



**Australian Government**  
**Department of Health and Ageing**

Dr J M Wynne  
19/12 Bellevue Parade  
TARINGA QLD 4068

Dear Dr Wynne

Thank you for your letter of 4 March 2008 to the Minister for Ageing, the Hon Justine Elliot MP, concerning the regulation of companies that purchase existing Approved Providers of aged care. The Minister has asked me to reply on her behalf.

As I have advised previously, the *Aged Care Act 1997* (the Act) does not regulate the ownership of Approved Providers; it focuses on assessing the Approved Provider entity and the individuals that may exercise executive or managerial control of the Approved Provider. If there is a change of ownership of an Approved Provider which results in a change of the Directors or senior management then the Approved Provider is required to notify the Department of the changes and the Department may review the Approved Provider's suitability in light of the notified changes.

In 2006 the Australian Government announced additional elements to the system of protection for residents, including:

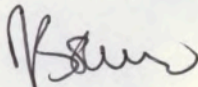
- a new Office for Aged Care Quality and Compliance;
- the creation of a new position of Aged Care Commissioner;
- rigorous complaints investigation procedures;
- compulsory reporting of abuse;
- legislative protections for whistleblowers;
- compulsory background checks for aged care staff and volunteers; and
- increased random unannounced inspections of aged care homes.

The Australian Government is committed to quality care for frail older people and monitors this in the aged care sector through the accreditation system. The Department of Health and Ageing is responsible for monitoring and recording approved service providers' compliance with their obligations under the Act and the Aged Care Principles.

If an Approved Provider does not comply with its responsibilities, sanctions can be imposed. All residential aged care services receiving Australian Government subsidies must go through the accreditation process at least every three years. Standards of care are monitored by the Aged Care Standards and Accreditation Agency. The Agency publishes the accreditation reports on the website: <http://www.accreditation.org.au/>. In addition, the Aged Care Standards and Accreditation Agency makes unannounced visits to each residential aged care facility to ensure care standards are being met. These spot checks focus on care standards and may result in a formal review audit and the provider subsequently addressing any non-compliance with standards which is found, as was the case with the DCA home whose accreditation report you included with your letter.

Your continued interest in the welfare of elderly Australians is appreciated.

Yours sincerely



Allison Rosevear  
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Residential Program Management Branch  
Department of Health and Ageing  
17 April 2008