VILLA MARIA

25 March, 2011

Inquiry into Caring for Older Australians
Productivity Commission
GPO Box 1428,
CANBERRA, ACT, 2601
Email: agedcare@pc.gov.au

Dear Commissioners,

Response to the Draft Report on Caring for Older Australians

The following submission is a response to the Draft Report of the Inquiry into Caring for Older Australians on behalf of Villa Maria. Our response both endorses the response of Aged and Community Services Australia, Catholic Health Australia and Aged and Community Care Victoria and identifies several additional issues and suggestions for consideration.

I also welcomed the opportunity to address the Commission on these issues at their hearing in Melbourne on Monday 21 March, 2011.

Yours sincerely,

Valerie J Lyons (Ms.) – FCPA, FCIS, FAICD
Chief Executive Officer
Villa Maria

Villa Maria response to the Productivity Commission Draft Report:

Caring for Older Australians

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A Response from Villa Maria to the Productivity Commission Draft Report:

Caring for Older Australians

Contact:
Valerie Lyons
Chief Executive Officer

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INTRODUCTION

Villa Maria is a not-for-profit, values-based organisation providing quality services and life enhancing opportunities for older people and people with a disability. From humble beginnings as the Catholic Braille Writers Association in 1907, Villa Maria has grown to become one of Victoria's largest providers of disability, education and senior services.

Today, Villa Maria provides support to over five thousand older people and people with a disability, and their carers through community aged care, disability services, education services and residential aged care, delivered from 42 sites across Victoria and in the Riverina region of New South Wales. Every day, more than 950 staff and 300 volunteers respond to the unique needs of the people and families we support with openness, innovation, creativity and flexibility.

Villa Maria's 60 programs provide a wide variety of services that include specialist education and early childhood intervention for children with disabilities or developmental delays, community based and in-home support services for older people and people with a disability, carer support services including information, referral and respite options, residential aged care and independent living.

As a service provider Villa Maria has insight into how current aged care services respond to people's needs, a keen awareness of service gaps and unmet needs, and a clear understanding of the broader issues that impact access to the aged care system and their attainment of effective outcomes. Villa Maria is particularly positioned to understand the interrelationships between disability and aged care and the unique challenges this brings.

Villa Maria's service provider perspectives are underpinned and reinforced by the findings of recently completed Stakeholder Surveys in which over 2,500 service users and carers shared personal experiences and described their future needs for services and support; and through subsequent focus groups with service users and carers that explored their needs and experiences in more detail.

Villa Maria has developed a comprehensive three year Strategic Plan and associated business plans which ensure the Vision, Mission and Values of the organization underpin and drive all of its programs and services. Copies of the 2008-11 Strategic Plan, our 2009/10 Annual Report and the 2009/10 Financial Report can be found at these links.

RESPONSE TO THE DRAFT REPORT

Villa Maria supports in principle the response and recommendations to the Draft Report made by **Aged and Community Services Australia, Catholic Health Australia and Aged and Community Care Victoria.** In addition, we make the following comments:

A framework for assessing aged care

Recommendation 4.1

To guide future policy change, the aged care system should aim to:

- promote independence and wellness of older Australians and their continuing contribution to society
- ensure that all older Australians needing care and support have access to person-centred services that can change as their needs change
- be consumer-directed, allowing older Australians to have choice and control over their lives
- treat older Australians receiving care and support with dignity and respect
- be easy to navigate — Australians need to know what care and support is available and how to access those services
- assist informal carers to perform their caring role
- be affordable for those requiring care and for society more generally
- provide incentives to ensure the efficient use of resources devoted to caring for older Australians and broadly equitable contributions between generations.

The intention and principle of recommendation 4.1 is supported.

The effectiveness of the proposed aged care system would be enhanced by inclusion of additional aims-

- Provision of advocacy support for those seeking a consumer directed approach but requiring assistance to do so.
- Greater recognition of informal carers, noting that carer support is an element of the proposed 4 tiers of service (see 11.1 below).
- Community capacity building initiatives, including health and well being, lifestyle and socialisation that extend the range of services beyond traditional forms of care (see 8.2 below).
- Greater recognition of the diverse nature of those engaging with the aged care system, and better understanding of the wide range of needs arising from this diversity (see 9.1 and 9.2 below).

Paying for aged care

Recommendation 6.7

The Australian Government's contribution for the approved basic standard of residential care accommodation for supported residents should reflect the average cost of providing such accommodation and should be set:

- on the basis of a two-bed room with shared bathroom
- on a regional basis where there are significant regional cost variations.

The proposed level of accommodation safety net for supported residents does not reflect the needs for flexibility or the ability to offer choice when entering a residential aged care facility. A high proportion of residents with dementia and challenging behaviours, high acuity and palliative care often require a single room and ensuite due to their care needs irrespective of their capacity to pay. The current expectations of both the Australian society, and the industry is for one person per room with an ensuite. For both choice and equity – both of which are fundamental underpinnings of the Productivity Commissions report – the approved basic standard of residential care accommodation for supported residents should be based on 1 bed room each with ensuite.

Draft Recommendation 6.9

The Australian Government should:

- prescribe the scale of care recipients' co-contributions for approved care services which would be applied through the proposed Australian Seniors Gateway Agency (draft recommendation 8.1)
- set a comprehensive means test for care recipients' co-contributions for approved care services. This test should apply the age pension income test and the non-home owner asset test (including any housing assets, such as the primary residence, accommodation bonds and the proposed Australian Pensioners Bond). The comprehensive aged care means test would apply where the approved care services have a combined value of around $100 or more on average per week (the 'comprehensive aged care means test threshold') and all home modification services
- adopt for approved care services below the comprehensive aged care means test threshold, a test for determining car recipients' co-contributions for such services which relies simply on pensioner status.

To facilitate greater consistency in co-contributions across community and residential care, comprehensive aged care means testing to determine care recipient contributions to care costs in both settings should be undertaken through the proposed Australian Seniors Gateway Agency (draft recommendation 8.1) by Centrelink.
Care recipients' co-contributions should be regularly reviewed by the Australian Government based on transparent recommendations from the proposed Australian Aged Care Regulation Commission (draft recommendation 12.1).

The recommendation is supported and should be implemented. This threshold will also apply to people under the National Disability Insurance Scheme (NDIS) when established as they reach age pension age and are required to make a co-contribution. As the Productivity Commission report into Disability Care and Support acknowledges most people with a disability would be unlikely to reach the minimum threshold so their co-contribution would be nil.

However, the draft recommendation does not outline the mechanism by which co-contributions will be collected and this will have particular significance for providers in relation to a possibly increased and possibly unfunded administrative burden.

Recommendation 6.11

The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1) should make transparent recommendations to the Australian Government on the scheduled set of prices for care services and the required level of indexation, the lifetime stop-loss limit, and the price for the approved basic standard of residential care accommodation. The Commission should monitor and report on the cost of care, basic accommodation and the stop-loss limit.

In relation to residential care, the pricing for the specialist care must reflect the cost of delivering these services. If Palliative and End of Life and Restoration and Rehabilitation are to have parity with the acute sector, nursing and complex care need to be considered at a level similar to the acute sector to more accurately reflect the needs of some residents for extensive nursing.

Care and support

Draft Recommendation 8.1

The Australian Government should establish an Australian Seniors Gateway Agency to provide information, assessment, care coordination and carer referral services. The Gateway would deliver services via a regional structure.

- A platform within the Gateway would provide information on healthy ageing, social inclusion and participation, age-friendly accommodation, and also information on the availability, quality and costs of care services from approved providers, and how to access those services.
- Assessments of the needs of older people would be undertaken for their potential entitlement to approved care services, with the level of assessment resourcing varying according to anticipated need.
- An aged care needs assessment instrument would be used to conduct assessments and an individual's entitlement to basic support, personal care and specialised care, and carer support. Assessments of financial capacity to make care co-contributions toward the cost of the services would also be arranged.
- Initial care coordination services would be provided, where appropriate, as part of the Gateway. If required, case management would be provided in the community or in residential aged care facilities by an individual's provider of choice.

The Gateway would be established as a separate agency under the Financial Management and Accountability Act 1997

Recommendation 8.1

The recommendation proposes a service system gateway with a regional structure. This is consistent with notions of single point of entry and ease of access. In establishing a regional structure for the Gateway consideration should be given to the diversity of geographic locations in which those using the system live and the barriers that this presents to service access; in particular cost of, or lack of transport, rural and remote locations and social isolation.

There will be many challenges in the establishment of the ASGA given its broad and all encompassing role; one of which is assessment. Villa Maria's experience shows that a full understanding of the needs of an older person is not the outcome of a single initial assessment but rather the combination of assessment and engagement with the service user, their carers and others providing service and support over a period of time. Consideration should be given to inclusion of an extended form of assessment, conducted by a provider with case management expertise on behalf of the Gateway that enables engagement with the service user in their living/home environment and community over an adequate period of time to establish the relationship required for disclosure of or recognition of all needs.

Over time, as needs change service users will need to be reassessed to ensure those needs are being adequately met. This is particularly an issue in the community care setting where unlike the residential setting there is not 24/7 staff presence that enables observation of changes as they occur. Currently on-going case management within the community care setting provides regular engagement and care need assessment and this must not be lost in the new system. This on-going case management also provides a mechanism by which such things as elder abuse in its various forms is identified.

The Gateway should include specific special needs/diversity and carer's service capacity (assessment and planning etc) acknowledging the unique circumstances of special needs groups and the crucial role of carers. It is noted that service streams for both are included in the proposed 4 tiered service system. Such capacity could be sub-contracted to specialist agencies. (see 9.1, 9.2, 11.1 and 11.3 below).

Recommendation 8.2

The Australian Government should replace the current system of discrete care packages with a single integrated, and flexible, system of care provision. This would deliver care services currently provided under Home and Community Care, Commonwealth funded care packages and the care component of residential aged care services.
The Australian Government should approve a range of care services to individuals on an entitlement basis, based on assessed need. Individuals should be given an option to choose an approved provider or providers.
The Australian Government would set the scheduled price of each service.
To support these revised arrangements, Australian governments should fund an expanded system of aged care consumer advocacy services.

The range of services in the proposed new system is heavily weighted towards traditional forms of in-home and personal care and clinical elements including nursing, continence and palliative care. Care provision in the proposed service system should include non-traditional forms of care including health and well being, lifestyle and socialisation, with components of these delivered in ways that build community capacity to support older people. This would build on the specialised care tier of the proposed 4 tiered service system.

Given that Australia is facing significant challenges in caring for its current and future population of older people, it is essential that older people are supported to live independently, retain their physical and emotional health and stay connected to their communities for as long as possible.

Active participation in community is essential to maximising independence. Much has been written of the benefits of staying active and of the need to "use it or lose it". Socialisation is an under-recognised form of care. A service stream that supports initiatives that utilise the skills, interests and availability of older people will not only benefit older members of the community, but will capitalise on their expertise, reduce inter-generational barriers and may even fill a void in local communities.

Health promotion as a form of early intervention is also essential to maximising independence: the healthier an individual stays, the longer the delay in onset of reduced capacity. There is scope to enhance the roles played by current Day Therapy Centres (DTC) to add a stronger educational, health promotion and wellbeing element

to the traditional rehabilitation and maintenance programs offered through mainstream allied health services. This should include health education, exercise, group programs and "how to look after yourself" programs in addition to therapies.

Day Therapy Centres offer a cost effective way of providing the education, social connection and therapeutic interventions necessary to ensure the ageing population stays healthier longer, relieves pressure on the health care system, maintains their independence and connections to their community. Currently, these centres are not adequately funded to maximise the programs they do and could run and the benefits they bestow. Villa Maria believes that DTCs services should be available on an equitable basis to all older people and that where services are located should be reviewed and financial and strategic investment be made in the growth of DT Cs to ensure they are able to attract suitable staff and improve the range of service in the environment of competition with other public health services.

Villa Maria would recommend that DTC's block funding be continued and expanded to ensure that they are adequately resourced and equipped and there is more funding provided to the users to respond to increasing demand and the need to ensure people's capacity to remain independent.

Day Therapy Centres, with their strong partnerships with multiple aged care services, their expertise in an holistic approach to restorative care for older people, their relatively low running costs and their ability to respond to their clients' changing needs over time, are ideally positioned to support older people to maintain and maximize their health status and remain as active as possible within their communities. They are an integral part of the continuum of care of the health and aged care systems. Older people present with very diverse needs and often require more time to improve and/or make adjustments to changes in their lives. Without this referral pathway, the acute and sub-acute services would be under increased pressure to maintain their services for longer or discharge clients without adequate supports, thereby increasing the risk of unplanned readmissions to a major factor within the rehabilitative process is how over time a strong relationship often builds between clients and DTC's.

One area that is often overlooked in community aged care is social-emotional health. The importance of emotional wellbeing as a fundamental determinant in rehabilitation outcomes has been long understood. You cannot have good health without good mental health and vice versa. DTC's are well placed to focus on this aspect of healthy ageing.

The incorporation of HACC into the proposed service system is supported, especially in Victoria where participation in an Australian Government administered HACC is not favoured by State Government.

Recommendation 8.4

The Australian, state and territory governments should only continue to directly block fund programs where there is a demonstrated need to do so based on a detailed consideration of scale economies, generic service need and community involvement.

Block funding to community care service providers in rural and remote locations would be needed as an alternative to fixed pricing to accommodate additional costs associated with geographic spread, transport and local availability of services. Likewise services for those with complex care needs who are likely to require a combination of services from all four tiers of the proposed system otherwise the seamlessness and continuity of care offered by the proposed service system would be compromised.

Catering for diversity — caring for special needs groups

Recommendation 9.1

The proposed Australian Seniors Gateway Agency (draft recommendation 8.1) should cater for diversity by:

- ensuring all older people have access to information and assessment services
- providing interpreter services to convey information to older people and their carers, to enable them to make informed choices
- ensuring that diagnostic tools are culturally appropriate for the assessment of care needs.

This recommendation has an emphasis on cultural and linguistic diversity. The fullness of special needs should be acknowledged, along with the full range of service responses to ensure access to an effective service system. Recognition that both care recipients and carers have special needs should underpin all diversity initiatives. Villa Maria believes that the range of special needs should include but not be limited to those commonly associated with current package care programs. Specific emphasis should be placed on responding to those with emerging and/or under recognised special needs, in particular young carers, relinquished carers, homeless or those at risk of homelessness, those with behavioural and/or mental health issues, those with a disability and those with complex care needs.

Special needs groups should be able to access services through a range of service providers from specialised special needs providers to general providers, ensuring choice for the service users.

The current service system was not designed to support a number of special needs groups, particularly those with complex care needs, who are homeless or from ATSI backgrounds, consequently it has short comings. A case management approach through providers with case management expertise should be an element of the future service system to enhance the provision of co-ordinated care. Case management is essential for the effective provision of appropriate care for special needs groups and that case management needs to be ongoing – not just at initial assessment.

As noted above, diversity in this context should also cover people with a disability. As detailed in the Commissions draft report on Disability Care and Support, the commission has proposed that *"upon reaching the pension age and at any time thereafter the person with the disability could elect to stay with the NDIS or move to the aged care system"*

Particularly the proposal would entail

- Moving to the aged care system which would involve taking on all of the assessment and other requirements of aged care **PLUS** they would be subject to the co-contribution arrangements proposed in this report; or
- Staying with NDIS which would mean that everything continued as before **PLUS** they would be subject to the co-contribution arrangements proposed in this report

The Commission makes the point that while most people with a disability would be unlikely to reach the trigger point for co-contribution those who have acquired assets and entitlements to retirement income and have capacity to pay should contribute to their care whichever system they decide to access. Villa Maria would support this view.

If transferring to the Aged Care system it is essential that appropriate assessment tools are utilized to accurately assess the needs of a person with a disability and that funding to meet those needs is available in the aged care sector

Villa Maria also supports the ability to age in place. A person with a disability should be able to age in place whether using NDIS or aged care supports. The Commission's report on Disability Care and Support states that "*A person with a disability who requires residential care after they reach pensionable age would be required to move to the aged care system and access residential aged care"* As a disability and aged care provider Villa Maria does not support the mandatory nature of this statement. As an example - a person with a disability supported through the NDIS system, reaches pension age and elects to remain with NDIS with the support of their partner. If their partner subsequently dies or is unable to continue to support them the person with a disability would be required to leave the NDIS supports that they have chosen and move into residential aged care. As the commission acknowledges there are differences in the two systems and the option has been taken away from the person with a disability to remain with their preferred supports at a critical point in their life. Villa Maria believes that the range of special needs should include but not be limited to those commonly associated with current package care programs. Recognition of those with complex care needs should extend to the inclusion of this group as a special needs group.

Recommendation 9.2

The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), in transparently recommending the scheduled set of prices for care services, should take into account costs associated with catering for diversity, including:

- providing ongoing and comprehensive interpreter services (either within facilities or through telephone translators) for clients from non-English speaking backgrounds
- ensuring staff can undertake professional development activities which increase their cultural awareness.

Scheduled prices for care services should ensure that they adequately account for a wide range of responses to diversity/special needs, well beyond the examples proposed in recommendation 9.2. Professional development opportunities should be supported across the range of special needs to ensure an adequate understanding of all special needs groups

The current practice of the Translating and Interpreting Service to recommend that services build the cost of interpreters into any application for funding is flawed - in residential aged care providers do not tender for funding as the price paid is set by government. Residential Aged Care providers cannot continue to pay for telephone interpreting costs of $24.42 per 15 minutes. If services were available to approved providers from a contracted service provider older people from a non English speaking background would not be disadvantaged in their ability to access services and government could track and budget for the cost of these services.
In Victoria the DHS operates such a service through ONCALL for funded organisations.

Building the cost of these services into a schedule of prices for care services will not acknowledge the frequency or infrequency with which interpreter services are accessed by approved providers. Directly accessing an interpreting service would seem a more efficient way of using the dollars.

Age Friendly housing and retirement villages

Recommendation 10.2

For older people with functional limitations who want to adapt their housing, the Australian Government should develop building design standards for residential housing that meet their access needs. Those standards should be informed by an evidence base of the dimensions and capabilities of people aged 65 and older and of the dimensions and capabilities of contemporary disability aids.

Acknowledgement of the need for appropriate building design standards for residential housing that meets the access needs of older people is supported in principle.

The existence of housing that incorporates age-appropriate features is viewed as important from the perspective of older people who wish to remain within their own homes as they age, the government which is supporting ageing in place rather than residential based accommodation and safety of carers who will be providing in-home care and will benefit from built surroundings that support the older persons needs.

Given the time frame involved for research, evaluation of outcomes of the research and incorporation into Australian and Building design standards, it is suggested given the ageing demographic that funding and implementation of this research is initiated urgently and that the outcomes become mandatory in respect to all new housing .

Recommendation 10.3

The Council of Australian Governments should develop a strategic policy framework for ensuring that sufficient housing is available that would cost effectively meet the demands of an ageing population.

Acknowledgement of the need for the Council of Australian governments to develop a strategic policy framework for ensuring that sufficient housing is available that would cost effectively meet the demands of an ageing population is supported.

It is recommended that given the timeframes involved as outlined in the response to 10.2 that the research & regulations behind the development of a strategic policy be undertaken urgently to ensure that sufficient housing stock is available within the market for the appropriate age demographic and at the most cost effective pricing.

Overseas and Australian research indicates that voluntary inclusion of accessible features does not produce housing with consistent built outcomes and that there is a resistance from both sectors of the market – builders and potential owner occupiers to include accessible features into new housing due to a reluctance to recognize prior to the development of any physical or other limitations - the value of incorporation of such features.

As the cost of retrofitting these features outweighs the cost of inclusion at the building stage, it is recognized that for all parties, inclusion at the outset is the most cost effective means of providing later choice for older people.

Recommendation 10.4

The regulation of retirement villages and other retirement specific living options should remain the responsibility of state and territory governments, and should not be aligned with the regulation of aged care.

Acknowledgement of the need for the regulation of retirement villages and other retirement specific living options to remain the responsibility of state and territory governments at this stage. Accordingly Villa Maria would support a review and subsequent move towards alignment between state and territory regulations governing retirement villages, provided that all stakeholders are effectively consulted during the review process.

Given the demographic of retirement villages and other retirement living is the over 55 market, for the reasons outlined in the responses to recommendations 10.2 & 10.3, Villa Maria supports the introduction of mandatory minimum accessible design features within retirement living. Villa Maria has recognized the requirement to enable ageing in place within a retirement setting by adopted some accessible and adaptable features in its two current retirement living projects in Camberwell and Wantirna. Features included in both developments are step free entries and pathways from car parking areas, wider doorways and circulation spaces, a toilet that can have grabrails added later, step free showers with provision for later addition of grabrails, sufficient space within living, dining, sleeping and kitchen areas to enable circulation for a mobility aid or wheelchair if required, slip resistant flooring and provision of controls that are age friendly.

Delivering care to the aged – workforce issues

There are a range of workforce issues that are not addressed in the recommendations in the report but which need serious attention. These include:

- Attraction and retention
- Diminished labour pool and immigration
- Qualifications and career paths (see 11.3 below)
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Recommendation 11.1

The proposed Australian Seniors Gateway Agency (draft recommendation 8.1), when assessing the care needs of older people, should also assess the capacity of informal carers to provide ongoing support. Where appropriate, this may lead to approving entitlements to services and/or assisted referral for:

- carer education and training
- planned and emergency respite
- carer counselling and peer group support
- advocacy services.

Carer Support Centres should be developed from the existing National Carelink and Respite Centres to provide a broad range of carer support services.

Acknowledgement of carers is supported. Whilst informal carers do form part of the workforce, responding to the needs of carers is not a workforce issue alone. The significance of carers has been acknowledged through

inclusion of a carer component of the proposed four tier system. The development of Carer Support Centres is supported. Refer to Part C of Villa Maria's submission to the PC, in particular recommendations 9 – 14.

Recommendation 11.2

The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), when assessing and recommending scheduled care prices, should take into account the need to pay competitive wages to nursing and other care staff delivering aged care services.

In an extremely competitive labour market with an ever shrinking labour pool, the need to be able to offer appropriate and competitive wages and conditions in essential to ensuring sufficient staffing at all levels in the aged care system, both residential and community care. The Commonwealth Government needs to address the issue of the shortage of labour for the aged care industry and should give consideration to reviewing the targets for skilled immigration to include both the skill mix and numbers required in this sector.

Recommendation 11.3

The Australian Government should promote skill development through an expansion of courses to provide aged care workers at all levels with the skills they need, including:

- advanced clinical courses for nurses to become nurse practitioners
- management courses for health and care workers entering management roles.

Villa Maria supports this recommendation in relation to nursing roles which are an important contributor to aged care and to aged care reform. It sees the availability of nurse practitioners and clinical nurse specialist as a key to ensuring an adequate supply of health care professionals to address the serious issue of unmet health care needs in the aged care sector. Nurse practitioners working in areas of mental health and palliative care would provide residents with access to specialist care through the recognition and treatment physical and mental health issues that are becoming more apparent due to the changing composition and complexity of the healthcare environment.

Villa Maria also supports the PC recommendations for management courses for health and aged care workers wishing to enter management and leadership roles. The focus for many nurses working in middle or senior management roles has been on technical competencies rather than management competencies. This gap must be reduced if we are to encourage appropriate skill development in potential leaders. There is a strong need to develop and strengthen clinical leadership and management positions through recognised management courses. It is important that on the job mentoring and coaching are considered as part of this process.

There is a need to acknowledge the current situation in aged care – both residential and community care – where the skill level of entry workers is often minimal when viewed against the complexity of the work involved. There needs to be real efforts made to boost the investment in skill development and qualification levels of the aged care workforce in general.

Villa Maria believes that there is scope to consider current and relinquished carers as future aged care workers, adding formal training to their practical experience and expertise as carers. Relinquished carers are not an emerging carer group as they have existed as long as care has been needed. They are a group of people who once actively participated in the aged care service system but due to changing services are no longer able to use it. Relinquished carers are those with a family member who has been placed in permanent care or who has passed away. There are endless opportunities to utilise the knowledge and experience of ex-carers, in provision of support to "new" carers. This sadly falls outside the boundaries of the current carer /respite service system.

Formal acknowledgement of the expertise of relinquished carers (through recognition of prior learning, fast tracked training and establishment of volunteer or mentor programs) could create a solution to labour shortages and would enhance the capability of the aged care workforce. For relinquished carers this could

bring new meaning and purpose to their lives as paid workers or as volunteers and for new carers a valuable care option based on empathy and understanding, derived from genuine knowledge and real experience.

Regulation – the future direction

Recommendation 12.1

The Australian Government should establish a new regulatory agency — the Australian Aged Care Regulation Commission (AACRC) — under the Financial Management and Accountability Act 1997. This would involve:

- the Department of Health and Ageing ceasing its regulatory activities (except for regulation policy development — including quality standards — and advice)
- establishing the Aged Care Standards and Accreditation Agency as a statutory office within the AACRC
- establishing a statutory office for complaints handling and reviews within the AACRC.

The AACRC would have three full time, statutorily appointed Commissioners:

- a Chairperson
- a Commissioner for Standards and Accreditation
- a Commissioner for Complaints and Reviews.

The Chairperson would have responsibility for pricing and all other regulatory matters.
Key functions of AACRC would include:

- responsibility for compliance checking and the enforcement of regulations covering the quality of community and residential aged care
- approving community and residential aged care providers for the provision of government subsidised aged care services
- administering prudential regulation and all other aged care regulation, such as quotas for supported residential care
- monitoring and assessing costs and transparently recommending a scheduled set of prices, subsidies and a rate of indexation for subsidised aged care services
- assisting and educating providers with compliance and continuous improvement
- handling consumer and provider complaints and reviews

Villa Maria supports the recommendations for a statutory office for complaints handling and reviews and the availability of appeal to the AAT but would suggest that the statutory office for complaints handling and reviews be independent (as recommended in the Walton report) and not part of the AACRC.

As Professor Walton reports *"The Senate Inquiry in 2005 heard similar issues with the then Complaint Resolution Scheme ('the CRS') to those raised in this review. While there was a strong voice for an independent complaint scheme, that inquiry fell short of recommending a separate body. Over the last four years the issue of independence or perception of independence has not receded with the introduction of the CIS; rather the call for an independent complaint body has consolidated"* Villa Maria believes that placing the complaint body in the same organisational structure as Standards and Accreditation will not help address the perception of a lack of independence in the eyes of providers or older people and their carers.

Transition

Villa Maria endorses the ACCV position in relation to the need for further modeling and formal discussions between the sector, the commission and government to ensure the sustainability of the aged care sector into the future. In considering the transition proposals Villa Maria is mindful of the time required to alter service models and complete current building stock in the pipeline especially considering commitments to financiers based on current service models.

Of particular concern during the transition period is the maintenance of levels of support for people with a disability. If people with a disability opt to move into the aged care system it is essential that their particular needs are identified and met and they are not disadvantaged. This is going to be a particular challenge as the NDIS is developed and implemented. These people will come under two or more transition phases and could get lost if their specific needs and situations are not recognized and accommodated.