



**THE HON MARK BUTLER MP
MINISTER FOR MENTAL HEALTH AND AGEING
MINISTER FOR SOCIAL INCLUSION
MINISTER ASSISTING THE PRIME MINISTER ON MENTAL HEALTH REFORM**

Mr John Wenban
President
Association of Independent Retirees (A.I.R) Limited
PO Box 329
DEAKIN WEST ACT 2600

Dear Mr Wenban

Thank you for your letter of 19 June 2012 regarding some of the initial reactions from the Association of Independent Retirees (A.I.R) Limited (the Association) to the '*Living Longer. Living Better.*' aged care reforms. I apologise for the delay in responding.

I note your comments on the fees and charges arrangements and in particular the availability of information around accommodation payments. The Aged Care Financing Authority (ACFA) will provide transparent advice to me on pricing and financing issues in aged care including the maximum level of Accommodation Payment. ACFA will also be responsible for providing advice on the regulation of fees that aged care providers seek to charge for additional services that are not covered by Australian Government subsidies, including superior accommodation services. ACFA will also provide advice on the Specified Care and Services Schedule to ensure that the care needs of consumers are appropriately met. ACFA consists of a committee of experts from industry and consumer groups, as well as Government representatives.

The Department of Health and Ageing will be undertaking the review of specified care services. This will be undertaken, in close consultation with stakeholders, to support a single set of requirements from 1 July 2014. The review will focus on the types of services that must be provided as a minimum to residents.

I note the Association proposes that there is still merit in an Aged Care Home Credit Scheme. The '*Living Longer. Living Better.*' aged care reforms will ensure Australia's aged care system is underpinned by fairer and more sustainable financing arrangements. These arrangements reflect a shared commitment to meeting the costs of aged care, protect the most vulnerable in the community and do not involve any change to the current treatment of the family home. As the changes to the means testing arrangements are not as comprehensive as those proposed by the Productivity Commission, the need for a Government-backed equity release scheme is not warranted at this time. A copy of the Australian Government Response to the Productivity Commission's Caring for Older Australians Report and the Aged Care Reform Package is enclosed for your information.