

EXPLANATORY STATEMENT

SECTION 52-1

DETERMINATION OF AMOUNT OF FLEXIBLE CARE SUBSIDY FOR RETIREMENT VILLAGES CARE PILOT (ACA CH3 No 16/2005)

Paragraph 52-1(1)(a) of the *Aged Care Act 1997* (the Act) provides that the Minister may determine in writing the amount of the Flexible Care Subsidy. Subsection 52-1(2) of the Act provides that the Minister may determine rates of flexible care subsidy based on any matters determined by the Minister in writing.

This Determination sets the Flexible Care Subsidy Rate for all pilot services allocated aged care places through the Australian Government's Retirement Villages Care Pilot.

The Retirement Villages Care Pilot provides for a mix of high and low aged care equivalent places. The pilot is examining the premise that the delivery of community care into retirement villages can enhance the access of eligible care recipients to appropriate care and contribute to reducing the incidence of inappropriate admission to residential care.

Consultation

As the indexation of this subsidy uses a well established formula for indexation, no specific consultation with industry was undertaken with respect to this instrument.