

Chapter 7

Pricing Commissioner

7.1 The Coalition is concerned at the lack of distinction between the roles of the proposed Pricing Commissioner and the existing Aged Care Funding Authority (ACFA)

7.2 While an independent pricing framework is supported by the Coalition, there appears to be insufficient distinction between the two proposed roles which will only add to the compliance burden for providers and potential confusion for consumers.

7.3 Aegis Aged Care Group the largest residential aged care Provider in Western Australia argues that:

No caps should have to be approved by the Pricing Commissioner. The prices charged should be transparent and published on the Provider's website and the Government's My Aged Care website.¹

7.4 Masonic Care Alliance is worried about the independence of the Aged Care Pricing Commissioner:

The MCA believes that this is a vital role within the new aged care structure and should be independent and not be able to delegate its responsibility to the Department.²

7.5 Mr Ray Glickman from ACSWA is concerned about the additional regulation facing the sector:

I think that we could talk about the pricing commissioner in relation to additional regulation. I have heard it described as 'a solution looking for a problem', and certainly, I think that in Western Australia that that is true. We have had a bond market, if you like, that has worked well in Western Australia and I am not aware of super bond problems such as this legislation is supposed to correct. I think that it has actually worked pretty well in having balanced and reasonable outcomes in terms of bonds. As someone said before- and I think it was Mr Gillett - there is a whole new bureaucracy being developed about regulating prices and I am not sure whether that is going to be a great benefit to the system.³

7.6 Mr Felix Pintado, Board Director, Masonic Care Alliance reinforces the view that the pricing commissioner needs to be independent, but also needs to be a full time role:

1 Aegis Aged Care Group, *Submission 7*, p. 3.

2 Masonic Care Alliance, *Submission 25*, p. 2.

3 Mr. Ray Glickman, Aged and Community Services WA, *Committee Hansard*, 29 April 2013, p.37

We believe that the pricing commissioner needs to be a full-time position. It needs to be independent of government and not able to delegate to the department its authority. We also believe that the Aged Care Financing Authority is an admin construct at the moment. It should be supported in the statute - in other words, a statutory authority - with an additional provision added that requires the minister to provide a statement of material facts and reasons for decisions where the minister varies from the advice provided by the authority.⁴

Recommendations

- **That further consideration be given to the need for two separate pricing regulatory arrangements – the Pricing Commissioner and ACFA;**
- **That further clarification is required for the roles and responsibilities of the Pricing Commissioner and the Aged Care Funding Authority; and**
- **There be no capacity to delegate the authority of the Pricing Commissioner to the Department of Health and Ageing**

4 Mr Felix Pintado, Board Director, Masonic Care Alliance, *Committee Hansard*, 30 April 2013, p.36