishes, preferred locations and what matters most, before a crisis.
2. **Get the legal documents in place.** A will, enduring power of attorney and enduring guardian appointment.
3. **Model the home decision.** Run the numbers on keeping, renting and selling well before you need to choose.
4. **Review how assets are held.** Structure investments with the means test, pension and estate in mind.
5. **Build a cash flow plan.** Know how daily fees will be paid for three, five or more years without stress.

When the time comes, the decision should be about care, not about money.

YOUR QUESTIONS

Frequently asked questions

Will Mum have to sell her home?

No. Many families keep the home and pay the room price daily, or as a partial lump sum. Whether that is wise depends on cash flow, the pension and your wider plans.

Is a lump-sum deposit safe?

Refundable deposits are protected by a government guarantee if a provider becomes insolvent. Under the new rules, the 2% yearly retention is not refunded.

What if the money runs out?

Fees are recalculated when your means change. People with low means receive government help with accommodation, and financial hardship assistance is available in some cases.

Dad is already in care. Will his fees change?

If he moved in before 1 November 2025, he stays on the old fee rules. Fees are still indexed twice a year.

Does my partner at home affect the fees?

Yes. Couples are assessed on combined income and assets, and the home is not counted while a partner lives there. It is worth getting advice on how this applies to you.

You don't have to work this out *alone*.

After more than 25 years advising families across Western Sydney, I know the hardest part is rarely the numbers. It is making big decisions quickly while emotions run high. As an Accredited Aged Care Professional, I help families compare homes, choose how to pay, decide what to do with the family home and protect the estate, working alongside your accountant, solicitor and the care provider.

BOOK AN AGED CARE CONVERSATION

0438 203 635

raj.narayan@opulcencewealth.com.au

7/374 High Street, Penrith NSW 2750



Sources: Department of Health, Disability and Ageing, Schedule of Fees and Charges for Residential Care (20 September 2026); Services Australia; Independent Health and Aged Care Pricing Authority. Rates are indexed each March and September and the maximum room price each July; please check current figures before relying on them.

General advice warning: This article contains general information only and does not take into account your personal objectives, financial situation or needs. Before acting on it, consider whether it is appropriate for you and seek personal advice. The example is illustrative only and not a forecast. Raj Narayan is a Corporate Authorised Representative of Opulence Financial Group, AFSL No. 700125.