



Association of Independent Retirees (A.I.R.) Limited

ACN 102 164 385

10 October 2012

The Honourable Mark Butler MP
Minister for Mental Health and Ageing
Suite MG 48
Parliament House
CANBERRA ACT 2600

Dear Minister,

Thank you for your comprehensive response of the 15th August 2012 in reply to our letter of the 19th June 2012 on our members continuing issues and concerns in respect of the fees and charges that may have a significant increased cost impact on our members and on partly and fully self-funded retirees when care is needed after the full introduction of the Government's "Living Longer. Living Better" aged care reforms.

We have taken your inferred advice and written to the Aged Care Financing Authority, which will be providing advice to you on consumer pricing and financial issues in the LLLB aged care reform process, detailing our continuing concerns about planned increases in consumer accommodation charges and more broadly on other specific issues. We also took the liberty to include in three appendices to illustrate in more detail the points we have made with regard to the broader context on those fees and charges we believe will be implemented with the change. Enclosed for your information and reading is the document we submitted to the ACFA Secretariat on the 24th September 2012.

Finally there are two other points that are of concern and on which we would appreciate your feedback:

1. We presume but cannot find confirmation, that both home based and residential based care costs for individuals will be included in the assessment of qualifying for the Stop Loss provision of the LLLB. Has this been formally agreed to by yourself?
2. Some time ago we had a discussion and agreed with the Department that to assist with cost comparison of envisaged LLLB fees versus current cost for consumers, there would be developed and provided by the Department a "cost ready reckoner" to allow the assessment of the many fee scenarios for both singles and one partner of a couple who are either aged pensioners, part aged pensioners, CSHC holders and fully self-funded retirees. Could we please ask for an update on the development and availability of what we consider to be an important fee cost assessment and comparison tool.

We genuinely appreciate the benefits to the community as a whole from the LLLB aged care reforms but from the position of our members and partly and fully self-funded retirees we have an underlying concern that the community as a whole, may not ultimately end up with a properly balanced government funded scheme with a realistic and appropriate user pays concept, on an equitable basis, for both consumers and providers, and for our members.

Yours sincerely

John Wenban
President
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