



**Cooinda
Village**

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19th April 2013

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Sir/Madam

Re: Senate Inquiry into Aged Care Act Bills (Living Longer, Living Better)

I write to express my concerns and the concerns of the members of the Committee of Management of Cooinda Village in relation to the abovementioned Bills.

Our main concerns, as the largest provider of aged care services in the rural town of Benalla is that the Bills contain little detail, they are simply broad 'framework' documents. The operation of this legislation will largely come through related principles. These principles are yet to be released. Essentially the government is asking that this legislation pass without seeing the principles. Whilst the industry has had briefings on the general contents, the actual wording and detail, and the impact of the detail to the industry is unknown.

The Living Longer, Living Better Aged Care Act Bills contain very significant consequences for the vital aged care industry, which is already absolutely struggling to remain financially viable, particularly in the rural sector. It is inappropriate and potentially devastating to the aged care industry for these bills to pass parliament without all related details and consequences being known and understood by the industry, the community and consumers.

Major areas of concern include:

- That the current proposals for accommodation payments significantly disadvantage the vulnerable rural sector, as the amount able to be charged in the rural areas are significantly less than that of the metropolitan area, due to lower house prices and asset holdings of our resident group.
Also the manner in which this charge is to be calculated will provide much confusion to both the consumer and the industry, as the accommodation payment is going to vary significantly with the changes in interest rates. A much simpler and easier to understand alternative would be to calculating the daily accommodation payment based on the Refundable Accommodation Deposit.
- There is a significant threat to capital raising should bonds retentions be removed as is proposed. At Cooinda Village this would result in the loss of at least \$120,000 per annum of capital funds.
- The impact of the Workforce Compact and how this will affect Cooinda Village operation, particularly resident care. To date the detail on this area has been confusing and misleading to management and the workforce. Apparent funding to pay for the Workforce Compact has been removed from care budgets by the withholding of Aged Care Funding Instrument (ACFI) revenue indexation with as yet no reimbursement back to the industry. How can the industry possibly sustain this proposed increase in staff wages when funding has already been ripped from the sector by the claw back of the ACFI funding?
- In relation to 'Specified Care and Services' we request information as to how legislation can be determined without the understanding of the care requirements that are to be contained in the schedule? Once again this is another probable but as yet unknown impact on the financial operation of this organization and more broadly the whole aged care sector.

The aged care industry provides vital care and services to our vulnerable elders and much needed employment to many people and in particularly in rural areas. Cooyinda Village is the fifth or sixth largest employer in the Benalla area therefore providing vital resources to the whole town. If it is unable to remain financially viable the consequences for our consumers, staff and the broader community are dire.

I urge the Senate Inquiry into the Aged Care Act Bills to take stock and prevent the passing of these Bills until more detail is known, understood and provided to the sector. In their current format there is the potential for these Bills and the Government to further rip the aged care industry apart financially and bring it to breaking point with devastating consequences.

Yours faithfully

Margaret Aldous
Chief Executive/Director of Nursing

Colin Mc Donald
President, Committee of Management