

# Australia: Labor's aged home care cuts continue

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In an anxious move in response to a popular outcry, the Albanese government last week announced that older people in its new Support at Home program will no longer have to pay for showering, dressing and continence care.

Despite the reversal of the most cruel and humiliating aspects of the scheme—such as paying up to \$50 for a full-fee shower—hundreds of thousands of retired workers, mostly depending on poverty-line aged pensions, are still facing prohibitive costs under the program, which the Labor government launched last November.

While the government will now pay for immediate clinical expenses, such as nursing and allied services, participants will still have to pay up to 50 percent—depending on their pension status and means testing—of the charges for transport and mobility support, and up to 80 percent of the charges for everyday living services such as cleaning, home maintenance, gardening, meals and social support.

Plus, home modifications are still capped at \$15,000 for someone's entire lifetime, with an additional \$15,000 available for assistive technology like wheelchairs.

As many of those affected and advocate groups have protested, many aged people, especially those with infirmities, illnesses or disabilities, will be unable to afford essential services as the cost-of-living soars for all working-class households.

Such charges add up quickly, eating into a fixed age pension, particularly with higher rates paid on weekends. As Margaret Duckett, a 77-year-old Sydney pensioner, told the *Guardian*: “The evidence is so very, very clear that co-payments differentially impact on the poor and disadvantaged... When you're on an income of less than \$30,000 a year, living in Sydney, there's not much money left over to go and play with.”

Those most in need of support will face higher costs, effectively punishing them for their failing physical and mental health and their frailty. The burden will also fall on relatives and friends as a result.

Moreover, the underlying thrust of the scheme will intensify over coming years as more profit-making service providers move in to take advantage of the privatised aged home care market that Prime Minister Julia Gillard's previous Labor

government initiated in 2013.

This attack on retired workers goes hand-in-glove with Labor's plan to force off or deny access for 300,000 people to the National Disability Insurance Scheme (NDIS) over the next four years. Health Minister Mark Butler outlined the twin assault at the National Press Club last Wednesday.

Labor's Support at Home scheme is a more punitive version of the Gillard government's Home Care Packages (HCP) program. It moved the sector from a mixture of government-funded services to a Consumer Directed Care (CDC) model—a voucher-style system where participants, including the most vulnerable, must individually purchase services from private providers. By its very nature, this turns every aged care service into a financial transaction.

Support at Home continues the CDC model, but with extensive co-payments. Full pensioners now contribute 17.5 percent toward everyday living services, whereas many previously paid very little or nothing beyond a basic daily fee.

This is a levy on the poorest retired working people. Around 75 percent of participants will be full aged pensioners. Only 4 percent of recipients are expected to be self-funded retirees.

Before the Albanese government's Aged Care Act passed parliament with bipartisan backing from the Liberal-National Coalition in November 2024—ostensibly responding to a shocking report from a royal commission into aged care quality and safety—Prime Minister Anthony Albanese claimed it was “the greatest improvement in aged care in 30 years.”

Albanese said the legislation aimed to “support the growing number of older Australians choosing to retain their independence and remain in their homes as they age” as well as improve residential care and introduce stronger penalties against providers who breach standards in aged care services.

The government promised that the 350,000–370,000 people who were already receiving or had been approved for a home care package by September 2024 would be no worse off under the new system. But it said that 30 percent of pensioners and 75 percent of part-pensioners approved for a home care package after this date were going to pay more for their care.

In announcing the backdown on personal care charges last week, Health Minister Butler made similar claims, saying the government “has listened to older Australians, their families,

advocates and providers—and in the 2026 Budget will invest \$3 billion to deliver more beds, more packages and better care for older Australians.”

Butler said the May 12 budget would deliver an additional 5,000 residential beds a year. But that will nowhere near overcome the crisis resulting from the fact that more than 200,000 people are also on a Support at Home waiting list, hoping to avoid having to go into a residential facility. About 120,000 people are waiting to be assessed for aged care at home. Another 87,000 have approval but no package yet.

Last year, in introducing the Support at Home legislation, Aged Care and Seniors Minister Sam Rae claimed that only 90,000 people were waiting and that the proposed release of 83,000 new packages by mid-2026 would effectively solve the problem. Given Labor’s record, this is another fraud.

In fact, the figure of 200,000 waiting is a massive underestimate because it does not include people waiting for long established services such as Meals on Wheels, community transport, home nursing and other services funded via the Commonwealth Home Support Program, which the government intends to shut down by 2027.

## Corporate profit-making

Together with Gillard, Butler spearheaded the 2013 privatisation shift as the minister for ageing and mental health. Like the outsourcing of services to private operators under the NDIS, which the Gillard government also introduced, the Support at Home program is predicated on making the market profitable enough to win corporate investment.

In 2013, Labor touted the CDC switch, as well as the NDIS, as giving participants “choices” and “independence.” In reality, it was designed to create a profitable market, primarily to cut costs by shifting people out of much more expensive residential facilities and public hospitals. Since 2022, the number of participants using home care has increased fourfold, to 838,000, compared to 185,000 in residential care.

Increasingly, under Support at Home, the beneficiaries will be corporate providers looking to profit from the growth of the numbers of retirees able to access the program, which are expected to rise to 1.4 million by 2035, and 1.8 million by 2044, reflecting an ageing population.

According to a 2026 investment report by the KPMG corporate consulting organisation: “Investor appetite is returning to the sector with increasing interest in Support at Home from private equity and established providers seeking scale and operational efficiencies.”

Larger providers with 500–2,000 packages were typically seeing the highest profit margins (around 8.3 percent–8.6 percent), while smaller providers with fewer than 250 packages

often operated at a loss. Financial analysts suggested that a margin of at least 9.5 percent was necessary for the sector to remain sustainable and attractive to investors.

KPMG said small operators remained the majority of the more than 1,330 providers in the home care market, but 61.1 percent of all providers received less than \$5 million in funding. That accounted for less than 10 percent of total funding. The market was already dominated by a small number of large providers, with the 15 largest providers, or top 1.7 percent, accounting for more than 30 percent of total funding, rising to 40 percent by 2025.

As of 2025–2026, Australian Unity, a mutual company, was largest provider, holding approximately 7.3 percent to 8 percent of the total market following its 2024 acquisition of the MyHomecare Group. Trilogy Care, a private company was the second-largest provider, on about 3.4 percent, and rapidly growing in the “self-managed” home care market, in which participants are meant to choose their own care workers and negotiate rates.

The sector as a whole reported a \$558.1 million net profit before tax for the year ending March 2025. Australian Unity’s profit was \$26.6 million. Trilogy’s was unknown because it is a private company.

Across the board, from the NDIS to aged care, Labor governments have led the way in transforming care services into a for-profit market. Under the slogan of “rights-based aged care,” they have created markets in which vulnerable people do not have a right to necessary services and, even if approved for services, may not be able to afford to pay for them.

In the leadup to the May 12 budget, the Albanese Labor government is going further to meet the demands of the corporate elite for cuts to social programs, while pouring hundreds of billions of dollars into military spending in preparation to join further criminal US-led wars, from the Middle East to China.

To answer this offensive, a political struggle is essential against the trade union-backed Labor government and all its apologists, for a socialist program based on social needs, not the profits of the billionaires.



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