# 2012–13 Report on the Operation of the *Aged Care Act 1997*



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# Foreword

By the Assistant Minister for Social Services, Senator the Hon Mitch Fifield.

I am pleased to present this Report on the Operation of the *Aged Care Act 1997* for 2012–13.

The report shows aged care continues to be a substantial component of Australian Government expenditure, and during 2012–13 it accounted for $13.3 billion, an increase of 6.1 per cent on the previous year.

Through this funding, 82,668 people were able to remain living in their own home with the assistance of a home care package, 226,042 people were provided with permanent residential aged care and 48,182 people received residential respite to allow their carer to have a break.

In 2013–14, the focus will be on negotiating a five year **Healthy Life, Better Ageing Agreement**. As part of this agreement, we will work towards a simplified system that provides more flexible arrangements for older Australians.

Through this agreement, we will also work to streamline administrative processes and cut red tape, to ensure staff can spend more time providing care, rather than filling out paperwork.

Aged care nurses spend, on average, one third of their time doing paperwork. Every hour they have to spend on paperwork is time they are not spending on what they do best—delivering care to older Australians.

My approach is simple; unless it can be demonstrated that administrative requirements advance the interests and safety of the care of aged people, they must be questioned.

Nevertheless, there will be an absolute focus on maintaining safety, care and quality standards in the sector.

The next year will also see the implementation of other changes to assist the long term financial sustainability of the sector and to provide more consumer information and choice.

We will also oversee the establishment of the Aged Care Quality Agency, which will accredit and monitor Australia's residential care providers from 1 January 2014 and home care providers from 1 July 2014. It will replace the Aged Care Standards and Accreditation Agency and be the sole agency that providers will deal with in relation to the quality assurance of the aged care services that they deliver.

I look forward to working with consumers and providers on a better aged care system.

Mitch Fifield
Assistant Minister for Social Services

# Executive Summary

## Summary

The Report on the Operation of the *Aged Care Act 1997* (the Act) meets the requirement of section 63-2 of the Act that the Minister present to Parliament a report on the operation of the Act for each financial year. This report describes the operation of the Act during 2012–13 and includes additional information to aid an understanding of aged care programs and policies.

In September 2013, the responsibility for Aged Care and Population Ageing moved from the Department of Health and Ageing to the Department of Social Services.

## Overview

The Australian Government aims to ensure that all frail older Australians have timely access to appropriate care and support services as they age, by providing: information assessment and referral mechanisms; needs-based planning arrangements; support for special needs groups and for carers; a choice of service types; and high quality, accessible and affordable care through a safe and secure aged care system.

On 28 June 2013, major legislative changes to the Act and associated principles were passed by Parliament and became law.

Overall Australian Government expenditure for aged care during 2012–13 totalled $13.3 billion, compared with $12.6 billion in 2011–12, an increase of 6.1 per cent. This includes aged care support and assistance provided both under and outside the Act. The largest single component of expenditure outside the Act was $1.1 billion for the Commonwealth Home and Community Care (HACC) program. In 2012–13, the Commonwealth directly funded HACC services for older people except in Victoria and Western Australia. The Government also provided $500.8 million through Treasury Certified Payments to Victoria and Western Australia[1], bringing the total Australian Government contribution to HACC services to $1.6 billion. This compares with $1.5 billion in 2011–12. During 2012–13, over 486,000 people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) received assistance through the Commonwealth HACC program.

In 2012–13, through aged care programs under the Act, a total of 226,042 people received permanent residential care and 48,182 received short-term respite care in aged care homes. In addition, 82,668 people who would otherwise be eligible for residential care chose to receive care in their own home through a package of care, and a further 23,180 people on discharge from hospital received transition care to optimise their functioning and allow more time for them to consider long term support arrangements. Some people received care through more than one aged care program during 2012–13.

The total number of operational aged care places across the aged care system at 30 June 2013 was 254,848, an increase of 0.8 per cent from 2011–12. This included 189,761 residential care places, 61,087 home care places (packages)[2] and 4,000 transition care places.

## Aged Care Planning

To ensure that the growth in the number of aged care places available across Australia matches the growth in the aged population, the Australian Government's planning framework determines the type(s) and distribution of additional places to be made available. Aged care places are generally released each year through the Aged Care Approvals Round (ACAR).

Through the 2012–13 ACAR, a total of 13,610 new aged care places were allocated comprising 7,775 residential care places (5,247 high care and 2,528 low care) and 5,835 home care packages. In addition, $156.4 million in the final round of zero real interest loans were offered along with $51 million in capital grants.

[1] In 2012–13, the Australian Government through Treasury Certified Payments funded the Victorian Government in the amount of $350.8 million and the Western Australian Government $150.0 million to support HACC services in their states.

[2] In 2012–13, home care was provided in the form of CACP, EACH and EACHD packages. These places also include community based care delivered through Multi-Purpose Services, National Aboriginal and Torres Strait Islander Aged Care Program and Innovative Care.

## Information, Needs Assessment and Support

Good information available in a range of languages and comprehensive, needs-based assessment services are essential to ensure that older people on the threshold of aged care, and their carers, know about the support services available to meet their needs and how to access them. This enables them to make informed decisions about their care.

The Australian Government provides a wide range of information products and services, including information lines, brochures and fact sheets, internet websites, and the Commonwealth Respite and Carelink Centres (CRCC) network. CRCCs provide carers with information, coordinate respite services, help carers gain access to these services, and arrange individual respite when needed. There were 167,225 calls to the national number for information on aged care (1800 200 422) in 2012–13, compared with 149,616 calls in 2011–12. In 2012–13, 3.25 million individual information products were distributed, including 53,725 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals and 18,776 copies of the 2012–13 edition of the *Australian Government Directory of Services for Older Australians.*

On 1 July 2013, the My Aged Care website and national contact centre were introduced as the identifiable entry points into the aged care system to assist consumers to find clear and reliable information on aged care services. The national number for information on aged care (1800 200 422) became the number for My Aged Care, replacing the Aged Care Information Line and Aged Care Helpdesk.

Australian Government expenditure in 2012–13 for the Aged Care Assessment Program was $102.2 million which included $8.7 million of funding from the previous financial year. In 2012–13, 99 Aged Care Assessment Teams (ACAT) operated nationally to comprehensively assess the care needs of frail older people and help them find services most appropriate to meet their care needs. A person generally must be assessed by an ACAT before they can access aged care services provided under the Act.

## Home Support and Respite

The largest part of the Australian Government's support for aged care services at home is provided outside of the Act, through the Commonwealth HACC program which delivers high quality, affordable and accessible services in the community. On 1 July 2012, the Australian Government assumed full policy, funding and day-to-day responsibility for HACC services for people aged 65 years and over and for Aboriginal and Torres Strait Islander people aged 50 years and over in all states and territories except Victoria and Western Australia.

The Commonwealth HACC program arrangements do not apply to Victoria and Western Australia. In these states, HACC services will continue to be delivered as a jointly funded Commonwealth-State program that provides services to older people and younger people with disabilities. The Australian Government and the Victorian and Western Australian Government's maintain bilateral agreements for that purpose.

However, in the context of negotiations regarding the National Disability Insurance Scheme, the Victorian Government agreed to transition responsibility of HACC services for older people to the Commonwealth from 1 July 2015 and the Western Australian Government agreed to commence negotiations on implementing a transition of HACC services for older people to Commonwealth responsibility from 2016–17.

Support services for carers continue to be delivered both under and outside the Act. Respite care is provided in a range of settings to allow flexibility for carers and their care recipients, including respite within residential aged care homes under the Act. There were 63,772 admissions for residential respite care in 2012–13 with care recipients using 1.5 million resident days at a cost of $198.8 million.

Other community based respite is provided outside of the Act, such as through the National Respite for Carers Program (NRCP) which provides overnight, cottage and long day respite. In 2012–13, 5.1 million hours of respite were delivered through more than 550 respite services across Australia. In 2012–13, $206.6 million was provided for the NRCP.

Older people in the community and those receiving Australian Government funded low-level residential care can also receive support through the Day Therapy Centre (DTC) program. This program provides a range of therapy services aimed at assisting people to maintain their independence. In 2012–13, the Australian Government provided $38.1 million to over 140 service outlets.

The Commonwealth Home Support Program is due to commence from 1 July 2015 and will combine, under the one program, the Commonwealth HACC program, the NRCP, the DTC program and the Assistance with Care and Housing for the Aged program.

## Home Care

Home care is funded by the Australian Government and provides home-based care that can improve the quality of life for frail older people as well as help them to remain active and connected to their own communities.

Under the Act, the Australian Government provides packages of home care of varying levels of assistance, depending on the care needs of the person. At 30 June 2013, there were 47,158 Community Aged Care Packages (CACPs) being provided for frail older people who prefer to live at home, are able to remain living at home with support, and would otherwise be eligible to receive at least a low level of residential care. There were also 13,150 Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages for people with complex needs requiring high level care that have expressed a preference to live at home and are able to do so with some assistance.

In 2012–13, the Australian Government spent $598.9 million on CACPs and a total of $557.7 million on EACH and EACHD packages.

Home care recipients contribute to the cost of their care. While the Australian Government does not set the fees that home care recipients are asked to pay, it does set a maximum level for the daily fees that providers may ask care recipients to pay. Care recipients can be asked to pay a daily fee of up to 17.5 per cent of the single basic pension. People on higher incomes may be asked to pay additional fees (limited to 50 per cent of any income above the single rate of basic pension).

On 1 August 2013, the CACPs, EACH and EACHD packages became home care packages. There are now four levels of packages - Home Care Levels 1 to 4. All new home care packages, including all of the packages allocated to providers in the 2012–13 ACAR, must be delivered on a Consumer Directed Care (CDC) basis. CDC allows older people and their carers to make choices and exercise greater control over the types of care services they receive and the delivery of those services.

## Residential Care

Residential care is a combination of care and accommodation for frail older people who have been assessed and approved as aged care recipients. Assessments take into account the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs.

At 30 June 2013, there were 2,718 aged care homes across Australia delivering residential care with 74.6 per cent of all operational residential care places being used to provide high level care. On average, 92.7 per cent of all residential care places were occupied during 2012–13.

The Australian Government subsidises the provision of residential care to those approved to receive it. The payment the Government makes for each resident consists of a basic subsidy plus those supplements to which the resident is entitled. A range of other payments are available to providers of residential care including the Conditional Adjustment Payment which continued at 8.75 per cent of the basic subsidy in 2012–13. This amount is paid to residential care providers, on top of the basic subsidy, to assist them to become more efficient and able to continue to provide high quality care to residents. Australian Government funding for residential care subsidies and supplements, paid to aged care providers for providing care, was $9.2 billion in 2012–13, compared with $8.7 billion in 2011–12, an increase of 5.2 per cent. The average level of Australian Government payment per resident in aged care was $53,100, an increase of 3.3 per cent from 2011–12.

Residential aged care residents also contribute to the cost of their care through daily fees and accommodation payments. The Australian Government does not set the level of fees that residents in aged care homes are asked to pay but it does set the maximum level of the fees that providers of care may ask residents to pay. From 1 July 2012, the maximum basic daily fee increased to 85 per cent of the single basic age pension for permanent residents who entered an aged care home after 20 March 2008 and respite residents.

In 2012–13, 75.9 per cent of aged care homes received income from accommodation charges, and 81.4 per cent held accommodation bonds at 30 June 2013[3]. The average accommodation charge for new residents was

[3] Figures are preliminary and not finalised at time of publication (SACH 2013).

$29.45 per day. In 2012–13, the average accommodation bond agreed with a new resident was $274,206 and the median new bond amount was $250,000.

## Flexible Care

In total, five types of flexible care are provided for under the Act. Due to their nature, EACH and EACHD packages are treated as home care in this report. The remaining three: Transition Care, Multi-Purpose Services and Innovative Care, provide alternative ways to deliver care to meet the needs of care recipients. In addition, flexible models of care are provided outside the Act under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

At 30 June 2013 there were:

- 4,000 operational transition care places;
- 143 operational Multi-Purpose Services, with a total of 3,483 operational flexible care places;
- 100 innovative care places operational nationally; and
- 29 aged care services funded to deliver 679 aged care places through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

## Support for People with Special Needs

The Act recognises that there are groups of people with special needs that may find it difficult to access aged care information and services and receive appropriate care. They include: people from Aboriginal and Torres Strait Islander communities; people from culturally and linguistically diverse (CALD) backgrounds; people who are veterans; people who live in rural or remote areas; people who are financially or socially disadvantaged; people who are homeless, or at risk of becoming homeless; and people who are care-leavers. From 1 July 2012, lesbian, gay, bisexual, transgender and intersex (LGBTI) people were included within the definition of people with special needs. As a result of the June 2013 legislative amendments, special needs groups were consolidated into the Act. An additional group was also included for parents separated from their children by forced adoption or removal. These changes came into effect on 1 August 2013.

The provision of care for people with special needs is considered in the planning and allocation of new aged care places under the Act.

Ensuring appropriate provision of services for people with special needs is also taken into account as part of the allocation of services under the Commonwealth HACC program which operates similarly to the special needs groups under the Act.

## Aged Care Workforce

The Aged Care Workforce Fund provides grant funding to provide training for personal care workers and enrolled nurses in aged care, clinical placements and scholarships. The Aged Care Workforce Fund's primary objective is to improve the quality of aged care by developing the skills and qualifications of the aged care workforce through a range of training, education and support projects. Under this Fund, $334.2 million is available over four years to 2015–16.

## Ageing and Service Improvement

The Aged Care Service Improvement and Healthy Ageing Grants Fund enables the Australian Government to better support activities that promote healthy and active ageing, to better respond to existing and emerging challenges, including dementia care, and to better support those services targeting Aboriginal and Torres Strait Islander people and people from diverse backgrounds. Under this fund, approximately $379 million is available over four years to 2015–16.

## Regulation and Compliance

The Government's approach to quality and regulation, including the accreditation system for residential aged care and the quality reporting system for home care and home support, is based on providers having responsibility for providing, maintaining and improving services and encouraging or requiring compliance when needed.

The Aged Care Standards and Accreditation Agency Ltd (Accreditation Agency) accredits all Australian Government subsidised aged care homes. During 2012–13, the Accreditation Agency identified 181 homes as not having met one or more of the 44 expected outcomes of the Aged Care Accreditation Standards. At 30 June 2013, 2,581 of the 2,723 accredited homes (94.8 per cent) were accredited for three years.

The quality assurance system is reinforced by a program of audits and unannounced visits for residential aged care services and follow-up action as appropriate for all aged care services. Where providers are found not to be meeting their responsibilities under the Act and fail to remedy the situation, there is the possibility of regulatory action by the Department, such as the imposition of sanctions. In 2012–13, the Department issued 17 Notices of Decision to Impose Sanctions to 14 approved providers. At 30 June 2013, seven of these sanctions remained in place. The Department also issued 50 Notices of Non-Compliance against aged care services in relation to quality of care and an additional six Notices of Non-Compliance against approved providers in relation to prudential matters.

In 2012–13, the Accreditation Agency conducted 5,689 visits to aged care homes, which is an average of 2.1 visits per home. All homes received at least one unannounced visit from the Accreditation Agency during the year.

The Community Care Common Standards applied to CACP, EACH and EACHD services, NRCP services and Commonwealth HACC services. The common standards enhanced quality monitoring by increasing the involvement of consumers in the quality review process. On 1 August 2013, the common standards were renamed the Home Care Standards.

Under the Quality Reporting program, home care and home support providers are required to undergo a quality review at least once every three years. The program aims to encourage these providers to review, refine and continuously improve service delivery. Departmental quality reviewers monitor how service providers meet the requirements of the common standards to provide high quality care to recipients. Where service providers do not meet the common standards, they are required to implement improvements within an agreed timeframe.

As part of aged care reforms, the Australian Aged Care Quality Agency (Quality Agency) will replace the Accreditation Agency on 1 January 2014. The Quality Agency will be a new body prescribed under the *Financial Management and Accountability Act 1997*.

The Quality Agency will assume responsibility for the quality review of home care services from 1 July 2014 and will be the sole agency that providers will deal with in relation to the quality assurance of the aged care services that they deliver.

The Accommodation Bond Guarantee Scheme was not activated in 2012–13.

## The Aged Care Complaints Scheme

During 2012–13, the Aged Care Complaints Scheme (the Scheme) continued to seek to achieve quality outcomes for recipients of aged care services. There was a focus on communicating Scheme outcomes and influencing industry, in line with the Scheme's Strategic Business Plan. This was achieved by engaging with service providers and their staff across the country, through the complaint management process and at events and conferences. The Scheme supported aged care service providers to implement better practices for complaint resolution within their services through the development and distribution of the Better Practice Complaint Handling Toolkit, thereby influencing positive outcomes for care recipients.

The Scheme also implemented measures to improve its accessibility to socially isolated care recipients by providing information about the Scheme to public guardians, advocacy groups and Community Visitors Scheme auspices. Additionally, the Scheme consulted with CALD stakeholders and translated materials into 17 languages.

The Scheme began responding to Commonwealth HACC aged care complaints from 1 July 2012. This report includes data for Commonwealth HACC complaints.

During 2012–13, the Scheme:

- received 12,065 contacts;
- considered 66.9 per cent of these (8,074 contacts including 3,811 complaints) to be 'in-scope' and subsequently examined;

- resolved 85.4 per cent of complaints within 90 days;
- made 883 referrals to external agencies better placed to deal with the matters raised;
- conducted 490 site visits during the course of investigating cases;
- issued 87 Notices of Intention to Issue Directions which gives approved providers the opportunity to demonstrate how they have or will resolve the issues; and
- issued 30 Directions requiring approved providers to demonstrate how they have or will meet their responsibilities under the Act.

# Glossary

| Term | Meaning |
|---|---|
| ACAR | Aged Care Approvals Round |
| ACAT | Aged Care Assessment Team |
| ACFI | Aged Care Funding Instrument |
| ACPAC | Aged Care Planning Advisory Committee |
| Act, the | the Aged Care Act 1997 |
| Accreditation Agency | the Aged Care Standards and Accreditation Agency Ltd |
| Approved Provider | a person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation). |
| APCS | Annual Prudential Compliance Statements |
| CACP | Community Aged Care Package |
| CALD | Culturally and linguistically diverse |
| CAP | Conditional Adjustment Payment |
| CAPS | Continence Aids Payment Scheme |
| CDC | Consumer Directed Care |
| CDRC | Consumer Directed Respite Care |
| Commissioner, the | the Aged Care Commissioner |
| CVS | Community Visitors Scheme |
| DBMAS | Dementia Behaviour Management Advisory Services |
| Department, the | Refers to the Department responsible for Aged Care and Population Ageing |
| EACH | Extended Aged Care at Home package |
| EACHD | Extended Aged Care at Home Dementia package |
| EBPAC | Encouraging Better Practice in Aged Care |
| Extra service | Extra service status allows aged care homes to offer a significantly higher than average standard of accommodation, services and food in return for additional payment under certain conditions. |
| HACC | Home and Community Care |
| High care | High care includes: personal care services – for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and nursing services and equipment – for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen. |
| Low care | Low care includes: personal care services – for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments. |
| LGBTI | Lesbian, gay, bisexual, transgender and intersex people |
| Minister, the | Senator the Hon Mitch Fifield, Assistant Minister for Social Services |
| NRCP | National Respite for Carers Program |
| NSPAC | National Seniors Productive Ageing Centre |
| Principles, the | Aged Care Principles, which are subordinate legislation made by the Minister under subsection 96-1(1) of the *Aged Care Act 1997* |
| Residential care | Residential care includes accommodation related services – for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance |
| Secretary, the | Secretary responsible for the administration of Aged Care and Population Ageing |
| Scheme, the | the Aged Care Complaints Scheme |

# 1 Introduction

The *Aged Care Act 1997*(the Act) and associated Aged Care Principles (the Principles) provide the legislative framework for the provision of the majority of aged care services in Australia. These arrangements determine:

- who can provide care, and their roles and responsibilities;
- who can receive care, and their rights and responsibilities;
- what types of aged care services are available; and
- how aged care is funded.

## Purpose of this report

This report details the operation of Australia's aged care system during the 2012–13 financial year and is the fifteenth in the series. It is delivered to Parliament and the Australian community by the Minister in accordance with section 63-2 of the Act, which requires that the report include information about:

- the extent of unmet demand for places;
- the adequacy of the Australian Government subsidies provided to meet the care needs of residents;
- the extent to which providers are complying with their responsibilities under the Act;
- the amounts of accommodation bonds and accommodation charges charged;
- the duration of waiting periods for entry to residential care;
- the extent of building, upgrading and refurbishment of aged care homes; and
- the imposition of any sanctions for non-compliance under Part 4.4 of the Act, including details of the nature of non-compliance and the sanctions imposed.

In addition to information required by the Act, the report includes information on related matters to provide a more useful and comprehensive picture of the Australian aged care system.

## Structure of the report

- Chapter 2 provides an overview of Australia's ageing population and the Government's support for provision of aged care services. It also provides a more detailed discussion of the Home and Community Care (HACC) program transition and recent legislative changes.
- Chapter 3 outlines the Australian Government's support services for older people on the threshold of aged care, and their carers, including information and assessment of care needs.
- Chapter 4 outlines the Commonwealth HACC program as well as respite support services for carers.
- Chapters 5, 6 and 7 outline the operation of the three primary service streams under the Act – home care, residential aged care and flexible care services.
- Chapter 8 discusses the additional support arrangements that the Australian Government has put in place for people with special needs.
- Chapter 9 outlines the Aged Care Workforce Fund.
- Chapters 10 and 11 focus on measures to support service improvement, quality and safety in aged care, including regulation and compliance arrangements.
- Chapter 12 reports activity under the Aged Care Complaints Scheme.
- Appendix A provides further detail on the aged care legislative context and Appendix B lists the legislative amendments that were made during 2012–13.
- Appendix C provides detail on the responsibilities of approved providers under the Act.
- Appendix D lists the sanctions that were imposed on approved providers for breaching their responsibilities between 1 July 2012 and 30 June 2013.

## Sources

Information for this report was collected primarily from Departmental information systems and records. Information has also been obtained from the Aged Care Standards and Accreditation Agency, the Aged Care Commissioner and Aged Care Assessment Teams.

The data in relation to the Aged Care Commissioner examinable decisions and process reviews were confirmed with the Commissioner.

Information for the report was also obtained through a survey of aged care homes, which was conducted by Sweeney Research. Overall, 91.7 per cent of aged care homes responded to the 2013 survey.

# 2 Overview of the Australian Aged Care System

The Australian Government recognises that older people make invaluable contributions to our communities. It is committed to helping older people enjoy active, healthy, engaged and independent lives by encouraging positive approaches to ageing.

The Government is also committed to ensuring that all frail older people have timely access to appropriate care and support services as they age by providing:

- comprehensive information, assessment, and referral mechanisms;
- support for carers looking after frail older people living at home;
- support for people with special needs in our communities;
- a choice of service types;
- high quality, accessible and affordable care; and
- a safe and secure aged care environment.

This chapter provides an overview of Australia's ageing population and the Government's support for the provision of aged care services. It also provides a more detailed discussion of the Government's needs-based planning arrangements, the HACC program transition and recent legislative changes. The Australian Government's programs and services are discussed in detail in the following chapters.

## 2.1 Australia's ageing population

**Longevity**

In 2013, over 14 per cent of Australia's population is aged 65 years and over (3.3 million people) and 1.9 per cent are 85 years and over (438,000 people). By 2023, it is estimated that 17 per cent of the population will be aged 65 years and over (4.6 million people) [4].

The life expectancy of people in Australia compares well with those of other developed nations, with life expectancies of 79.7 years for males and 84.2 years for females, with both expected to live many years beyond 'retirement'. Of people aged 85 years and over, there are almost twice as many women as men.

Population ageing is changing the ratio of working age to retirement age for people. For each older person (aged 65 years or more) in 2013, there were 4.6 'traditional' working-age people (15-64 years) and by 2023 this ratio will decrease to 3.8 'traditional' working-age people for every older person. This change is opening opportunities for older people to continue participating in the workforce and, at the same time, will potentially reduce the number of informal carers.

**Diversity**

The ageing process affects each person differently. In part this depends on the life choices individuals make and whether they take practical measures to adapt to the normal ageing process. Ageing is also influenced by a range of interdependent drivers – from the protection of people's rights, to the critical issues of employment, liveable housing and community environments, lifelong learning, retirement incomes, and healthy ageing.

There is also significant cultural diversity among older Australians, many of which are now seeking culturally appropriate aged care information and services. Aboriginal and Torres Strait Islander people comprise 3.0 per cent of the population. A further 42 per cent were born overseas or are 'second generation' Australians with one or both parents born overseas. While many of these people have come from European countries, nine Asian countries are among those that have been the largest source of immigration since the mid-1970s.

**Independence**

The majority of older people continue to live active, independent lives in the community and go on contributing to their communities and the economy. In 2012, 34 per cent of men and 20 per cent of women aged 65-69 were active in the labour force.

[4] Preliminary population projections based on 2011 Census prepared for DSS by ABS according to assumptions set by DSS.

Some 70 per cent of Australians aged 65 years and over live at home without accessing Government subsidised aged care services. 25 per cent access some form of support or care at home. Only 5 per cent live in residential aged care.

## 2.2 Support for aged care services

The Australian Government funds and regulates the provision of residential care, home care, home support and flexible care to those approved to receive it, and provides capital grants to assist in the establishment of new services and the expansion or upgrade of existing aged care homes. It also has in place quality assurance and consumer protection programs.

The services and regulatory framework that operate under the Act provide the regulatory, funding and quality foundation of Australia's aged care system and are based on the set of objectives set out in the Act, namely to:

- provide funding that takes account of the quality, type and level of care;
- promote a high quality of care and accommodation;
- protect the health and well-being of residents;
- ensure that aged care services and funding are targeted towards people and areas with the greatest needs;
- ensure that care is accessible and affordable for all residents;
- provide respite for families and others who care for older people;
- encourage services that are diverse, flexible and responsive to individual needs;
- help residents enjoy the same rights as all other people in Australia; and
- plan effectively for the delivery of aged care services; and promote ageing in place through the linking of care and support services to the places where older people prefer to live.

Australian Government expenditure for aged care during 2012–13, including aged care support and assistance provided under and outside the Act, totalled $13.3 billion, compared with $12.6 billion in 2011–12, an increase of 6.1 per cent (Figure 1).

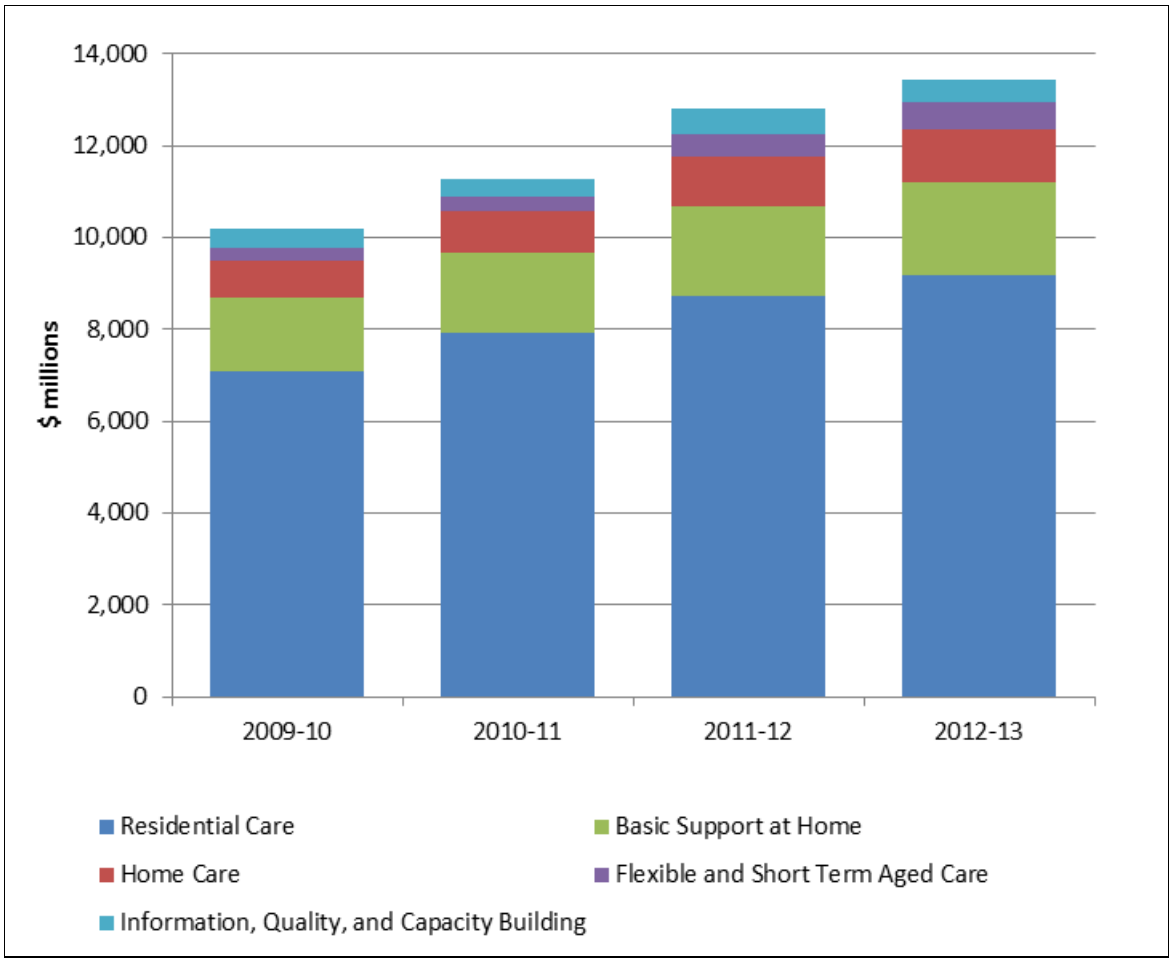
In 2012–13, for Australian Government programs provided under the Act:

- expenditure on residential care subsidies and supplements was $9.2 billion, compared with $8.7 billion in 2011–12 – an increase of 5.2 per cent;
- expenditure on Community Aged Care Packages (CACP) was $598.9 million, compared with $561.8 million in 2011–12 – an increase of 6.6 per cent;
- expenditure on Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages was $557.7 million, compared with $496.4 million in 2011–12 – an increase of 12.3 per cent; and
- expenditure on flexible care programs, (other than EACH and EACHD packages), was $354.2 million, compared with $338.5 million in 2011–12 – an increase of 4.6 per cent.

The largest single component of Australian Government expenditure outside the Act was $1.1 billion for the Commonwealth HACC program. The Government also provided $500.8 million through Treasury Certified Payments to Victoria and Western Australia[5], bringing the total Australian Government contribution to HACC services to $1.6 billion. In addition in 2012–13, $206.6 million was provided for the National Respite for Carers Program (NRCP) and $38.1 million was provided to deliver therapy services through the Day Therapy Centre (DTC) program.

[5] In 2012–13, the Australian Government through Treasury Certified Payments funded the Victorian Government in the amount of $350.8 million and the Western Australian Government $150.0 million to support HACC services in their states.

**Figure 1: Australian Government outlays for aged care, 2009–10 to 2012–13**[6]




Over one million older people receive some form of aged care each year, with 1 in 10 people aged 70 or over receiving permanent residential care. In 2012–13, through aged care programs administered by the Australian Government under the Act:

- 226,042 people received permanent residential care – equivalent to 10.1 per cent of people aged 70 years or over (estimated population at 30 June 2013);
- 82,668 people received care through a home care package (either a CACP, EACH or EACHD package) – equivalent to 3.7 per cent of people aged 70 years or over (estimated population at 30 June 2013);
- 48,182 people received residential respite care – equivalent to 2.1 per cent of people aged 70 years or over (estimated population at 30 June 2013) – of whom 22,867 were later admitted to permanent care; and
- 23,180 people received care under the Transition Care Program – an increase of 6.7 per cent from 2011–12.

Many older Australians receive home support through the Commonwealth HACC program. In 2012–13, 486,159 individual clients aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) received assistance through the Commonwealth HACC program. In Victoria and Western Australia, 357,446 people received services through the HACC program, of which 269,989 were aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people). In addition, 110,371 carers were assisted through the NRCP.

Some people received care through more than one of these programs during 2012–13.

[6] The Australian Government provided funding for aged care including administered funding by the Department of Veterans' Affairs and administered funds by Treasury through the National Partnership Payments to the states and territories.

## 2.3 The needs-based planning framework

The Australian Government's needs-based planning framework aims to ensure sufficient supply of both low-level and high-level residential and home care places by ensuring that the growth in the number of aged care places matches growth in the aged population. It also ensures balance in the provision of services among metropolitan, regional, rural and remote areas, as well as among people needing differing levels of care.

Under the framework, the Government seeks to achieve and maintain a specified national provision level of subsidised operational aged care places for every 1,000 people aged 70 years or over. This is known as the aged care provision ratio.

The provision ratio is planned to increase from 113 operational places per 1,000 people aged 70 years or over to 125 places by 2021–22. Within this provision ratio, the number of home care packages will increase from 27 to 45 places.

The process for allocating aged care places as set out in the Act provides for open and clear planning that identifies community needs and allocates places in a way that best meets the identified needs of the community. Each year, the planning arrangements determine the number and type of new places to be made available and the way in which the new aged care places are distributed across the aged care planning regions in each state and territory. These arrangements may specify a proportion of places that must be provided to certain groups of people specified in the Act, such as those with special needs, and any other particular care requirements, such as the need for residential respite care.

Each year, the Minister determines the number of new residential care, home care and flexible care places that should be made available for allocation in each state and territory. The number of new places made available each year relates to a comparison of the planning benchmarks with the number of people aged 70 years or over in the general population, and current levels of service provision, including newly allocated places that have not yet become operational.

Aged care places are distributed to aged care planning regions, in each state and territory. The distribution of places to aged care planning regions within each state and territory is then determined by the Secretary.

Following the distribution of places across each state and territory, an annual Aged Care Approvals Round (ACAR) is conducted as an open, competitive process. The Department invites applications from new and existing approved aged care providers for an allocation of new aged care places and/or capital grants. Places are allocated to applicants that demonstrate that they can best meet the aged care needs within a particular planning region.

The capacity of applicants to bring places into operation as quickly as practicable is a consideration in the ACAR's assessment process.

The Act provides for places to become operational within two years after allocation. In practice, this time can be longer particularly in respect of residential care places which are often reliant on acquisition of land, finance, planning and construction approvals, and availability of builders. Approved providers with an allocation of residential aged care places are required to lodge quarterly reports on progress towards making these places operational. These reports are used as the basis for the Department's ongoing monitoring of such places. If no reasonable progress is being made, the Department can revoke the places. Home care packages generally become operational soon after allocation.

**Current provision**

The total number of operational aged care places rose from 252,890 at 30 June 2012 to 254,848 at 30 June 2013, an increase of 0.8 per cent. This includes 189,761 residential care places, 61,087 home care places and 4,000 transition care places.

The number of operational aged care places per 1,000 people aged 70 years or over at 30 June 2013 is 111.7 (excluding transition care places). The number of allocated and operational aged care places per 1,000 people aged 70 years or over at 30 June 2013 is provided in Table 1.

**Table 1: Allocated and operational residential care, home care and transition care places per 1,000 people aged 70 years or over, at 30 June 2013, by state and territory**

**Allocated Places**

| State/ Territory | Residential care - High | Residential care - Low | Residential care - Total | Home care - High | Home care - Low | Home care - Total | Transition care | **Total Places** (excluding Transition care) |
|---|---|---|---|---|---|---|---|---|
| **NSW** | 51.0 | 47.7 | 98.8 | 5.0 | 22.6 | 27.6 | 1.8 | **126.4** |
| **VIC** | 50.1 | 49.8 | 99.8 | 5.2 | 22.8 | 28.0 | 1.7 | **127.8** |
| **QLD** | 50.3 | 49.0 | 99.3 | 7.4 | 23.3 | 30.8 | 1.8 | **130.1** |
| **WA** | 44.6 | 44.0 | 88.6 | 13.9 | 23.2 | 37.2 | 1.7 | **125.7** |
| **SA** | 54.1 | 44.8 | 98.9 | 4.4 | 22.9 | 27.3 | 1.8 | **126.2** |
| **TAS** | 47.2 | 40.6 | 87.8 | 5.8 | 22.5 | 28.4 | 1.8 | **116.2** |
| **ACT** | 53.3 | 52.5 | 105.8 | 17.4 | 24.7 | 42.2 | 2.1 | **147.9** |
| **NT** | 60.8 | 41.6 | 102.4 | 23.2 | 106.8 | 129.9 | 3.7 | **232.3** |
| **Aust.** | 50.3 | 47.7 | 98.0 | 6.5 | 23.2 | 29.7 | 1.8 | **127.7** |

**Operational Places**

| State/ Territory | Residential care - High | Residential care - Low | Residential care - Total | Home care - High | Home care - Low | Home care - Total | Transition care | **Total Places** (excluding Transition care) |
|---|---|---|---|---|---|---|---|---|
| **NSW** | 44.6 | 41.8 | 86.4 | 4.3 | 20.7 | 24.9 | 1.8 | **111.3** |
| **VIC** | 41.3 | 43.9 | 85.2 | 4.5 | 20.7 | 25.2 | 1.7 | **110.4** |
| **QLD** | 39.1 | 42.3 | 81.4 | 6.8 | 20.9 | 27.8 | 1.8 | **109.2** |
| **WA** | 36.6 | 40.3 | 77.0 | 13.9 | 22.9 | 36.8 | 1.7 | **113.8** |
| **SA** | 50.1 | 42.8 | 92.9 | 3.5 | 21.3 | 24.9 | 1.8 | **117.8** |
| **TAS** | 43.7 | 37.2 | 80.9 | 5.0 | 20.9 | 25.8 | 1.8 | **106.7** |
| **ACT** | 30.6 | 42.8 | 73.4 | 17.4 | 24.7 | 42.2 | 2.1 | **115.5** |
| **NT** | 48.1 | 39.1 | 87.2 | 21.6 | 104.7 | 126.4 | 3.7 | **213.5** |
| **Aust.** | 42.3 | 42.2 | 84.5 | 5.9 | 21.4 | 27.2 | 1.8 | **111.7** |

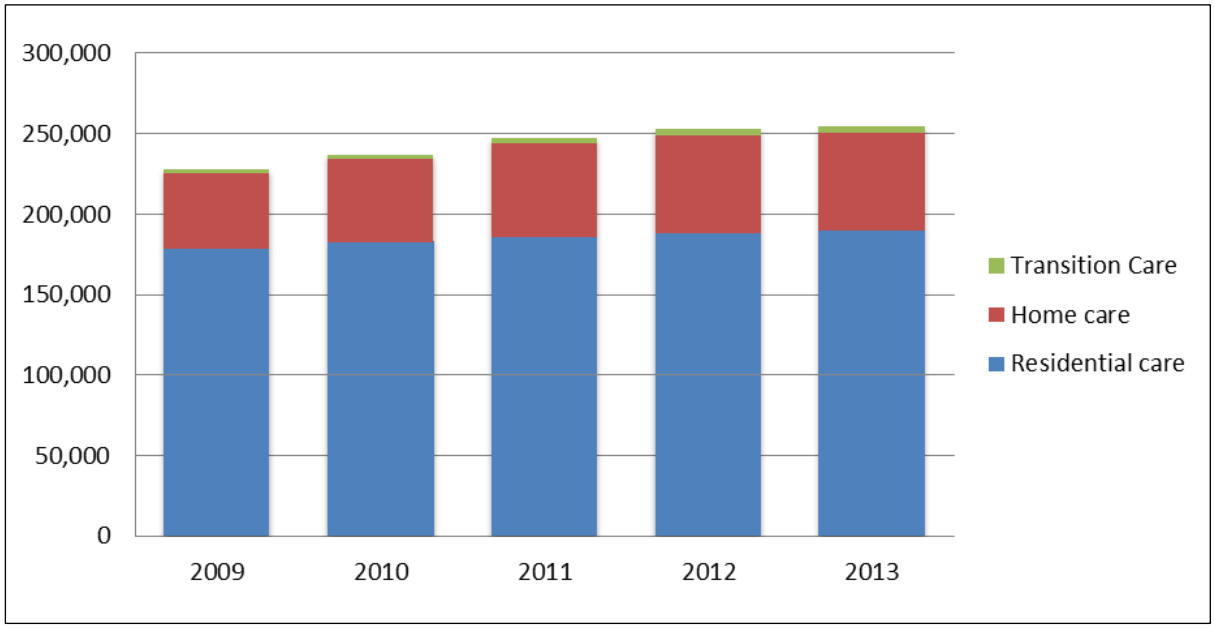
Note: Government planning targets are based on providing 113 places per 1000 people aged 70 years or over. However, in recognition of poorer health among Aboriginal and Torres Strait Islander communities, planning in some cases also takes account of the Aboriginal and Torres Strait Islander population aged 50–69 years. This means that the provision ratio based on the population aged 70 years or over will appear high in areas with a high Indigenous population (such as the Northern Territory). Transition Care Program places are not included in the target of 113. Totals may not sum exactly, due to rounding.

Home Care (high care) includes: EACH and EACHD packages. It also includes Home Care Level 3 and Level 4 packages allocated through the 2012-13 ACAR

Home Care (low care) includes: CACP packages and home based care delivered through Multi-Purpose Services. It also includes Home Care Level 1 and Level 2 packages allocated through the 2012-13 ACAR.

Over five years to 30 June 2013, the total number of operational aged care places nationally increased by 26,810 places, or 11.8 per cent (Figure 2).

**Figure 2: Operational aged care places at 30 June 2009 to 2013**




In 2012–13, there were 254,848 operational aged care places comprising residential aged care, home care and transition care places (Table 2).

**Table 2: Number of operational places by service type at 30 June 2013, by state and territory**

| State/ Territory | Residential High Care | Residential Low Care | Home Care High Care | Home care Low Care | Transition Care | Total |
|---|---|---|---|---|---|---|
| NSW | 33,972 | 31,842 | 3,241 | 15,750 | 1,378 | 86,183 |
| VIC | 23,649 | 25,110 | 2,555 | 11,858 | 1,000 | 64,172 |
| QLD | 16,200 | 17,542 | 2,826 | 8,685 | 733 | 45,986 |
| WA | 7,668 | 8,449 | 2,901 | 4,803 | 346 | 24,167 |
| SA | 9,611 | 8,200 | 675 | 4,093 | 347 | 22,926 |
| TAS | 2,584 | 2,199 | 295 | 1,234 | 109 | 6,421 |
| ACT | 854 | 1,196 | 487 | 691 | 58 | 3,286 |
| NT | 378 | 307 | 170 | 823 | 29 | 1,707 |
| Aust. | 94,916 | 94,845 | 13,150 | 47,937 | 4,000 | 254,848 |

Note: Residential places include Innovative Pool, Multi-Purpose Services and National Aboriginal and Torres Strait Islander Aged Care Program residential places. Home care includes Innovative Pool, Consumer Directed Care, Multi-Purpose Services and National Aboriginal and Torres Strait Islander Aged Care Program home care places.

**Results of the 2012–13 Aged Care Approvals Round**

Through the 2012–13 ACAR, a total of 13,610 places were allocated comprising 7,775 residential care places (5,247 high care and 2,528 low care) and 5,835 home care packages (Table 3).

In addition to the new places, $156.4 million in the final round of zero real interest loans was offered along with $51 million in capital grants.

**Table 3: Results of the 2012–13 Aged Care Approvals Round**

| State/ Territory | Residential Care Places | Home Care Places | Total |
|---|---|---|---|
| NSW | 2,302 | 2,145 | 4,447 |
| VIC | 2,235 | 1,626 | 3,861 |
| QLD | 2,011 | 1,300 | 3,311 |
| WA | 811 | 80 | 891 |
| SA | 185 | 506 | 691 |

| State/ Territory | Residential Care Places | Home Care Places | Total |
|---|---|---|---|
| TAS | 51 | 150 | 201 |
| ACT | 180 | 0 | 180 |
| NT | 0 | 28 | 28 |
| Aust. | 7,775 | 5,835 | 13,610 |

**Consumer Directed Care Pilot Initiative**

Consumer Directed Care (CDC) or self-directed care allows older people and their carers to make choices and exercise greater control over the types of care services they receive and the delivery of those services, including who will deliver the services and when.

The 1,000 CDC pilot packages were converted to mainstream home care packages (CACP, EACH and EACHD packages) from 1 July 2012, with conditions of allocation to ensure that consumers continue to receive care and services on a CDC basis. All new home care packages, including all of the packages allocated to providers in the 2012–13 ACAR, must be delivered on a CDC basis.

Funding was also extended for the 400 Consumer Directed Respite Care (CDRC) packages for a further 12 months, to 30 June 2013.

**Addressing gaps in service provision**

The Secretary may seek the advice of Aged Care Planning Advisory Committees (ACPACs) to assist in determining how the new places that have been made available by the Minister are distributed among aged care planning regions. Any advice provided is incorporated in the Regional Distribution of Aged Care Places, which is published in conjunction with the Invitation to Apply for places and/or a capital grant in the ACAR.

The Regional Distribution of Aged Care Places may list, by aged care planning region, a geographic location(s), special needs group(s) and/or key issue(s) identified by the planning process as having a particular focus in the relevant ACAR.

The final allocation of places is dependent upon the quantity and quality of the applications received, and will reflect the best use of all the available places, having regard to the need to obtain, as far as possible, a balanced outcome for each aged care planning region.

## 2.4 Commonwealth Home and Community Care Program

On 1 July 2012, the Australian Government assumed full policy, funding and day-to-day responsibility for HACC services for people aged 65 years and over and for Aboriginal and Torres Strait Islander people aged 50 years and over in all states and territories except Victoria and Western Australia.

The Commonwealth HACC program arrangements do not apply to Victoria and Western Australia. In these states, HACC services will continue to be delivered as a jointly funded Commonwealth-State program that provides services to older people and younger people with disabilities. The Australian Government and the Victorian and Western Australian Governments maintain bilateral agreements for that purpose.

However, in the context of negotiations regarding the National Disability Insurance Scheme, the Victorian Government agreed to transition responsibility of HACC services for older people to the Commonwealth from 1 July 2015 and the Western Australian Government agreed to commence negotiations on implementing a transition of HACC services for older people to Commonwealth responsibility from 2016–17.

While service delivery mechanisms for basic home support are not being substantially altered before 1 July 2015, these changes provide the foundations upon which the Australian Government will build a consistent and unified aged care system that delivers a continuum of high quality, accessible and affordable care. The Commonwealth Home Support Program will combine, under the one program, services currently providing basic home support, including the Commonwealth HACC program, the NRCP, the DTC program and the Assistance with Care and Housing for the Aged program.

## 2.5 Legislative changes in 2012–13

On 28 June 2013, five Bills amending the primary legislation in relation to aged care received Royal Assent and were passed into law. These include the:

1. *Aged Care (Living Longer Living Better) Act 2013*;
2. *Aged Care (Bond Security) Amendment Act 2013*;
3. *Aged Care (Bond Security) Levy Amendment Act 2013*;
4. *Australian Aged Care Quality Agency Act 2013*; and
5. Australian Aged Care Quality Agency (Transitional Provisions) Act 2013.

Further information on these changes can be found at Appendices A and B.

# 3 Information, Needs Assessment and Support

The Australian Government provides a variety of types of support and assistance to older people and their carers in the community, both under and outside the Act, to ensure people are fully informed and their needs are properly assessed. This support recognises that good information and comprehensive, needs-based assessment services are essential to ensure that older people on the threshold of aged care, and their carers, know about the support services available to meet their needs and how to access them. It enables older people and their carers to make informed decisions about their care.

Support for consumers of aged care services is also provided through the National Aged Care Advocacy program and the Community Visitors Scheme.

## 3.1 Enabling older people to make informed choices

Good information and support services are important for achieving timely and appropriate access to care. The Australian Government provides services to ensure that older Australians, their families and carers can access the information they need.

In 2012–13, access to information about aged care services was available by calling the national number on 1800 200 422. During 2012–13, this number was answered by the Commonwealth Respite and Carelink Centres. There were 167,225 calls to the national number in 2012–13, compared with 149,616 calls in 2011–12.

To continue to meet the need for timely access to information about fees and charges during 2012–13, approved providers, older people, their families and carers were directed to call 1800 900 554. There were 56,277 calls to this information line in 2012–13, predominantly by a friend or family member or approved provider (Table 4).

On 1 July 2013, the My Aged Care website and contact centre were introduced as the identifiable entry points into the aged care system to assist consumers to find clear and reliable information on aged care services. The national number for information on aged care became the number for My Aged Care, replacing the Aged Care Information Line and Aged Care Helpdesk. The 1800 200 422 number is no longer answered by Commonwealth Respite and Carelink Centres.

The Department has engaged Healthdirect Australia, who, through agreement with the Department, have contracted and manage the contact centre provider who answers calls to My Aged Care.

**Table 4: Calls to the provider information line by main category of caller and main reason for call, during 2012–13**

**Main category of caller:**

| Caller Type | Number of calls | Percentage of all calls |
|---|---|---|
| Friend or family member | 39,355 | 70.8% |
| Providers of residential care | 4,988 | 9.0% |
| Self or general public | 2,345 | 4.2% |
| Health service / support service | 1,399 | 2.5% |

**Main issue or reason for call:**

| Caller Type | Number of calls | Percentage of all calls |
|---|---|---|
| Asset assessment | 22,723 | 40.9% |
| Accommodation bond / charge | 20,766 | 37.4% |
| Daily fee | 18,856 | 33.9% |
| Income test / means test | 16,980 | 30.5% |

Note: Totals do not add to 100 per cent as this table shows only the major categories of caller and reason for call.

The Department also disseminates information such as fact sheets, newsletters and updates on ageing and aged care to consumers, care providers, health professionals and the general community.

Over 3.25 million individual information products were distributed to consumers during 2012–13 including:

- 2.3 million items from the Department's stock of aged care information products, such as the 5 Steps to Entry into Residential Aged Care;

- 858,512 continence information products such as Continence Aids Payment Scheme application guidelines;
- 107,606 information resources, such as fact sheets on legal arrangements, managing money, and services available to consumers from the carer information products from the Department;
- 5,410 Commonwealth Respite and Carelink Centre products;
- 53,725 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals; and
- 18,776 copies of the 2012–13 edition of the Australian Government Directory of Services for Older Australians.

In communicating important information to aged care stakeholders, 19 mail-outs were distributed advising of nursing scholarships, aged care reform updates, changes to fees and charges, accommodation bond interest rate changes, and emergency management planning information.

There are currently over 400 information resources available to people affected by incontinence, and their families and carers, including fact sheets and brochures in 21 different languages. Resources include the *Solving Common Bowel Problems for People with Spinal Cord Injury* and *Improving Bowel Function After Surgery* booklets.

The Department's website[7] offers information on aged care services provided by the Australian Government and a range of publications, reports and information sheets. Amendments and updates distributed throughout the year to aged care service providers are also published on the website.

The Aged Care Australia website[8] assisted people in making informed decisions for themselves and family members. It included an aged care home finder, home care services finder and an Aged Care Assessment Team (ACAT) finder. An average of 6,070 searches per month were conducted on the ACAT finder during 2012–13. The Aged Care Australia website was replaced by the My Aged Care website on 1 July 2013.

The Commonwealth Respite and Carelink Centres are an important contact point for carers and other people seeking information. The Centres provide assistance to people who call 1800 052 222 during business hours or, for emergency respite support outside standard business hours on 1800 059 059. Prior to the commencement of the My Aged Care website and contact centre on 1 July 2013, the Centres assisted people who called 1800 200 422 with information on a wide range of community, aged care and support services available locally or anywhere in Australia. Over 554,553 episodes of information about home care and support, residential and other aged care services were delivered by the 54 Centres in 2012–13. Information can also be accessed through their website[9]. The general public are not the only people to utilise the Centres; general practitioners, health professionals, and service providers also use the service.

To further assist carers, the Carer Information and Support Service developed and distributed a range of carer information products including educational programs for carers and information about Government programs that support carers. In 2012–13, 373,333 of these products were distributed.

## 3.2 Assessments for subsidised care

The Australian Government engages state and territory governments to manage and administer the Aged Care Assessment Program (ACAP), including the employment of assessment staff for Aged Care Assessment Teams (ACATs) and the delivery of assessment services in each state or territory.

ACATs comprehensively assess the care needs of frail older people and assist them to access services most appropriate to meet their care needs. This may involve referring clients to services such as those available under the HACC program, which do not require approval under the Act. Alternatively, they may approve a person as eligible for residential aged care, home care and flexible care services.

A person must generally be assessed and approved by an ACAT before they can access residential aged care, home care and flexible care services. Requirements for the approval of care recipients are outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 1997*.

[7] Department of Health and Ageing at the time of publication. This information will transition to the Department of Social Services website www.dss.gov.au.
[8] Aged Care Australia
[9] Commonwealth Respite and Carelink Centre at the time of publication.

At 30 June 2013, 99 ACATs operated across all regions in each state and territory and are based in hospitals or in the local community. Assessments are conducted in accordance with the aged care legislation and Commonwealth guidelines for the program.

ACATs generally comprise, or have access to, a range of health professionals, including geriatricians, physicians, registered nurses, social workers, physiotherapists, occupational therapists and psychologists. Their role is to expertly assess the care needs of frail older people and to work closely with the client, their carer and their family to identify the most suitable aged care services available. If this involves a client moving from the community into an aged care home, the ACAT will approve the client for either high or low level care.

Once a person is approved as eligible for aged care services, ACAT assessors normally assist clients by making direct referrals to a service provider or by providing information on how to apply for services. Following up on referrals may also be part of the care coordination function performed by ACATs, however an ACAT approval does not guarantee a place in an aged care home or home care place.

ACATs are encouraged to develop and maintain links with hospital services and provide an interface between acute care, home care and residential aged care. These links are critical for effective hospital discharge planning and continuity of care. Where appropriate, ACATs are involved in discharge planning to facilitate the referral and linkage of clients to post-discharge care and other forms of support required.

On 1 July 2009, amendments were made to the requirements for aged care assessments to reduce the number of duplications and reassessments. The total number of complete assessments has reduced from 201,393 in 2008–09 to 182,128 in 2011–12 – a decrease of 19,265 assessments or 9.6 per cent[10]. In addition to the reduction in assessments, there have also been improvements in the time from referral to assessment by ACATs.

Over 2008–09 to 2011–12, the average elapsed (waiting) time nationally from referral to assessment (first intervention) has reduced to 15.2 days in 2011–12 compared with 19.7 days in 2008–09. Over that same period the average elapsed (waiting) time from referral to approval of an assessment reduced to 22.1 days in 2011–12 compared with 29.4 days in 2008–09.

There is evidence that these changes have significantly improved the efficiency of ACATs by ensuring that ACAT reassessments are conducted only for the people who genuinely need them. The number of complete assessments increased by 2.3 per cent between 2010–11 and 2011–12 (Table 5).

Australian Government expenditure in 2012–13 for the ACAP was $102.2 million which included $8.7 million of funding from the previous financial year.

**Table 5: Number of complete ACAT assessments, 2008–09 to 2011–12, by state and territory**

| State/ Territory | 2008–09 | 2009–10 | 2010–11 | 2011–12 |
|---|---|---|---|---|
| NSW | 71,827 | 60,562 | 59,499 | 60,170 |
| VIC | 52,474 | 49,776 | 49,210 | 51,382 |
| QLD | 31,947 | 29,096 | 28,677 | 30,045 |
| WA | 19,627 | 19,447 | 19,106 | 18,382 |
| SA | 16,652 | 16,533 | 13,625 | 13,641 |
| TAS | 5,630 | 4,994 | 4,864 | 5,170 |
| ACT | 2,280 | 2,212 | 1,942 | 2,294 |
| NT | 956 | 959 | 1,057 | 1,044 |
| Aust. | 201,393 | 183,579 | 177,980 | 182,128 |

Note: The data for 2011–12 was extracted from the Ageing and Aged Care Data Warehouse in July 2013. Future extracts of this data may change and thus alter final numbers.

## 3.3 Support for consumers

The Australian Government supports consumers of aged care services by funding advocacy services as well as the Community Visitors Scheme.

[10] Data for 2012-13 is not available at the time of publication.

**National Aged Care Advocacy Program**

The Department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program. Independent advocacy and information is available to all consumers and potential consumers of Australian Government subsidised residential aged care and home care, their representatives and their families. Advocacy services also provide information and education to aged care recipients and approved providers on the rights and responsibilities of care recipients.

In 2012–13, services under the National Aged Care Advocacy Program undertook 3,592 advocacy cases, handled 4,382 general enquiries and provided 1,214 face-to-face education sessions.

An expansion of the National Aged Care Advocacy Program will occur in 2013–14 to address unmet demand, particularly in rural and remote areas.

**Community Visitors Scheme**

The Community Visitors Scheme (CVS) provides one-on-one volunteer visitors to residents of Australian Government subsidised aged care homes who are socially or culturally isolated and whose quality of life would be improved by companionship. CVS organisations work with residential aged care providers to match residents with CVS volunteers in their aged care planning region.

In 2012–13, the Department funded, monitored and supported 153 community-based organisations who reported that visitors undertook more than 173,000 visits to more than 8,700 residents in aged care homes.

From 2013–14, the CVS will expand to include visits to people receiving home care packages and group visits in residential aged care. The CVS will leverage off new technology in home care environments and will target special needs groups including people from CALD backgrounds, people from LGBTI communities, veterans, care-leavers (including Forgotten Australians, Former Child Migrants and Stolen Generations) and Aboriginal and Torres Strait Islander peoples.

# 4 Home Support and Respite

Home support and respite provides basic aged care support services to people in their homes and offers support to carers. These services are provided both under and outside of the Act. In 2012–13, services were delivered through the Commonwealth Home and Community Care (HACC) program, the National Respite for Carers Program (NRCP) and through residential respite in aged care homes.

## 4.1 What is provided?

During 2012–13, the Commonwealth HACC program arrangements applied in all states and territories except Victoria and Western Australia. The Commonwealth HACC program provides 19 basic maintenance, support and care services to assist people to remain in the community. These include:

- domestic assistance;
- personal care;
- social support;
- respite care;
- other meal services;
- assessment;
- client care coordination;
- case management;
- carer counselling/support, information and advocacy;
- client counselling/support, information and advocacy;
- nursing care;
- allied health care;
- centre-based day care;
- goods and equipment;
- home modifications;
- home maintenance;
- formal linen services;
- meals; and
- transport.

The services focus on supporting different areas of need that an individual may have due to a limitation in their ability to undertake tasks of daily living. The services support these people to be more independent at home and in the community, and to reduce the potential or inappropriate need for admission to residential care.

In Victoria and Western Australia, HACC services will continue to be delivered as a jointly funded Commonwealth-State program that provides services to older people and younger people with disabilities. The Australian Government and the Victorian and Western Australian Governments maintain bilateral agreements for that purpose.

Carers play a valuable role to the community by providing care and support to family and friends who are frail aged, disabled, or have a mental or physical illness.

Respite care is an important support service for carers as it allows carers to have a break from their usual care arrangements. Respite care is provided in a number of settings to allow greater flexibility for carers. Under the Act, respite care can be provided in an Australian Government funded aged care home. Outside of the Act, respite services are available under the NRCP and the Commonwealth HACC program. Funding is also supplied by the Australian Government for Multi-Purpose Services to provide respite care in rural areas.

The NRCP contributes to the support and maintenance of caring relationships between carers and the people for whom they care, by providing respite, facilitating access to information, and providing other support for carers.

Respite is delivered in a number of settings to provide more options for carers. These settings include:

- day respite in community centres;
- respite in the home – both day and overnight;
- overnight respite in community cottages;
- community outings – either group or individual;
- mobile respite;
- employed carer respite; and
- day respite in a residential home.

The Commonwealth Respite and Carelink Centres are funded under the NRCP to provide information and respite services. The Centres help carers to take a break by arranging short term and emergency respite, and by linking carers to support services available in their local area.

The National Carer Counselling program provides short term emotional and psychological support services to carers in order to reduce carer stress, improve carer coping skills, and facilitate wherever possible the continuation of the caring role. Counselling can be offered in different ways to suit the different needs of carers with individual face-to-face sessions, web-based, telephone or group counselling sessions offered. Funding also supports provision of specialist advice to carers and guided referrals to other support services.

The Carer Information Support Service assists carers in their role by providing timely and high quality information, specialist advice and community awareness raising that is both culturally and linguistically sensitive.

Residential respite provides short-term care in aged care homes to people who have been assessed as eligible and approved by an ACAT to receive residential respite care at the low or high level. It can be used on a planned or emergency basis to help with carer stress, illness, holidays, or the unavailability of the carer. Residential respite care is not intended for rehabilitation following a post-acute episode, nor is it to be used as a waiting facility for people seeking a permanent bed. Residential respite care may include assistance with meals, laundry, room cleaning, personal grooming, as well as nursing care and a variety of services such as physiotherapy or podiatry. The true value of respite in supporting frail older people to remain in the community cannot be maintained if pressure is placed on the respite care system by other systems, including convalescent care after hospitalisation.

The Commonwealth Home Support Program is due to commence from 1 July 2015. The new program will combine, under the one program, services currently providing basic home support, including the Commonwealth HACC program, the NRCP, the Day Therapy Centre program and the Assistance with Care and Housing for the Aged program. Consolidating these programs will provide a comprehensive basic Home Support Program for older people who continue to live in the community.

## 4.2 Who provides care?

In 2012–13, all Commonwealth HACC organisations were required to provide services in accordance with the Community Care Common Standards and the Commonwealth HACC program manual. At 30 June 2013, there was a total of 1,041 Commonwealth funded HACC service providers. Table 6 provides details, by state and territory, of the types of providers delivering Commonwealth HACC services.

**Table 6: Commonwealth HACC service providers by organisation type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | Private Incorporated Body | Publicly Listed Company | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|---|
| NSW | 16 | 98 | 225 | 35 | 1 | 4 | 75 | 454 |
| QLD | 9 | 70 | 179 | 22 | 3 | 17 | 36 | 336 |
| SA | 8 | 24 | 61 | 9 | 0 | 7 | 28 | 137 |
| TAS | 3 | 9 | 32 | 6 | 0 | 1 | 4 | 55 |
| ACT | 2 | 8 | 15 | 0 | 0 | 2 | 0 | 27 |
| NT | 3 | 3 | 15 | 1 | 0 | 1 | 9 | 32 |
| Aust. | 41 | 211 | 527 | 73 | 4 | 29 | 152 | 1,041 |

Note: This table does not include VIC or WA HACC service providers.

Under the NRCP, there are 558 respite services and 54 Commonwealth Respite and Carelink Centres across Australia (Table 7). In addition, the Carer Information Support Service has one service in each state and territory. The NRCP complements the respite services provided under the Act in Australian Government funded residential aged care homes.

In 2012–13, there were 2,397 residential aged care homes providing residential respite services.

**Table 7: NRCP service providers at 30 June 2013, by state and territory**

| State/Territory | NRCP Respite Services | Commonwealth Respite and Carelink Centres |
|---|---|---|
| NSW | 194 | 17 |
| VIC | 119 | 9 |
| QLD | 88 | 7 |
| WA | 42 | 11 |
| SA | 54 | 4 |
| TAS | 31 | 3 |
| ACT | 11 | 1 |
| NT | 19 | 2 |
| Aust. | 558 | 54 |

Note: The total number of NRCP respite services does not record the expanded services in the recent funding round as new services.

## 4.3 Who receives care?

The HACC program delivers high quality, affordable and accessible aged care services in the community that are essential to the well-being of older Australians, younger people with a disability and their carers. In 2012–13, 486,159 people aged 65 years and over (50 years for Aboriginal and Torres Strait Islander people) received services through the Commonwealth HACC program (Table 8). In Victoria and Western Australia, 357,446 people received services through the HACC program, of which 269,989 were aged over 65 years or 50 years and over for Aboriginal and Torres Strait Islander people.

**Table 8: Commonwealth HACC clients, during 2012–13, by state and territory**

| State/Territory | NSW | QLD | SA | TAS | ACT | NT | Aust. |
|---|---|---|---|---|---|---|---|
| **Clients** | 220,597 | 150,094 | 80,567 | 23,090 | 10,187 | 1,624 | 486,159 |

Note: HACC clients aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people). This table does not include VIC or WA HACC clients.

NRCP services are targeted to support carers of frail older people, younger people with disabilities, people with dementia and challenging behaviours and people in need of palliative care.

During 2012–13, 110,371 carers received assistance including:

- 74,124 carers who received information, carer support and emergency respite through Commonwealth Respite and Carelink Centres;
- 5,913 carers who received counselling services; and
- 30,334 carers who received respite services.

In 2012–13, there were 63,772 admissions to residential respite care, and the number of residential respite days used increased from 1.47 million days in 2011–12 to 1.5 million days in 2012–13 (Table 9). On average, each recipient received 1.5 episodes of residential respite care during 2012–13, and their average length of stay per episode was 23.7 days.

**Table 9: Residential respite care days by level of care, during 2012–13, by state and territory**

| State/Territory | High care | Low care | Total |
|---|---|---|---|
| NSW | 348,192 | 307,630 | 655,822 |
| VIC | 119,866 | 243,826 | 363,692 |
| QLD | 104,057 | 80,502 | 184,559 |
| WA | 44,190 | 53,162 | 97,352 |
| SA | 105,221 | 53,408 | 158,629 |
| TAS | 22,782 | 13,168 | 35,950 |
| ACT | 7,189 | 7,817 | 15,006 |
| NT | 4,253 | 2,292 | 6,545 |
| Aust. | 755,750 | 761,805 | 1,517,555 |

## 4.4 How are these services funded?

On 1 July 2012, the Australian Government assumed full policy, funding and day-to-day responsibility of HACC services for people aged 65 years and over and for Aboriginal and Torres Strait Islander people aged 50 years and over in all states and territories except Victoria and Western Australia.

The Commonwealth HACC program arrangements do not apply to Victoria and Western Australia. In these states, HACC services will continue to be delivered as a jointly funded Commonwealth-State program that provides services to older people and younger people with disabilities. The Australian Government and the Victorian and Western Australian Governments maintain bilateral agreements for that purpose.

However, in the context of negotiations regarding the National Disability Insurance Scheme, the Victorian Government agreed to transition responsibility of HACC services for older people to the Commonwealth from 1 July 2015 and the Western Australian Government agreed to commence negotiations on implementing a transition of HACC services for older people to Commonwealth responsibility from 2016–17.

Australian Government funding for the Commonwealth HACC program in 2012–13 totalled $1.1 billion. The Australian Government's contribution to the HACC program in Victoria and Western Australia was $500.8 million (Table 10).

**Table 10: Australian Government expenditure for the HACC program during 2012–13, by state and territory**

| State/Territory | 2012–13 $m |
|---|---|
| Commonwealth HACC | |
| NSW | 501.1 |
| QLD | 394.0 |
| SA | 148.1 |
| TAS | 49.5 |
| ACT | 20.3 |
| NT | 9.7 |
| Total | 1,112.6 |
| HACC Treasury Certified Payments | |
| VIC | 350.8 |
| WA | 150.0 |
| Total | 500.8 |
| Aust. | 1,623.3 |

Note: Totals may not sum exactly, due to rounding.

Australian Government funding for the delivery of NRCP services totalled $206.6 million in 2012–13. Also funded under the NRCP is Consumer Directed Respite Care. In 2012–13, funding for respite packages was $2.5 million.

Expenditure on residential respite care was $198.8 million in 2012–13, compared with $186.4 million in 2011–12, an increase of 6.6 per cent (Table 11).

**Table 11: Australian Government expenditure for residential respite care, 2008–09 to 2012–13, by state and territory**

| State/Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 69.9 | 74.5 | 83.2 | 84.1 | 88.5 | 5.2% |
| VIC | 28.3 | 31.7 | 34.5 | 37.5 | 40.9 | 9.2% |
| QLD | 17.7 | 21.6 | 22.8 | 24.5 | 25.3 | 3.3% |
| WA | 8.5 | 9.4 | 11.0 | 11.6 | 12.1 | 4.7% |
| SA | 15.9 | 17.6 | 19.4 | 20.9 | 23.8 | 14.2% |
| TAS | 3.7 | 3.6 | 3.9 | 4.3 | 5.2 | 20.7% |
| ACT | 2.1 | 2.1 | 2.0 | 2.1 | 2.0 | -5.7% |
| NT | 1.3 | 1.2 | 1.4 | 1.5 | 1.0 | -34.4% |
| Aust. | 147.5 | 161.7 | 178.2 | 186.4 | 198.8 | 6.6% |

The Australian Government also provides incentives to residential care providers to increase the availability of high level respite care. Aged care providers who use at least 70 per cent of their respite allocations qualify to receive a supplement for high level respite care. The supplement is calculated per resident per day in high level respite care. In 2012–13, $14.9 million was paid to residential care providers through this supplement.

# 5 Home Care

The Australian Government recognises that most older Australians want to remain independent and to live at home for as long as possible, while also having the option of entering residential care. Home care packages provide home-based care that can improve older Australians' quality of life and help them to remain active and connected to their own communities. They are coordinated by a home care provider, with funding provided by the Australian Government under the Act.

## 5.1 What is provided?

During 2012–13, home care was provided in the form of Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages. Amendments to the Act during 2012–13 transitioned these packages to Home Care Package Levels 1– 4 from 1 August 2013.

**Community Aged Care Packages**

CACPs provided a community alternative for frail older people who have complex care needs but are able to live at home with assistance. CACPs were individually tailored packages of low level care and can provide a range of services which may include personal care, assistance with meals, domestic assistance and transport. CACPs were suitable for older people with a preference to live at home, or would have otherwise be assessed as eligible to receive at least low level residential care, and were able to remain living at home with support.
In 2012–13, there were 47,158 allocated CACPs, an increase of 1.2 per cent from 2011–12 (Table 12).

On 1 August 2013, CACPs transitioned to Home Care Level 2 packages.

CACPs were provided under the home care arrangements of the Act and were complemented by the EACH and EACHD packages, which provided high level care under the flexible care arrangements of the Act.

**Table 12: Number of allocated CACPs, other than flexible care places, at 30 June 2009 to 2013, by state and territory**

| State/Territory | 2009 | 2010 | 2011 | 2012 | 2013 | Increase: 2012 to 2013 |
|---|---|---|---|---|---|---|
| NSW | 14,204 | 14,212 | 14,957 | 15,440 | 15,598 | 1.0% |
| VIC | 10,582 | 10,582 | 11,020 | 11,685 | 11,770 | 0.7% |
| QLD | 7,935 | 7,941 | 8,422 | 8,417 | 8,536 | 1.4% |
| WA | 4,062 | 4,082 | 4,589 | 4,589 | 4,636 | 1.0% |
| SA | 3,565 | 3,565 | 3,700 | 3,931 | 4,008 | 2.0% |
| TAS | 1,101 | 1,101 | 1,137 | 1,137 | 1,170 | 2.9% |
| ACT | 604 | 604 | 676 | 676 | 691 | 2.2% |
| NT | 641 | 641 | 678 | 713 | 749 | 5.0% |
| Aust. | 42,694 | 42,728 | 45,179 | 46,588 | 47,158 | 1.2% |

Note: The increase includes 560 places from the former CDC pilot program becoming mainstream packages from July 2012.

**Extended Aged Care at Home and Extended Aged Care at Home Dementia packages**

EACH and EACHD packages provided high level aged care to people in their own homes, complementing the availability of CACPs which provide low level care.

EACH packages provided coordinated and managed packages of care, tailored to meet the needs of frail older people with complex care needs who were assessed and approved by an ACAT as requiring high level care, and expressed a preference to live at home, and were able to do so with some assistance. Packages were flexible in content but generally included qualified nursing input, particularly in the design and ongoing management of the package. Services available through an EACH package included clinical care; personal assistance; transport; continence management; home help; social support; emotional support; therapy services; and home safety and modification. In 2012–13, there were 8,798 allocated EACH places, an increase of 3.3 per cent from 2011–12 (Table 13).

An EACHD package provided similar support as an EACH package but also offered additional levels of service to meet the specific needs of care recipients who experienced behaviours of concern and psychological symptoms associated with dementia which impacted on their ability to live independently in the community. Individually designed EACHD packages were also available for people who experienced behaviours of concern

and psychological symptoms associated with dementia. In 2012–13, there were 4,354 allocated EACHD places, an increase of 3.9 per cent from 2011–12 (Table 13).

On 1 August 2013, EACH packages transitioned to Home Care Level 4 packages and EACHD packages transitioned to Home Care Level 4 packages plus a Dementia and Cognition Supplement.

The Government also provides a range of services under the Dementia Initiative that directly benefit people with dementia and their carers, and operates outside the scope of the Act (see Section 10).

**Table 13: Number of allocated EACH and EACHD places, at 30 June 2009 to 2013, by state and territory**

| State/Territory | 2009 | 2010 | 2011 | 2012 | 2013 | Increase: 2012 to 2013 |
|---|---|---|---|---|---|---|
| NSW (EACH) | 1,700 | 1,723 | 2,180 | 2,180 | 2,248 | 3.1% |
| VIC (EACH) | 1,356 | 1,366 | 1,700 | 1,706 | 1,748 | 2.5% |
| QLD (EACH) | 973 | 992 | 1,764 | 1,764 | 1,818 | 3.1% |
| WA (EACH) | 689 | 719 | 1,640 | 1,843 | 1,902 | 3.2% |
| SA (EACH) | 399 | 399 | 416 | 416 | 447 | 7.5% |
| TAS (EACH) | 152 | 152 | 174 | 174 | 186 | 6.9% |
| ACT (EACH) | 146 | 146 | 321 | 321 | 329 | 2.5% |
| NT (EACH) | 100 | 100 | 116 | 116 | 120 | 3.4% |
| Aust. (EACH) | 5,515 | 5,597 | 8,311 | 8,520 | 8,798 | 3.3% |
| NSW (EACHD) | 787 | 792 | 947 | 947 | 993 | 4.9% |
| VIC (EACHD) | 569 | 569 | 779 | 779 | 807 | 3.6% |
| QLD (EACHD) | 523 | 533 | 975 | 975 | 1,010 | 3.6% |
| WA (EACHD) | 321 | 321 | 883 | 985 | 999 | 1.4% |
| SA (EACHD) | 194 | 194 | 204 | 204 | 228 | 11.8% |
| TAS (EACHD) | 86 | 86 | 100 | 100 | 109 | 9.0% |
| ACT (EACHD) | 50 | 50 | 154 | 154 | 158 | 2.6% |
| NT (EACHD) | 38 | 38 | 48 | 48 | 50 | 4.2% |
| Aust. (EACHD) | 2,568 | 2,583 | 4,090 | 4,192 | 4,354 | 3.9% |

Note: The increase includes 440 places from the former CDC pilot program becoming mainstream packages from July 2012.

**Home Care Packages**

During 2012–13, amendments were made to the Act for the transition to a new Home Care Packages Program which commenced on 1 August 2013. These changes introduced four package levels to assist older people to remain living at home for as long as possible:

- Home Care Level 1 – a new package to support people with basic care needs;
- Home Care Level 2 – a package to support people with low level care needs, equivalent to the former CACP;
- Home Care Level 3 – a new package to support people with intermediate care needs; and
- Home Care Level 4 – a package to support people with high care needs, equivalent to the former EACH package.

These amendments also introduced the Dementia and Cognition Supplement and the Veterans' Supplement to commence on 1 August 2013. There is no longer a separate EACHD package as a Dementia and Cognition Supplement can apply in home care across all four levels where a consumer meets the relevant eligibility criteria for the supplement. While a veteran may be eligible for both supplements, the service provider may claim only one supplement per consumer.

All new home care packages, including those allocated to providers in the 2012–13 ACAR (Table 14) must be delivered on a Consumer Directed Care (CDC) basis. CDC allows older people and their carers to make choices and exercise greater control over the types of care services they receive and the delivery of those services.

**Table 14: Number of allocated home care packages in the 2012–13 ACAR, at 30 June 2013, by state and territory**

| State/Territory | Level 1 | Level 2 | Level 3 | Level 4 | Total |
|---|---|---|---|---|---|
| NSW | 485 | 1,075 | 375 | 210 | 2,145 |
| VIC | 350 | 854 | 272 | 150 | 1,626 |
| QLD | 245 | 780 | 210 | 65 | 1,300 |
| WA | 30 | 30 | 10 | 10 | 80 |
| SA | 135 | 200 | 100 | 71 | 506 |
| TAS | 50 | 50 | 35 | 15 | 150 |
| ACT | 0 | 0 | 0 | 0 | 0 |
| NT | 8 | 8 | 8 | 4 | 28 |
| Aust. | 1,303 | 2,997 | 1,010 | 525 | 5,835 |

Note: These numbers include deferred allocations.

## 5.2 Who provides care?

Home care service providers vary from small community based groups to large charitable and for-profit organisations that operate nationally.

Australian Government funded home care packages are primarily provided by religious, charitable and community-based providers (83 per cent of places) with the remaining 17 per cent of places provided by for-profit organisations, and state, territory and local governments.

Tables 15, 16 and 17 provide details, by state and territory, of the types of providers delivering services in each of the home care levels.

**Table 15: Operational home care CACP places, other than flexible care places, by provider type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NSW | 5,450 | 4,954 | 3,352 | 810 | 420 | 612 | 15,598 |
| VIC | 4,129 | 2,877 | 1,732 | 520 | 1,423 | 1,089 | 11,770 |
| QLD | 3,930 | 2,083 | 1,670 | 543 | 116 | 194 | 8,536 |
| WA | 1,205 | 2,129 | 287 | 640 | 92 | 283 | 4,636 |
| SA | 1,163 | 1,836 | 450 | 140 | 323 | 96 | 4,008 |
| TAS | 410 | 257 | 314 | 100 | 62 | 27 | 1,170 |
| ACT | 167 | 395 | 84 | 45 | 0 | 0 | 691 |
| NT | 242 | 33 | 124 | 108 | 0 | 242 | 749 |
| Aust. | 16,696 | 14,564 | 8,013 | 2,906 | 2,436 | 2,543 | 47,158 |
| % of Total | 35.4% | 30.9% | 17.0% | 6.2% | 5.2% | 5.4% | 100% |

**Table 16: Operational home care EACH places by provider type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NSW | 644 | 1,092 | 262 | 224 | 0 | 26 | 2,248 |
| VIC | 923 | 353 | 158 | 59 | 207 | 48 | 1,748 |
| QLD | 919 | 541 | 285 | 54 | 10 | 9 | 1,818 |
| WA | 751 | 704 | 47 | 355 | 12 | 33 | 1,902 |
| SA | 79 | 281 | 61 | 16 | 0 | 10 | 447 |
| TAS | 44 | 102 | 13 | 23 | 4 | 0 | 186 |
| ACT | 61 | 188 | 80 | 0 | 0 | 0 | 329 |

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NT | 51 | 33 | 0 | 36 | 0 | 0 | 120 |
| Aust. | 3,472 | 3,294 | 906 | 767 | 233 | 126 | 8,798 |
| % of Total | 39.5% | 37.4% | 10.3% | 8.7% | 2.6% | 1.4% | 100% |

**Table 17: Operational home care EACHD places by provider type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NSW | 316 | 482 | 101 | 81 | 0 | 13 | 993 |
| VIC | 421 | 221 | 62 | 12 | 73 | 18 | 807 |
| QLD | 434 | 358 | 169 | 47 | 0 | 0 | 1,008 |
| WA | 499 | 253 | 17 | 230 | 0 | 0 | 999 |
| SA | 7 | 183 | 25 | 5 | 0 | 8 | 228 |
| TAS | 52 | 27 | 4 | 17 | 9 | 0 | 109 |
| ACT | 25 | 92 | 41 | 0 | 0 | 0 | 158 |
| NT | 27 | 5 | 0 | 18 | 0 | 0 | 50 |
| Aust. | 1,781 | 1,621 | 419 | 410 | 82 | 39 | 4,352 |
| % of Total | 40.9% | 37.2% | 9.6% | 9.4% | 1.9% | 0.9% | 100% |

## 5.3 Who receives care?

Home care services across Australia help many older people to remain independent, in their own homes and in their communities, instead of moving prematurely into aged care homes. Home care provided under the Act delivers support and assistance to older people at home in their own communities. Packages are available in all states and territories, including rural and remote locations.

Home care provides varying levels of assistance depending on the care needs of the consumer. The number of home care recipients at 30 June 2013 was 56,515 (Table 18).

**Table 18: Number of home care recipients by package type, at 30 June 2013, by state and territory**

| State/Territory | CACPs | EACH | EACHD | Total |
|---|---|---|---|---|
| NSW | 15,196 | 2,208 | 956 | 18,360 |
| VIC | 11,675 | 1,734 | 788 | 14,197 |
| QLD | 7,504 | 1,720 | 908 | 10,132 |
| WA | 3,653 | 1,707 | 703 | 6,063 |
| SA | 3,850 | 437 | 219 | 4,506 |
| TAS | 1,130 | 180 | 101 | 1,411 |
| ACT | 627 | 297 | 100 | 1,024 |
| NT | 673 | 107 | 42 | 822 |
| Aust. | 44,308 | 8,390 | 3,817 | 56,515 |

Note: The number of recipients is less than the overall number of packages available because a small proportion of packages are vacant at any one time due to client movement.

Throughout 2012–13, 63,365 people received support through a CACP, 13,042 people received care through an EACH package and 6,488 people received care through an EACHD package.

Occupancy rates of CACP, EACH and EACHD packages averaged 92.0 per cent during 2012–13 (Table 19).

**Table 19: Occupancy rates of CACP, EACH and EACHD packages, at 30 June 2013, by state and territory**

| State/Territory | CACP | EACH | EACHD | Total Occupancy |
|---|---|---|---|---|
| NSW | 96.1% | 95.6% | 93.6% | 95.9% |
| VIC | 97.2% | 98.2% | 97.5% | 97.4% |

| State/Territory | CACP | EACH | EACHD | Total Occupancy |
|---|---|---|---|---|
| QLD | 85.0% | 93.6% | 86.1% | 86.5% |
| WA | 78.6% | 83.3% | 64.7% | 77.9% |
| SA | 95.5% | 97.5% | 97.3% | 95.8% |
| TAS | 97.1% | 96.8% | 94.2% | 96.8% |
| ACT | 85.6% | 88.9% | 62.8% | 83.6% |
| NT | 90.2% | 93.5% | 81.8% | 90.2% |
| Aust. | 92.4% | 92.9% | 85.0% | 92.0% |

Some people receiving home care during the year may have received support through more than one program, or through residential aged care.

## 5.4 How are home care packages funded?

Australian Government financial assistance for home care packages provided under the Act is paid to service providers as a contribution to the cost of providing care. The Minister determines the rates for home care subsidies and supplements to apply from 1 July of each year. The current rates of payment can be found on the Current Australian Government Subsidies and Supplements site on the Department's website[11].

**What the Government pays**

The Australian Government's expenditure on CACPs increased from $561.8 million in 2011–12 to $598.9 million in 2012–13, an increase of 6.6 per cent (Table 20).

**Table 20: Australian Government expenditure for CACPs, 2008–09 to 2012–13, by state and territory**

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 165.7 | 175.2 | 181.7 | 192.0 | 204.2 | 6.4% |
| VIC | 125.8 | 131.8 | 137.5 | 146.2 | 158.0 | 8.0% |
| QLD | 77.7 | 83.9 | 88.3 | 93.1 | 99.5 | 6.9% |
| WA | 40.2 | 44.2 | 47.4 | 49.9 | 49.5 | -0.8% |
| SA | 43.2 | 45.0 | 46.5 | 48.0 | 53.0 | 10.4% |
| TAS | 12.8 | 13.5 | 14.4 | 14.8 | 15.6 | 5.4% |
| ACT | 6.5 | 6.8 | 6.8 | 8.0 | 8.4 | 4.4% |
| NT | 7.9 | 8.4 | 9.1 | 9.7 | 10.6 | 8.7% |
| Aust. | 479.7 | 508.7 | 531.7 | 561.8 | 598.9 | 6.6% |

Note: Total expenditure for 2011–12 and 2012–13 includes state and territory expenditure for CACP funding for younger people with a disability.

Australian Government expenditure on EACH and EACHD increased to a combined total of $557.7 million in 2012–13.

Expenditure on EACH increased by 10.7 per cent to $372.6 million in 2012–13 (Table 21).

**Table 21: Australian Government expenditure for EACH, 2008–09 to 2012–13, by state and territory**

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 57.7 | 67.2 | 75.6 | 94.1 | 100.3 | 6.6% |
| VIC | 46.3 | 53.4 | 61.0 | 74.5 | 78.1 | 4.8% |
| QLD | 26.3 | 32.5 | 44.4 | 71.5 | 76.6 | 7.1% |
| WA | 15.9 | 21.8 | 31.8 | 55.3 | 71.8 | 29.9% |
| SA | 14.6 | 16.3 | 17.4 | 18.3 | 19.7 | 8.0% |
| TAS | 4.5 | 5.9 | 6.4 | 7.8 | 8.4 | 7.9% |
| ACT | 4.5 | 5.4 | 6.1 | 10.5 | 12.5 | 19.7% |
| NT | 2.9 | 3.6 | 4.1 | 4.6 | 5.1 | 10.7% |
| Aust. | 172.7 | 206.0 | 246.9 | 336.5 | 372.6 | 10.7% |

[11] Department of Health and Ageing at the time of publication.

Note: Total expenditure for 2011–12 and 2012-13 includes state and territory expenditure for EACH funding for younger people with a disability.

Expenditure on EACHD continued to increase, reaching a total of $185.1 million in 2012–13, an increase of 15.8 per cent (Table 22).

**Table 22: Australian Government expenditure for EACHD, 2008–09 to 2012–13, by state and territory**

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011 12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 28.2 | 33.3 | 37.6 | 43.6 | 47.6 | 9.2% |
| VIC | 22.1 | 24.7 | 27.8 | 36.9 | 39.3 | 6.3% |
| QLD | 13.3 | 16.0 | 21.7 | 36.6 | 43.2 | 18.2% |
| WA | 6.9 | 10.2 | 14.2 | 23.9 | 32.3 | 35.2% |
| SA | 7.7 | 8.5 | 9.2 | 9.9 | 11.0 | 11.5% |
| TAS | 2.5 | 3.5 | 4.0 | 4.4 | 5.1 | 15.9% |
| ACT | 2.0 | 2.1 | 2.2 | 3.1 | 4.7 | 51.1% |
| NT | 0.9 | 1.2 | 1.2 | 1.5 | 1.9 | 25.9% |
| Aust. | 83.6 | 99.6 | 117.9 | 159.9 | 185.1 | 15.8% |

Note: Total expenditure for 2011–12 and 2012–13 includes state and territory expenditure for EACHD funding for younger people with a disability.

**What consumers pay**

Home care recipients also contribute to the cost of their care. While the Australian Government does not set the fees that home care recipients are asked to pay, it does set a maximum level for the daily fees that providers may ask care recipients to pay. Care recipients can be asked to pay a daily fee of up to 17.5 per cent of the single basic age pension ($8.69 from 1 July 2012 to 19 September 2012, $8.90 from 20 September 2012 to 19 March 2013 and $9.17 from 20 March 2013 to 30 June 2013). People on higher incomes may be asked to pay additional fees (limited to 50 per cent of any income above the single rate of basic age pension). Fees must be negotiated and agreed upon by both the care recipient and the service provider and no one may be denied a service because they cannot afford to pay.

During 2012–13, amendments to the Act included changes to means-testing arrangements. These new arrangements will affect care recipients who access home care services from 1 July 2014. Subordinate legislation to support the new means-testing arrangements will be developed during 2013–14.

In addition to contributing to the sustainability of the aged care system, the new means-testing arrangements are intended to be more equitable, by ensuring that those care recipients, who are in a position to do so, contribute to the cost of their care.

In the case of home care packages, income tested care fees will be applied consistently in home care, in contrast to the current system where different care recipients with the same income, receiving the same care, are charged different fees. Significant safeguards including caps on the care fees payable by recipients will be built into the new arrangements to limit the amount a person can be asked to pay.

**Home care viability supplement**

The Act provides for a viability supplement to assist service providers of home care and flexible care programs in rural and remote areas. This is available to eligible providers of home care and Multi-Purpose Services[12] providing home care and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The supplement recognises the high costs associated with attracting and retaining staff to rural and remote areas, and difficulties associated with resource availability that are faced by these services.

The Australian Government also provides a viability supplement to residential care services in rural and remote areas of Australia (see Section 6.4).

[12] The Multi-Purpose Service program is described in Section 7.2

# 6 Residential Care

Australian Government subsidised residential aged care is governed by the Act and the Aged Care Principles. Residential aged care provides a range of supported accommodation services for older people who are unable to continue living independently in their own homes.

At 30 June 2013, there were 2,718 aged care homes delivering residential care under these arrangements, with an average occupancy rate of 92.7 per cent over 2012–13. This compares to 92.8 per cent in 2011–12 and 93.1 per cent in 2010–11.

## 6.1 What is provided?

There are two main types of residential care in Australia; low level and high level care. While some aged care homes specialise in low or high level care, many homes also offer the full continuum of care, allowing residents to stay in the same home as their care needs increase (ageing in place). During 2012–13, work progressed on removing the distinction between low and high care which is due to take effect from 1 July 2014.

Low level care focuses on personal care services (help with the activities of daily living such as dressing, eating and bathing); accommodation; support services (cleaning, laundry and meals); and some allied health services, such as physiotherapy. Nursing care can be given when required.

High level care provides people who need almost complete assistance with most activities of daily living with 24 hour care, either by registered nurses, or under the supervision of registered nurses. Nursing care is combined with accommodation; support services (cleaning, laundry and meals); personal care services (help with dressing, eating, toileting, bathing and moving around); and allied health services (such as physiotherapy, occupational therapy, recreational therapy and podiatry).

Residential care is provided on a permanent or respite basis. Residential respite provides short term care on a planned or emergency basis in aged care homes to people who have been assessed and approved to receive it (see Section 4.2).

**Ageing in place**

For the continuing benefit of care recipients, the Act allows places allocated to an aged care home for low level care to be used for high level care as care recipients care needs increase from low to high care. The advantages of ageing in place for care recipients include less disruption, and continuity of care in a familiar environment. Ageing in place is not available in all circumstances, as it is dependent on the capacity of individual aged care homes to accommodate increased care requirements within their physical environment and staffing arrangements. In 2012–13, 57.6 per cent of operational residential care places that were allocated as low care were utilised for high care (Table 23).

**Table 23: Utilisation of operational residential care places, at 30 June 2013, by state and territory**

| State/Territory | Proportion of all operational residential care places utilised for high care | Proportion of all operational residential care places allocated as low care and utilised for high care |
|---|---|---|
| NSW | 72.2 | 51.7 |
| VIC | 73.7 | 57.0 |
| QLD | 75.9 | 61.8 |
| WA | 77.5 | 64.7 |
| SA | 80.3 | 65.9 |
| TAS | 76.2 | 59.9 |
| ACT | 75.1 | 59.8 |
| NT | 68.4 | 46.6 |
| Aust. | 74.6 | 57.6 |

**Extra Service**

Some aged care homes may be approved under the Act to offer extra service to recipients of residential care. This involves a significantly higher than average standard of accommodation, services and food. Approval may

be for the whole of a residential home or for a distinct part for a minimum of five places. Extra service does not affect the care provided to care recipients, as all aged care homes are required to meet designated care standards for all care recipients. Aged care services approved for extra service may charge care recipients an additional extra service daily amount. They may also charge accommodation bonds for recipients of both high care and low care. Aged care homes providing extra service attract a reduced residential care subsidy from the Australian Government.

Extra service increases diversity in the aged care sector by allowing care recipients to choose whether to pay the additional amounts for these additional services. When considering an application from an approved provider for extra service status, the Department must be satisfied that there will be significant benefits to current and future care recipients in the region if the application is approved, including increased diversity of choice and better access to continuity of care. Approval of extra service status must not be granted if it would result in an unreasonable reduction of access for supported, concessional or assisted care recipients or persons aged at least 70 years who would have difficulty affording an extra service amount. No more than 15 per cent of places in each state or territory may be approved to be offered as extra service.

At 30 June 2013, there were 24,281 residential care places approved for extra service status. The total number of places approved for extra service represented 11.2 per cent of all allocated mainstream residential care places and comprised 19,680 high care places and 4,601 low care places.

## 6.2 Who provides care?

Residential aged care is delivered to older Australians by service providers who have been approved under the Act. Matters considered in approving service providers include the applicants' suitability to provide aged care, which encompasses aspects such as suitability and experience of key personnel, previous experience in providing aged care, record of financial management, and ability to meet standards for the provision of aged care.

Approved providers are also required to comply, on an ongoing basis, with a range of responsibilities under the Act relating to factors such as quality of care, user rights, accountability requirements, and conditions relating to allocation of aged care places (see Appendix C).

The amount of aged care that an approved provider can deliver depends on the number of aged care places allocated to it under Part 2.2 of the Act. Under these arrangements, an approved provider can receive payment for care (subsidies) only for the specified number and type of aged care places allocated to it through the ACAR.

Occupancy rates for residential places averaged 92.7 per cent during 2012–13 (Table 24).

**Table 24: Occupancy rates of residential care places, at 30 June 2013, by state and territory**

| State/ Territory | NSW | VIC | QLD | WA | SA | TAS | ACT | NT | Aust. |
|---|---|---|---|---|---|---|---|---|---|
| Occupancy Rate | 92.6% | 92.1% | 92.6% | 93.6% | 94.7% | 92.4% | 93.5% | 91.1% | 92.7% |

Residential aged care in Australia is delivered by providers from the religious and charitable, community, for-profit and government sectors. In 2012–13 there were 216,477 allocated residential care places (Table 25).

**Table 25: Allocated residential care places, other than flexible care places, by provider type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NSW | 19,112 | 16,686 | 10,839 | 26,513 | 539 | 536 | 74,225 |
| VIC | 8,880 | 3,837 | 7,509 | 30,091 | 5,944 | 480 | 56,741 |
| QLD | 14,097 | 6,339 | 3,622 | 14,998 | 1,428 | 211 | 40,695 |
| WA | 5,380 | 2,734 | 2,180 | 7,141 | 73 | 341 | 17,849 |
| SA | 5,097 | 5,063 | 2,223 | 4,512 | 918 | 432 | 18,245 |
| TAS | 2,218 | 1,105 | 873 | 803 | 87 | 16 | 5,102 |
| ACT | 861 | 907 | 225 | 962 | 0 | 0 | 2,955 |
| NT | 504 | 135 | 26 | 0 | 0 | 0 | 665 |
| Aust. | 56,149 | 36,806 | 27,497 | 85,020 | 8,989 | 2,016 | 216,477 |

In 2012–13, the not-for-profit group (comprising religious, charitable and community-based providers) were responsible for 58.3 per cent of operational residential care places, for-profit providers were responsible for 36.2 per cent and government providers were responsible for 5.5 per cent (Table 26).

**Table 26: Operational residential care places, other than flexible care places, by provider type, at 30 June 2013, by state and territory**

| State/ Territory | Religious | Charitable | Community Based | For-Profit | State/ Territory Govt. | Local Govt. | Total |
|---|---|---|---|---|---|---|---|
| NSW | 17,891 | 14,699 | 9,945 | 21,303 | 539 | 447 | 64,824 |
| VIC | 7,569 | 3,449 | 6,847 | 24,464 | 5,534 | 480 | 48,343 |
| QLD | 12,425 | 5,592 | 3,194 | 10,644 | 1,288 | 150 | 33,293 |
| WA | 4,837 | 2,481 | 1,879 | 5,842 | 66 | 327 | 15,432 |
| SA | 4,713 | 4,818 | 2,089 | 4,141 | 908 | 430 | 17,099 |
| TAS | 2,086 | 993 | 869 | 641 | 87 | 16 | 4,692 |
| ACT | 686 | 704 | 225 | 435 | 0 | 0 | 2,050 |
| NT | 384 | 135 | 26 | 0 | 0 | 0 | 545 |
| Aust. | 50,591 | 32,871 | 25,074 | 67,470 | 8,422 | 1,850 | 186,278 |
| % of Total | 27.2% | 17.6% | 13.5% | 36.2% | 4.5% | 1.0% | 100% |

## 6.3 Who receives care?

The Australian Government funds residential aged care for people who are frail or disabled, require at least a low level of continuing personal care and are unable to remain living in the community without support. During 2012–13, a total of 226,042 people received permanent residential care in Australia's aged care homes. On 30 June 2013, there were 168,968 people receiving permanent residential care and 4,126 people receiving residential respite (Table 27).

**Table 27: Number of permanent and respite residents by level of care, at 30 June 2013, by state and territory**

| State/ Territory | Permanent High | Permanent Low | Respite High | Respite Low | Total |
|---|---|---|---|---|---|
| NSW | 45,888 | 12,439 | 936 | 861 | 60,124 |
| VIC | 35,296 | 8,305 | 337 | 681 | 44,619 |
| QLD | 24,967 | 5,529 | 295 | 202 | 30,993 |
| WA | 11,845 | 2,379 | 114 | 125 | 14,463 |
| SA | 13,455 | 2,276 | 268 | 148 | 16,147 |
| TAS | 3,516 | 716 | 59 | 42 | 4,333 |
| ACT | 1,519 | 391 | 20 | 18 | 1,948 |
| NT | 362 | 85 | 11 | 9 | 467 |
| Aust. | 136,848 | 32,120 | 2,040 | 2,086 | 173,094 |

Note: The number of residential care recipients is less than the overall number of places available because a small proportion of places are vacant at any one time and around two per cent of places are used for respite at any one time.

People entering into Australian Government subsidised residential care must first be approved as a care recipient under Part 2.3 of the Act. Under these arrangements, comprehensive assessments are conducted to take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs. This assessment is undertaken by an Aged Care Assessment Team (ACAT) (see Section 3.2). In emergency situations, a person in need of care may be placed in an aged care home before an ACAT assessment.

People who have been approved for care will often take time to consider their options, visit different aged care homes, settle their affairs and make arrangements with the home of their choice before entering care.

Table 28 shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT, by level of care.

This entry period measure is not a proxy for waiting time for admission to an aged care home. The ACAT recommendation is simply an option for that person. Many people who receive a recommendation for residential care may also receive and take up a recommendation for a home care package instead, or simply choose not to take up residential care at that time. The increased availability of home care, transition care and respite care has a significant effect in delaying entry into permanent care.

**Table 28: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment, by level of care at entry, during 2012–13**

| Level of care at entry | 2 days or less | 7 days or less | Less than 1 month | Less than 3 months | Less than 9 months |
|---|---|---|---|---|---|
| High care | 7.2% | 22.0% | 50.0% | 72.0% | 85.9% |
| Low care | 4.3% | 12.0% | 34.5% | 64.9% | 91.9% |
| All residents | 6.0% | 18.1% | 43.9% | 69.2% | 88.3% |

## 6.4 How is residential aged care funded?

The Act provides for a combination of public and private financing of aged care services.

During 2012–13, 68 per cent of the total funding for residential care is provided by the Australian Government. Subsidy and supplement payments are paid directly to approved providers of aged care services on behalf of the residents in those services. Residents who can afford to do so also contribute to the cost of their care and accommodation.

Subsidies and payments can be grouped into two main categories:

- care payments which include the basic subsidy amount, care related supplement and income-tested fees. These payments fund care and related services. In general, the Australian Government funds most of these payments, through the basic subsidy and supplements such as the oxygen and enteral feeding supplements. Residents who have sufficient income may be asked to contribute to the cost of their care through an income tested fee. The amount of subsidy payable by the Government is reduced by the amount of the income tested fee; and
- payments for accommodation and hotel-type services, which cover the cost of food, utilities and providing accommodation for residential care. These payments include the standard resident contribution (or basic daily fee), accommodation payments and related supplements. In most cases, residents pay for the majority of these charges, with the Government paying where residents cannot afford to make these payments.

**What the Government pays**

The Australian Government subsidises the provision of residential care to approved residents. The payment for each resident consists of a basic subsidy plus any relevant supplements. Since 20 March 2008, the amount of basic subsidy payable for permanent residents has been assessed by approved providers using the Aged Care Funding Instrument (ACFI). There are two levels of basic subsidy for respite residents based on whether the ACAT approves the resident as requiring high or low respite care.

The Government calculates the total amount of payment for each resident by determining the basic subsidy and applying relevant supplements and/or deductions as follows:

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI and, for respite residents, by the ACAT approval of the resident for care;
- plus a Conditional Adjustment Payment which is an additional percentage of the basic subsidies paid to eligible providers of residential care;
- plus any primary supplements for new supported residents or former concessional residents, transitional residents, respite residents, oxygen, enteral feeding and payroll tax;
- less any reductions in subsidy resulting from the provision of extra service, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment[13];

[13] The adjusted subsidy reduction was removed from former Government owned homes effective 1 July 2007. Transfers of places from Government to a non-Government owned service have the adjusted subsidy reduction removed from the date of transfer.

- less any reduction resulting from the income testing of residents who entered residential care on or after 1 March 1998; and
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (the last of which reduces fees and accommodation payments for residents who would otherwise experience financial hardship).

The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time the Australian Government's pension changes). The current rates of payment are available on the Schedule of Resident Fees and Charges on the Department's website[14] and from My Aged Care.

Australian Government funding for residential care subsidies and supplements has risen from $8.7 billion in 2011–12 to $9.2 billion in 2012–13 (Table 29). This includes funding appropriated through the Department of Social Services portfolio as well as funding for veterans in residential care through the Department of Veterans' Affairs. These combined appropriations are paid as subsidies and supplements to aged care homes through payment systems managed by the Department of Human Services.

The Department closely monitors the operation of the ACFI, including growth in expenditure. Over time, it was noted that Government funding per resident through the ACFI had been growing at a rate that is significantly higher than under the previous funding classification scale. On 1 July 2012 and 1 February 2013, the former Government implemented a range of measures to ensure that funding levels better matched the care needs of residents, and identified ways to manage future growth in ACFI subsidies to ensure that growth could return to historic levels. Each set of changes was developed in consultation with the aged care sector.

**Table 29: Australian Government recurrent residential care funding, 2008–09 to 2012–13, by state and territory**

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 2,248.1 | 2,429.6 | 2,734.4 | 2,998.9 | 3,115.1 | 3.9% |
| VIC | 1,626.8 | 1,801.4 | 2,032.8 | 2,237.8 | 2,363.3 | 5.6% |
| QLD | 1,127.9 | 1,268.6 | 1,407.5 | 1,573.8 | 1,655.2 | 5.2% |
| WA | 536.7 | 594.2 | 669.1 | 727.3 | 791.6 | 8.8% |
| SA | 680.2 | 736.1 | 800.7 | 872.6 | 911.8 | 4.5% |
| TAS | 167.7 | 177.8 | 196.1 | 215.3 | 234.7 | 9.0% |
| ACT | 61.3 | 68.9 | 80.9 | 91.0 | 96.9 | 6.5% |
| NT | 18.6 | 20.5 | 25.1 | 29.0 | 34.0 | 17.3% |
| Aust. | 6,474.0 | 7,097.1 | 7,954.4 | 8,738.4 | 9,192.0 | 5.2% |

Note: Totals may not sum exactly, due to rounding. Aust. totals also include amounts that cannot be attributed to individual states or territories. Table includes funding through the Department of Veterans' Affairs. Total expenditure for 2011–12 and 2012–13 includes state and territory expenditure for residential care funding for younger people with a disability.

Table 30 shows recurrent residential care funding broken down by different types of subsidies and supplements.

**Table 30: Summary of Australian Government payments by subsidies and supplements, 2008–09 to 2012–13**

**Basic Subsidy**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Permanent | 5,325.5 | 5,844.0 | 6,560.3 | 7,288.50 | 7,561.6 |
| Respite | 128.2 | 140.0 | 153.7 | 160 | 168.0 |
| Conditional Adjustment Payment | 471.0 | 518.0 | 581.9 | 645.5 | 674.9 |

**Table 31: Summary of Australian Government payments by subsidies and supplements, 2008–09 to 2012–13**

**Primary Care Supplements**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Oxygen | 10.2 | 11.9 | 12.8 | 13.4 | 14.6 |
| Enteral Feeding | 10.2 | 10.0 | 8.6 | 8.6 | 8.3 |
| Payroll Tax | 104.1 | 111.5 | 126.4 | 147.1 | 178.8 |
| Respite Incentive | 10.1 | 11.7 | 12.9 | 13.7 | 14.9 |

**Hardship**

[14] Current Australian Government subsidies and supplements

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Hardship | 5.0 | 4.4 | 4.0 | 3.6 | 3.4 |
| Hardship Accommodation | 0.4 | 1.2 | 2.1 | 2.9 | 3.7 |

**Accommodation Supplements**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Accommodation Supplement | 104.1 | 216.0 | 328.7 | 446.9 | 525.2 |
| Transitional Accommodation Supplement | 28.8 | 59.3 | 80.4 | 76.1 | 58.3 |

**Viability Supplement**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Viability | 14.8 | 15.9 | 20.6 | 28.4 | 28.6 |

**Supplements Relating to Grandparenting**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Concessional | 267.6 | 219.3 | 175.2 | 132.4 | 101.7 |
| Transitional | 28.1 | 21.8 | 17.4 | 14.2 | 11.3 |
| Accommodation Charge Top-up | 14.6 | 19.6 | 14.8 | 10.0 | 6.9 |
| Charge Exempt | 2.2 | 2.1 | 1.8 | 1.6 | 1.3 |
| Pension | 247.1 | 188.7 | 146.2 | 112.1 | 83.8 |
| Resident Contribution Top-up | | 4.0 | 12.5 | 12.6 | 5.2 |
| Basic Daily Fee | | | | | 1.5 |

**Reductions**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| Income Testing Reduction | -242.9 | -233.7 | -304.1 | -323.1 | -329.5 |
| Other Reductions | -61.8 | -57.6 | -60.4 | -60.5 | 0 |
| Other | 21.3 | 12.8 | 86.1 | 27.1 | 69.5 |

**Total of payments**

| Type of payment | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m |
|---|---|---|---|---|---|
| **Total** | **6,474.1** | **7,097.4** | **7,954.4** | **8,738.4** | **9,192.0** |

The average level of Australian Government payments for residents in aged care was $53,100, an increase of 3.3 per cent from 2011–12 (Table 31).

**Table 32: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient, by care level type, 2008–09 to 2012–13**

| Care Level Type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| High care | $48,500 | $51,550 | $55,100 | $58,900 | $60,050 | 1.9% |
| Low care | $17,700 | $20,150 | $23,000 | $24,700 | $25,000 | 1.2% |
| All residents | $40,000 | $43,050 | $46,900 | $51,400 | $53,100 | 3.3% |

**Care Payments**

The basic care subsidy is based on the appraised care needs of a resident by applying the ACFI. The ACFI consists of questions about assessed care needs, some of which are supported by specified assessment tools and two diagnostic sections. The ACFI consists of 12 questions and are rated by the aged care home on a scale of A, B, C, or D and used to determine the actual ACFI rating.

The ACFI has three funding categories or domains: Activities of Daily Living (ADL), Behaviour (BEH) and Complex Health Care (CHC). Funding in each of these domains is provided at four levels, namely high, medium, low or nil. The defined funding rates are set out in Table 32. The subsidy paid for a resident is made up of the sum of the amounts payable for the three care domains (ADL + BEH + CHC).

**Table 33: Daily ACFI subsidy rates at 30 June 2013**

| Level | ADL | BEH | CHC |
|---|---|---|---|
| Nil | $0.00 | $0.00 | $0.00 |
| Low | $30.90 | $7.06 | $13.90 |
| Medium | $67.28 | $14.63 | $39.60 |
| High | $93.21 | $30.82 | $57.18 |

Quarterly reports of the proportion of residents in each of the ACFI categories are provided on the Department's website[15].

The Conditional Adjustment Payment (CAP) provides financial assistance to residential care providers to encourage improvements in corporate governance and financial management practices.

Receipt of CAP funding by individual approved providers is voluntary and conditional on compliance with requirements set out in the *Residential Care Subsidy Principles 1997*[16]. During 2012–13, four approved providers chose not to participate in the CAP. Participating approved providers met the CAP requirements in 2012–13 by:

- participating in the 2012 aged care workforce census;
- satisfying the CAP staff training requirements for the 2012 calendar year; and
- satisfying the CAP audited financial reporting requirements, by lodging a written notice in respect to the 2011–12 financial year.

The CAP is calculated as a percentage of the basic subsidy payable in respect of each resident and has increased each year from the initial rate of 1.75 per cent in 2004–05 to reach a level of 8.75 per cent of the basic subsidy in 2010–11. The CAP continued at 8.75 per cent of the basic subsidy in 2012–13.

The CAP is also applied to the basic subsidy amounts in calculating the rates of payment for the Multi-Purpose Services program and the flexible services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Primary care supplements include the following:

- oxygen supplement, payable for residents (including respite residents) who have a medical requirement to receive oxygen treatment on an ongoing basis;
- enteral feeding supplement, which is payable for residents (including respite residents) who have a medical requirement to receive enteral feeding assistance on an ongoing basis. There is a higher level of supplement for non-bolus feeding and a lower level for bolus feeding;
- payroll tax supplement, which provides assistance to those providers who are required to pay state/territory-based payroll tax; and
- respite incentive, which is payable for each eligible day a respite resident is in care, in acknowledgment of the higher administration and care costs of respite care.

During 2012–13, additional supplements were developed to commence from 1 August 2013. A Dementia and Severe Behaviours Supplement and Veterans' Supplement became available for approved providers where a resident meets the relevant eligibility for each supplement.

Supplements are payable for some residents where the Secretary has made a determination that the imposition of care or accommodation payments would cause financial hardship for the particular resident For example, a hardship supplement and/or accommodation supplement may be payable. Care recipients can seek financial hardship assistance with their basic daily fee, income tested fee, accommodation charge or bond (see Section 8.5).

A resident contribution top-up supplement was payable for post 20 September 2009 phased residents to ensure that these residents were not discriminated against due to the aged care provider only being able to charge them a lower rate of basic daily fee. The maximum rate of this supplement was the difference between the standard resident contribution and the phased resident contribution. This supplement ceased on 20 March 2013 when the phased rate equalled the standard rate.

**Accommodation Supplement**

The accommodation supplement (which replaced the concessional resident supplement and pensioner supplement from 20 March 2008) is paid to approved providers on behalf of residents who have been assessed as not being able to meet all or part of their own accommodation costs. The accommodation supplement is only payable for eligible permanent residents who entered an aged care service from 20 March 2008.

[15] Department of Health and Ageing at the time of publication.
[16] Division 4, Part 10 Residential Care Subsidy Principles 1997.

The supplement ensures that providers receive the equivalent of the maximum accommodation charge for all residents either from the resident or the Government or from a combination of both (Table 33).

The level of a new resident's accommodation supplement depends on:

- the level of their assessable assets;
- whether the aged care service in which they are a resident meets the 1999 fire safety and 2008 privacy and space requirements; and
- whether the aged care service provides more than 40 per cent of its eligible care days to supported residents.

**Table 34: Movement in the maximum rate of the accommodation supplement**

| Date Range | Maximum Supplement |
|---|---|
| 20 March 2012 to 19 September 2012 | $32.58 |
| 20 September 2012 to 19 March 2013 | $32.76 |
| 20 March 2013 to 19 September 2013 | $33.29 |

A transitional accommodation supplement is available to approved providers for some permanent residents who entered low level care after 20 March 2008 and before 19 September 2011, for whom the level of the accommodation supplement would be less than the level of the pensioner supplement that it replaced.

An accommodation charge top-up supplement was payable for some pensioner high care residents who entered aged care from 20 March 2008 to 19 March 2010 to compensate providers for the lower cap on the maximum accommodation charge that applied to pensioners until 20 March 2010. It ensures that providers can receive the equivalent of the highest legislated maximum accommodation charge (for self-funded retirees) in respect of all residents, either from the resident or the Government or both.

**Viability Supplement**

The viability supplement for residential care is a payment made under the Act to assist aged care services in rural and remote areas with the extra cost of delivering services in those areas.

The residential viability supplement is payable for care recipients in residential care homes which meet specific criteria, such as the location of the service and the number of allocated places. Eligible services are generally those with fewer than 45 places and in less accessible locations.

From 1 July 2012, the 2011–12 expansion to the viability supplement became an ongoing component of the viability supplement. The expansion for residential aged care provided additional support to aged care homes in very remote to moderately accessible locations that target low care and aged care homes that provide specialist aged care services to Aboriginal and Torres Strait Islander people and people with a history of (or who may be at severe risk of) homelessness. During 2012–13, $5.1 million in additional funding was paid to 36 services under this expansion.

The Australian Government also provides a viability supplement to provide additional practical support to eligible Multi-Purpose Services, services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program and home care services in rural and remote areas (see Section 5.4).

During 2012–13, the Government contributed $47.5 million in viability supplement (Table 34).

**Table 35: Australian Government expenditure for the residential viability supplement, and the number of aged care homes receiving the residential viability supplement, during 2012–13, by state and territory**

| State/ Territory | Mainstream Residential Care Services | Mainstream Residential Care Services $'000 | National Aboriginal and Torres Strait Islander Flexible Aged Care Program | National Aboriginal and Torres Strait Islander Flexible Aged Care Program $'000 | Multi-Purpose Services | Multi-Purpose Services $'000 |
|---|---|---|---|---|---|---|
| NSW | 102 | 6,547.1 | 2 | 179.8 | 51 | 3,838.8 |
| VIC | 99 | 5,951.1 | 2 | 493.2 | 6 | 817.9 |
| QLD | 100 | 7,729.6 | 3 | 666.9 | 32 | 3,127.8 |
| WA | 31 | 3,267.7 | 2 | 282.9 | 29 | 3,422.3 |
| SA | 52 | 2,340.2 | 5 | 1,261.3 | 12 | 2,680.7 |
| TAS | 23 | 1,072.7 | 0 | 0.0 | 3 | 200.2 |
| ACT | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| NT | 11 | 1,699.0 | 9 | 1,892.3 | 1 | 57.9 |
| Aust. | 418 | 28,607.5 | 23 | 4,776.4 | 134 | 14,145.6 |

Note: Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement. At 30 June 2013, there were 143 operational Multi-Purpose Services, 134 of which received the viability supplement.

**Grand-parented payments**

Grand-parented supplements, which apply to only those residents retained on former arrangements (and do not apply to new residents) include:

- concessional supplement, payable for concessional and assisted residents who entered an aged care home from 1 October 1997 but before 20 March 2008 or transferred within 28 days: a higher level of concessional supplement is paid for all concessional residents in homes where more than 40 per cent of their post-30 September 1997 residents are concessional or assisted;
- transitional supplement, payable for residents who entered an aged care home prior to 1 October 1997 and has remained in the same home (in lieu of a determination of their concessional status);
- charge exempt supplement, payable for residents who were in high care (nursing home) on 30 September 1997 and who move to another home where they would otherwise be eligible to pay an accommodation charge. Aged care providers cannot ask charge exempt residents to pay the accommodation charge; and
- pensioner supplement, payable for residents who entered before 20 March 2008 and who were on an income support payment or who had a dependent child. The supplement recognises that pensioners who are aged care residents are not entitled to rent assistance with their pension.

In addition there are five classes of people for whom a hardship supplement is automatically paid resulting in a reduction in their basic daily fee. These classes are:

- Class A residents who are care recipients less than 21 years of age. These residents receive income of less than the age pension;
- Class B residents who are care recipients under 16 years of age. These residents seldom have income of their own;
- Class C residents who are self-funded retirees, who entered care prior to 20 March 2008, whose income is just above the pension cut-off and who may be disadvantaged by paying a higher (non-pensioner) rate of the basic daily fee;
- Class D residents who were in residential aged care prior to 1 October 1997 who lost eligibility for a payment called the residential care allowance. The automatic reduction in their fees is designed to leave them with income comparable to the amount they had retained after payment of their fees before the 1997 aged care arrangements; and

- Class E residents who were living in hostels on 30 September 1997 and who, with the alignment of nursing home and hostel fees, were left with less income after paying their fees. The automatic reduction in their fees is designed to leave them with an income comparable to what they received before the 1997 aged care arrangements.

Further details of financial hardship arrangements are set out in section 21-37 of the *Residential Care Subsidy Principles 1997.*

**What residents pay**
The Australian Government does not set the level of fees and accommodation payments that residents in aged care homes are asked to pay. However, it does set the maximum level of the daily fees and accommodation payments that providers of care may ask residents to pay.

**Daily Fees**
When a person enters residential care, an approved provider must offer the person a resident agreement that both the provider and the resident sign. The resident agreement sets out the policies and practices the provider will follow in setting fees for the resident and the resident's date of permanent entry to the aged care service. During 2012–13, the Department began implementation work on stronger means testing for residential aged care to take effect from 1 July 2014.

Fees for residents fall into four categories; basic daily fees, income tested fees, extra service fees, and additional service fees. Not all residents pay all types of fees.

The provider calculates the maximum daily amount that a resident may be asked to pay by:

- working out the applicable standard resident contribution, that is, the maximum basic daily fee;
- adding any compensation payment reduction that applies for the resident;
- adding any applicable maximum income tested fee for the resident;
- subtracting any hardship supplement that applies for the resident;
- adding any other amounts agreed between the provider and the resident in accordance with the User Rights provisions;
- adding the extra service amount if the resident is in an extra service place and receiving care on an extra service basis; and
- adding the eligible remote area allowance amount if the aged care service is located in a remote area.

The result is the maximum daily fee that a resident may be asked to pay.

All residents in aged care homes pay a basic daily fee (standard resident contribution). This fee is used by the home to cover costs such as cleaning, maintenance and laundry. Residents in financial hardship can apply for help paying the basic daily fee under financial hardship provisions.

The maximum basic daily fee is indexed on 20 March and 20 September each year at the same time as changes to the age pension.

From 1 July 2012, the maximum basic daily fee increased by one per cent to 85 per cent of the single basic age pension in recognition of increases to the cost of supporting aged care infrastructure as a result of the introduction of a carbon tax. At the same time, residents also received an increase in their government payments to assist with increases to the cost of living. For residents who do not receive any financial support from the Government, the Department introduced the basic daily fee supplement to ensure that these residents were not financially disadvantaged by the increase to the basic daily fee.

**There are four rates of basic daily fee. These are:**

- standard rate applies to most aged care residents, including full pensioners and some part-pensioners with lower amounts of private income;
- protected rate applies to people who were in permanent care on 19 September 2009, including part-pensioners with private income amounts above the income threshold and self-funded retirees;

- non-standard rate applies to certain people who entered care prior to 20 March 2008, including: self-funded retirees, pensioners who have agreed to pay a big bond, or residents who chose not to disclose their financial information to Centrelink; and
- phased rate applies to people who entered permanent care from 20 September 2009 to 19 March 2013, including part-pensioners with private income amounts above the income threshold for phased residents and self-funded retirees. From 20 March 2013, the phased resident rate equalled the standard rate.

From 20 September 2009 until 19 March 2010, the phased resident contribution was the same rate as the protected resident contribution (78 per cent of the single basic pension). For the period 20 March 2010 to 19 March 2013, the phased resident contribution increased every six months until it equalled 85 per cent of the single basic age pension (Table 35).

**Table 36: Phased resident contribution rate over time**

| If the particular day is in the period ... | The relevant percentage was… |
|---|---|
| 20 March 2010 to 19 September 2010 (inclusive) | 78% |
| 20 September 2010 to 19 March 2011 (inclusive) | 79% |
| 20 March 2011 to 19 September 2011 (inclusive) | 80% |
| 20 September 2011 to 19 March 2012 (inclusive) | 81% |
| 20 March 2012 to 30 June 2012 (inclusive) | 82% |
| 1 July 2012 to 19 September 2012 (inclusive) | 83% |
| 20 September 2012 to 19 March 2013 (inclusive) | 84% |
| 20 March 2013 onwards | 85% |

The resident contribution top-up supplement was in place to supplement the amount that providers received from these phased residents (for the period up to 19 March 2013) so that providers received the same amount as standard residents.

The income tested fee is paid by those residents who are assessed as having sufficient income to contribute to the cost of their care. Each resident is subject to an income test and the Government reduces the amount of care subsidies going to the provider (called the income test reduction amount) based on the amount that the resident's income exceeds the threshold amount. The provider can increase the amount of fee charged to the resident up to or equal to the income test reduction amount.

The maximum income tested fee payable by all post-2008 reform residents is equal to 5/12 of the resident's total assessable income in excess of the maximum income of a full single pensioner.

However, a resident's income tested fee cannot be greater than the lesser of:

- 135 per cent of the basic age pension; or
- the value of basic subsidies and primary supplements paid by the Government to the provider of the residential care services in respect of the resident.

The extra service amount is the maximum amount a provider can charge a resident for receiving extra service in a residential care home with extra service status (see Section 6.1). A resident in an extra service place pays an extra service amount in addition to other fees, which may include the basic daily fee and the income tested fee.

To obtain extra service status, providers must apply to set an extra service fee which must be approved in accordance with the Act. The extra service amount charged to residents equals the approved extra service fee plus 25 per cent of the approved fee. Extra service agreements between the resident and the provider should specify the circumstances under which the extra service amount can be increased.

The residential care subsidy paid in respect of residents who occupy an extra service place is reduced by 25 per cent of the approved extra service fee for that place.

The remote area allowance amount is added to the maximum daily fee for residents residing in an aged care home that is located in a remote area. Approved providers can check whether their aged care home is located in a qualifying remote area by contacting the Department of Human Services. The maximum amount an approved provider could charge during 2012–13 was $1.06 per day.

An approved provider may also charge a resident for additional services such as hairdressing, which the resident has asked the provider to provide. The amount of any charge for additional services must be agreed beforehand with the resident and an itemised account given to the resident once the service has been provided.

**Accommodation payments**

Income to assist with the capital costs of maintaining and upgrading aged care homes is available to service providers through resident and Government accommodation payments (accommodation charges, bonds and supplements), and through targeted capital assistance.

Entrants to high care are usually required to pay an accommodation charge, which is capped and its value is set at the time of entry. Entrants to low care may be asked to pay an accommodation bond, which is nominally uncapped; however, there is a requirement that the new resident be left with a minimum level of assets. All entrants to extra service can be asked to pay an accommodation bond.

The Australian Government assists those residents who do not have sufficient means to pay their accommodation payments.

An accommodation charge is payable by all high care residents not on an extra service basis, who can afford to pay. In 2012–13, providers received up to a maximum of $32.58 from 1 July 2012 to 19 September 2012, $32.76 from 20 September 2012 to 19 March 2013 and $33.29 from 20 March 2013 to 30 June 2013 per day in accommodation payments for all new residents entering high care, either as a Government supplement or a resident contribution, or a combination of the two, depending on the assessed value of the new resident's assets. The accommodation supplement is paid by the Australian Government for all new residents entering high or low care who have less than $40,500 (from 1 July 2012) in assets. For those with more assets, the Government supplement reduces, with the supplement cutting out altogether for those with more than $108,266.40 (from 1 July 2012) in assets.

In 2012–13, 75.9 per cent of homes collected accommodation charges, compared with 71.6 per cent in 2011–12. The average daily accommodation charge for new residents was $29.45 compared with $28.13 in 2011–12 (Table 36).

**Table 37: Proportion of homes collecting an accommodation charge and average daily accommodation charge for new residents, 2008–09 to 2012–13**

| Type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Homes collecting charges | 71.2% | 73.9% | 77.1% | 71.6% | 75.9% |
| Average daily accommodation charge for new residents | $19.82 | $22.51 | $25.14 | $28.13 | $29.45 |

Note: 2012–13 figures are preliminary and may be subject to change.

An accommodation bond is payable by all low care residents who can afford to pay at the time of their entry to aged care. Residents who enter permanent high level care in an extra service place can also be asked to pay an accommodation bond. Residents who have previously paid an accommodation bond and who are moving to high care may elect, with the agreement of the second home, to roll over their accommodation bond balance.

Residents can choose to pay an accommodation bond as a lump sum, a regular periodic payment or a combination of both. The bond amounts and the payment arrangements are negotiated between approved providers and residents.

The payment of a bond typically requires a significant rearrangement of the financial affairs of a resident, including sale or rental of the person's home, unless that asset is protected under the Act. A resident has up to six months for the bond to be paid, however interest generally will accrue from the date of entry.

Approved providers derive income from accommodation bonds by deducting monthly retention amounts and by retaining any earnings accruing from the investment of the bonds.

There are strict prudential requirements related to the accounting and handling of bonds collected by aged care providers. The Department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers' prudential arrangements (see Section 11.6).

At 30 June 2013, 81.4 per cent of aged care homes held accommodation bonds, compared with 84.7 per cent at 30 June 2012. The average accommodation bond agreed with a new resident in 2012–13 was $274,206 compared with $265,498 in 2011–12. The median bond amount in 2012–13 was $250,000 which is unchanged from 2011–12[17].

As shown in Table 37, the method of payment of bonds most frequently used was payment by lump sum.

**Table 38: Method of payment of accommodation bonds as a percentage of all bond-paying new residents, 2008–09 to 2012–13**

| Type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Lump sum | 89.3% | 89.6% | 90.3% | 88.8% | 89.7% |
| Periodic payments | 3.5% | 4.1% | 3.7% | 3.6% | 3.0% |
| Combination of lump sum and periodic payments | 7.4% | 6.3% | 5.9% | 7.6% | 7.3% |

Note: 2011–12 figures have changed as data has now been finalised. 2012–13 figures are preliminary and may be subject to change.

The size of individual bonds has increased substantially over recent years. The Australian Government has taken measures to strengthen the protection of residents' bonds, as a bond can represent a significant proportion of a resident's life savings (see Section 11.6).

Further information on residential care fees and charges can be found on the My Aged Care website or by calling 1800 200 422.

**Changes to accommodation payments**

Changes made to the Act during 2012–13 relating to the accommodation payment system starting from 1 July 2014 include:

- allowing residents, who can pay for their accommodation, to be able to choose whether they do this through a refundable deposit, a daily payment or a combination of these methods;
- providing residents, who can pay for their accommodation, with 28 days after entering care in which to decide on their method of paying for their accommodation;
- allowing providers to be able to receive refundable deposits (bonds) in high care for new residents; and
- removing the requirement for new residents to pay retention amounts.

> The Government will continue to supplement or meet the cost of accommodation on behalf of residents with low means.

Increases to the accommodation supplement paid for new or significantly refurbished services will support providers accommodating residents with low means, and encourage investment in residential aged care homes.

Changes to the accommodation payment system will require providers to publish prices and key features of the accommodation in advance. Accommodation prices (including any extra service amounts) above a threshold amount, to be determined by the Minister, will require the approval of the Aged Care Pricing Commissioner.

**Aged Care Pricing Commissioner**

The amendments made to the Act in 2012–13 introduced the role of the Aged Care Pricing Commissioner to improve transparency and ensure prices appropriately reflect value and other relevant considerations. The Aged Care Pricing Commissioner will be responsible for assessing applications from providers who wish to charge a price above the threshold determined by the Minister. The Aged Care Pricing Commissioner will also be responsible for assessing fee applications for extra service places from 1 July 2014.

[17] Accommodation bond and charge data for 2012–13 are based on preliminary results of the 2013 Survey of Aged Care Homes and are subject to further refinement following detailed analysis of the survey results.

**Means-testing**

Amendments to the Act in 2012–13 included new arrangements for means-testing in residential care. Subordinate legislation to support the new means-testing arrangements will be developed during 2013–14. New arrangements for means-testing will affect care recipients who access residential care services from 1 July 2014. The means-testing changes aim to be more equitable, by ensuring that those care recipients, who are in a position to do so, contribute to the cost of their care.

For those entering residential care, the new means-testing arrangements will mean that a person's contribution towards their accommodation and care costs will be determined on both their assets and income. Currently, asset rich and income poor residents may pay for all of their accommodation but little for their care, while income rich and asset poor residents pay for their care but do not contribute to their accommodation.

Significant safeguards including caps on the care fees payable by recipients will be built into the new arrangements to limit the amount a person can be asked to pay.

While these changes will help provide a more sustainable system, the Government will continue to provide significant and growing subsidies.

**Building activity**

Through accommodation payments, residential aged care providers can access funding to upgrade and maintain buildings. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes (Table 38).

A total of $932 million of new building, refurbishment and upgrading work was completed during 2012–13, involving 16.6 per cent of all homes. A further $1,628 million of work was in progress at 30 June 2013, involving 11.7 per cent of all homes. At 30 June 2013, 15.2 per cent of homes were planning building work.

**Table 39: Estimated building work expenditure by residential care services, 2008–09 to 2012–13**[18]

**Building Work**

| Work type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Estimated total building work completed during the year or in progress at 30 June 2013 ($m) | $3,005 | $2,358 | $1,953 | $1,850 | $2,560 |
| Proportion of homes that completed any building work during the year | 16.9% | 13.3% | 12.9% | 15.7% | 16.6% |
| Proportion of homes with any building work in progress at the end of the year | 10.0% | 7.5% | 5.6% | 6.9% | 11.7% |

**New Building Work**

| Work type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Proportion of homes that completed new building work during the year | 3.1% | 2.7% | 2.2% | 1.7% | 1.3% |
| Proportion of homes with new building work in progress at the end of the year | 2.40% | 1.5% | 1.5% | 1.7% | 2.1% |
| Estimated new building work completed during the year ($m) | $968 | $1,028 | $750 | $523 | $444 |
| Estimated new building work in progress at the end of the year ($m) | $731 | $441 | $428 | $464 | $739 |
| Proportion of homes that were planning new building work | 3.2% | 3.1% | 4.2% | 3.6% | 4.0% |

[18] Source: Survey of Aged Care Homes, 2009, 2010, 2011, 2012 and 2013.

**Rebuilding Work**[19]

| Work type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Proportion of homes that completed rebuilding work during the year | 0.78% | 0.98% | 0.4% | 0.8% | 0.8% |
| Proportion of homes with rebuilding work in progress at the end of the year | 1.19% | 0.64% | 0.9% | 0.8% | 1.5% |
| Estimated rebuilding work completed during the year ($m) | $280 | $155 | $116 | $85.3 | $190 |
| Estimated rebuilding work in progress at the end of the year ($m) | $342 | $216 | $245 | $251 | $454 |
| Proportion of homes that were planning rebuilding work | 1.5% | 1.7% | 2.2% | 1.8% | 2.8% |

**Upgrading Work**[20]

| Work type | 2008–09 | 2009–10 | 2010–11 | 2011–12 | 2012–13 |
|---|---|---|---|---|---|
| Proportion of homes that completed upgrading work during the year | 13.2% | 10.0% | 10.3% | 13.3% | 14.7% |
| Proportion of homes with upgrading work in progress at the end of the year | 6.7% | 5.5% | 3.2% | 4.3% | 8.5% |
| Estimated upgrading work completed during the year ($m) | $322 | $257 | $184 | $288 | $298 |
| Estimated upgrading work in progress at the end of the year ($m) | $362 | $261 | $231 | $237 | $435 |
| Proportion of homes that were planning upgrading work | 7.2% | 6.6% | 8.6% | 9.2% | 10.3% |

Note: 2011–12 figures have changed as data has now been finalised. 2012–13 figures are preliminary and may be subject to change.

**Capital assistance**

The Australian Government acknowledges that some homes may not be in a position to attract sufficient residents who can pay accommodation payments because, for example, of their rural or remote location or because the homes target financially disadvantaged people or people from special needs groups as defined in the Act. An ongoing program of targeted capital assistance helps providers who, as a result of such circumstances, are unable to meet the cost of necessary capital works.

In the 2012–13 ACAR, $51 million in capital grants were offered nationally to approved providers to undertake necessary capital works to establish, upgrade or expand residential aged care services.

Included in the results of the 2012–13 ACAR, $156.4 million in the final round of zero real interest loans were offered in respect of the development of 986 new and 257 provisionally allocated residential aged care places.

[19] Rebuilding work is defined as the complete demolition and reconstruction of an approved service on the same site.

[20] Upgrading work is defined as renovation or refurbishment of an existing service including extensions.

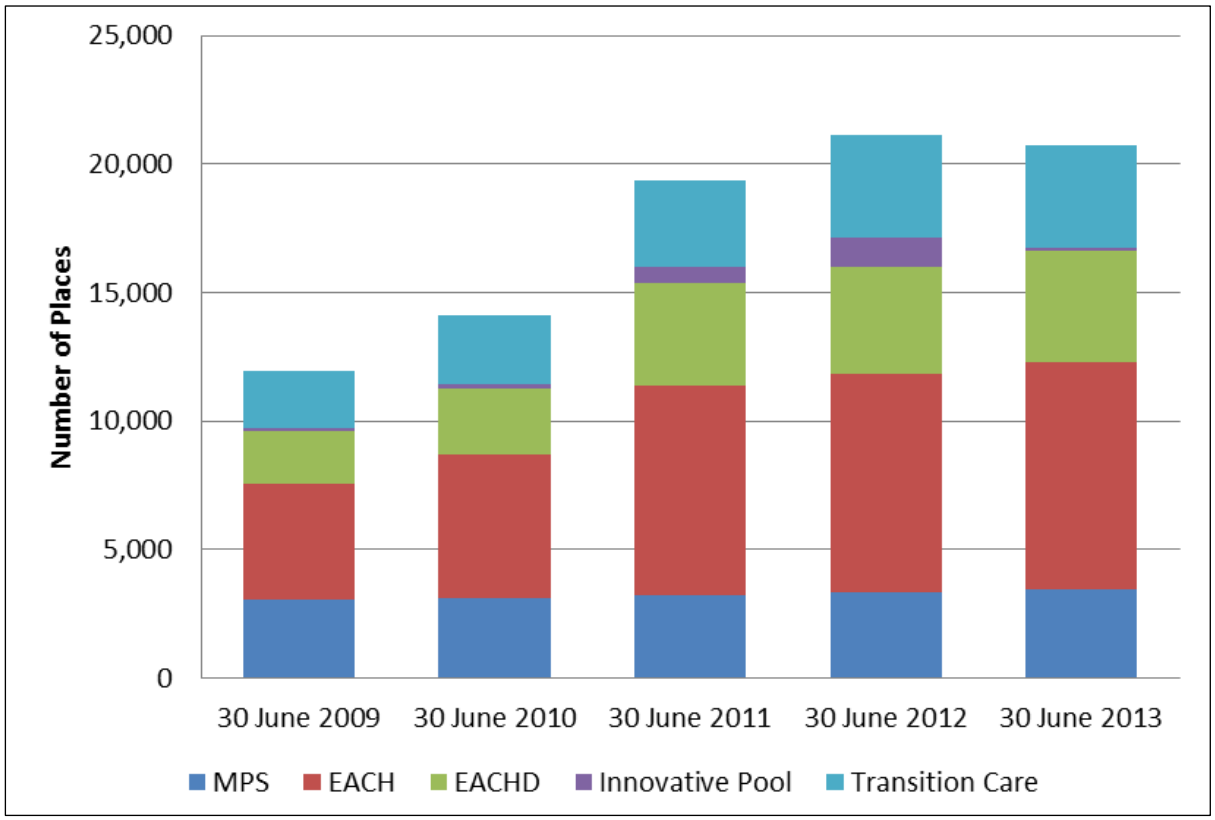
# 7 Flexible Care

Flexible care acknowledges that the needs of care recipients, in either a residential or home care setting, may require a different care approach than that provided through mainstream residential and home care. Five types of flexible care are provided for under the Act through Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages, Transition Care, Multi-Purpose Services and Innovative Care. Arrangements for the various types of flexible care are set out in the *Flexible Care Subsidy Principles 1997*.

As they are home based care, EACH and EACHD services provided under flexible care arrangements have been discussed in more detail in Section 5 – Home Care.

At 30 June 2013, there were 20,733 operational flexible care places (Figure 3). In 2012–13, 560 Consumer Directed Care (CDC) places were converted to mainstream CACPs, resulting in an overall decrease in operational flexible care places.

**Figure 3: Operational flexible care places, at 30 June 2009 to 2013**




Note: The number of flexible care places does not include places allocated under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Innovative Pool places included CDC places in 2010–11 and 2011–12.

The Australian Government funded CDC in home care and respite care programs to test an alternative model of care. CDC was a two year initiative which commenced in 2010–11 and provided older people and their carers with greater involvement and control over the design and delivery of home care services provided to them. There were 1,000 CDC places operational at 30 June 2012. From 1 July 2012, these places were converted to mainstream home care packages.

In addition, flexible models of care are also provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Services funded under this program provide culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to home, and are located mainly in rural and remote areas. These flexible aged care services operate outside the regulatory framework of the Act (see Section 8.1).

## 7.1 Transition Care

The Transition Care Program was established in 2004–05 as a jointly funded initiative between the Australian and state and territory governments. Transition care service delivery is managed by the state and territory governments and administered by their health Departments. Within the framework of the program, state and territory governments have the flexibility to determine service delivery models for transition care that best respond to local service and individual care recipient needs. All state and territory governments have entered into partnership arrangements with non-government organisations for the provision of transition care.

At 30 June 2013, there were a total of 4,000 operational transition care places nationally.

The Transition Care Program supports older people who would otherwise be eligible for residential care. To enter transition care an older person must have been assessed as eligible by an ACAT while they are an in-patient of a hospital. A person can only enter transition care directly after discharge from hospital.

The program provides time-limited, goal-oriented and therapy-focused packages of services to older people after a hospital stay. These packages include low intensity therapy (such as physiotherapy and occupational therapy), social work and nursing support or personal care. Transition care is designed to improve older people's independence and confidence after a hospital stay. It allows them to return home rather than prematurely enter residential care. The program also gives older people, their families and carers time to consider long-term care arrangements.

Transition care is provided for up to 12 weeks (with a possible extension of another six weeks) in either a home-like residential setting or in the community. In 2012–13, the average length of stay for completed episodes of transition care was 61 days.

Transition care is provided in metropolitan and rural settings. The Transition Care Program Guidelines were recently revised to increase the provision of transition care in rural and remote areas by allowing services to be provided in hospitals where appropriate. In addition, the revised Guidelines focus on Aboriginal and Torres Strait Islander communities and older people with dementia to maximise equitable access to transition care for these client groups.

At 30 June 2013, 3,424 people were receiving transition care. Overall 23,180 people received transition care in 2012–13 (Table 39).

**Table 40: Number of transition care recipients by state and territory, at 30 June 2013 and during 2012–13**

| State / Territory | Number of people receiving transition care at 30 June 2013 | Number of people who received transition care during 2012–13 |
|---|---|---|
| NSW | 1,187 | 7,240 |
| VIC | 877 | 6,352 |
| QLD | 608 | 4,591 |
| WA | 300 | 2,154 |
| SA | 312 | 2,031 |
| TAS | 86 | 498 |
| ACT | 43 | 240 |
| NT | 11 | 118 |
| Aust. | 3,424 | 23,180 |

Note: One recipient can receive multiple episodes of transition care throughout a year, and thus may be counted more than once.

Australian Government funding for the program is provided in the form of a flexible care subsidy for each person receiving transition care. In 2012–13, the Australian Government met, on average, 68.1 per cent of the recurrent costs of the program. Combined Australian Government and state and territory expenditure on transition care totalled $330.0 million in 2012–13 (Table 40).

**Table 41: Australian Government expenditure on transition care, during 2012–13, by state and territory**

| Expenditure type | NSW $m | VIC $m | QLD $m | WA $m | SA $m | TAS $m | ACT $m | NT $m | Aust. $m |
|---|---|---|---|---|---|---|---|---|---|
| Australian Government | 75.2 | 60.6 | 41.2 | 17.6 | 21.2 | 5.5 | 2.1 | 1.3 | 224.7 |

| Expenditure type | NSW $m | VIC $m | QLD $m | WA $m | SA $m | TAS $m | ACT $m | NT $m | Aust. $m |
|---|---|---|---|---|---|---|---|---|---|
| States and Territories | 25.6 | 37.9 | 18.5 | 9.2 | 6.9 | 5.8 | 1.3 | 0.1 | 105.3 |
| Total | 100.8 | 98.5 | 59.7 | 26.8 | 28.2 | 11.2 | 3.4 | 1.4 | 330.0 |

## 7.2 Multi-Purpose Services

The Multi-Purpose Service Program is a joint initiative between the Australian Government and all states and territories, except the Australian Capital Territory where such services are not needed. The program recognises that the delivery of some health and aged care services may not be viable in rural and remote communities if provided separately. By bringing the services together, economies of scale are achieved to support the services.

Multi-Purpose Services operate under the Act and deliver a mix of aged care, health and community services in rural and remote communities. In general, they are operated by state, territory and local governments, and are primarily located in hospital settings.

At 30 June 2013, there were 143 operational Multi-Purpose Services, with a total of 3,483 flexible care places (with some of the Multi-Purpose Services serving more than one location). During 2012–13, six new Multi-Purpose Services were established and the number of operational aged care places in Multi-Purpose Services increased by 4.4 per cent (Table 41).

**Table 42: Multi-Purpose Services and operational places, at 30 June 2013, by state and territory**

| State/ Territory | Multi-Purpose Services with Operational Places | Operational High Care Residential Care Places | Operational Low Care Residential Care Places | Operational Community Care Places | Total Operational Places |
|---|---|---|---|---|---|
| NSW | 55 | 706 | 235 | 119 | 1,060 |
| VIC | 7 | 225 | 131 | 19 | 375 |
| QLD | 32 | 255 | 143 | 141 | 539 |
| WA | 31 | 318 | 317 | 159 | 794 |
| SA | 14 | 383 | 210 | 14 | 607 |
| TAS | 3 | 66 | 21 | 15 | 102 |
| ACT | 0 | 0 | 0 | 0 | 0 |
| NT | 1 | 4 | 0 | 2 | 6 |
| Aust. | 143 | 1,957 | 1,057 | 469 | 3,483 |

Australian Government funding for Multi-Purpose Services is provided as a flexible care subsidy under the Act, depending on the number of flexible care places approved for each Multi-Purpose Service. Australian Government funding is combined with state and territory government health services funding to provide a range of integrated health and aged care services that meet the needs of the community.

There was continued growth in Australian Government expenditure for the Multi-Purpose Services Program, from $116.2 million in 2011–12 to $126.7 million in 2012–13 (Table 42).

**Table 43: Australian Government expenditure for Multi-Purpose Services, 2008–09 to 2012–13, by state and territory**

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| NSW | 30.8 | 32.9 | 36.7 | 38.8 | 41.8 | 7.7% |
| VIC | 9.8 | 12.8 | 8.6 | 12.4 | 12.6 | 1.4% |
| QLD | 12.7 | 13.8 | 15.8 | 16.2 | 18.5 | 13.8% |
| WA | 21.6 | 22.2 | 23.3 | 23.3 | 25.2 | 8.3% |
| SA | 16.5 | 19.1 | 20.1 | 20.9 | 24.5 | 17.3% |
| TAS | 3.3 | 3.4 | 3.5 | 3.6 | 3.8 | 6.6% |
| ACT | 0 | 0 | 0 | 0 | 0 | 0.0% |
| NT | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 2.1% |

| State/ Territory | 2008–09 $m | 2009–10 $m | 2010–11 $m | 2011–12 $m | 2012–13 $m | Increase: 2011–12 to 2012–13 |
|---|---|---|---|---|---|---|
| Aust. | 95 | 104.5 | 108.2 | 116.2 | 126.7 | 9.0% |

Note: 1st quarter payment of 2010–11 was pre-paid in 2009–10.
A percentage increase is reflected in the Northern Territory totals. This is not reflected in expenditure columns due to rounding.

## 7.3 Innovative Care services

Innovative care arrangements established under the Act support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group. The Aged Care Innovative Pool program was established in 2001–02 and provides opportunities to use flexible care places to test new approaches to providing care for specific target groups. Pilot projects that are approved under the Innovative Pool have clear client eligibility criteria, and have controlled methods of service delivery. Evaluation is an integral element of all projects.

At 30 June 2013, there were nine operational services with a total of 100 operational innovative care places. These services were operated by approved providers from the home care sector across five states.

The Australian Government provided $2.8 million nationally on projects funded under the Aged Care Innovative Pool program in 2012–13.

# 8 Support for People with Special Needs

One of the objectives of the Act is to facilitate access to aged care services by those who need them, regardless of race, culture, language, gender, economic circumstance or geographic location. To give effect to this objective, the Act designates certain people as 'people with special needs'.

On 1 July 2012, amendments occurred to the *Allocation Principles 1997* to specify a further class of people, namely people who are Lesbian, Gay, Bisexual, Transgender and Intersex as a special needs group. On 1 August 2013, an amendment to the Act moved all descriptors of people with special needs as named in the *Allocation Principles 1997* into the *Aged Care Act 1997.* Special needs groups that are now included in the Act from 1 August 2013 are:

- people from Aboriginal and Torres Strait Islander communities;
- people from culturally and linguistically diverse (CALD) backgrounds;
- veterans;
- people who live in rural or remote areas;
- people who are financially or socially disadvantaged;
- people who are homeless or at risk of becoming homeless;
- care-leavers;
- parents separated from their children by forced adoption or removal; and
- lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

In accordance with the Act's objectives, the Secretary may decide under section 12-5 of the Act that a number of aged care places will be made available to focus on the care of particular groups of people. People from special needs groups also have access to places allocated to service the needs of the general population. Under the *User Rights Principles 1997*, all aged care providers must have regard to the particular physical, physiological, social, spiritual, environmental and other health related care needs of individual recipients. Establishing and maintaining links with representatives of relevant community groups, and other support agencies and organisations, is regarded as an integral part of providing relevant levels of care and facilitating the provision of culturally appropriate care.

Similarly to the Act, the Commonwealth HACC program provides appropriate and accessible services to people who need them. In recognition that some people face greater challenges in accessing services, these groups include all those recognised under the Act as well as people with dementia.

## 8.1 People from Aboriginal and Torres Strait Islander communities

Conditions associated with ageing generally affect Aboriginal and Torres Strait Islander people substantially earlier than other Australians. Planning for aged care services provided under the Act is therefore based on the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 70 years or older for other Australians.

As well as having access to aged care services funded under the Act, Aboriginal and Torres Strait Islander people also have access to services funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. These services are funded and operated outside of the regulatory framework of the Act to deliver a mix of residential and home care services in accordance with the needs of the community. At 30 June 2013, there were 29 aged care services funded through this program to deliver 679 aged care places. The aim of the program is to provide culturally appropriate care close to the homes and communities of older Aboriginal and Torres Strait Islander people.

Funding is also provided for capital grants in order to support aged care services in remote areas and those providing care to Aboriginal and Torres Strait Islander people.

Aboriginal and Torres Strait Islander people can also access services funded through the Commonwealth HACC program. At 30 June 2013, the percentage of HACC Aboriginal and Torres Strait Islander people as a proportion of this group in the total population was 2.9 per cent.

**Support Services for Remote and Indigenous Aged Care**

Providers of aged care services located in remote areas face particular challenges in service provision. These challenges can include issues related to the operation of small services which may be remote from professional assistance and support. There may also be higher infrastructure and supply costs and difficulties in attracting and retaining staff.

In recognition of these challenges, the Department funds the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development and Assistance Program to assist aged care providers delivering services to Aboriginal and Torres Strait Islander people located anywhere in Australia, and aged care providers located in remote and very remote areas. This program makes available a range of professional services and emergency assistance. Professional services are provided to build the capacity of eligible aged care services and assist in the areas of care delivery, financial and organisational management and governance. Emergency assistance is provided to eligible residential aged care services to ensure the continuity of aged care services and improve the health, safety and well-being of care recipients. In 2012–13, funds of over $4 million were provided under the program.

## 8.2 People from culturally and linguistically diverse backgrounds

Older people seeking to access aged care services are increasingly from culturally and linguistically diverse (CALD) backgrounds and the needs and preferences of these groups can be very different. Aged care services need to be sensitive to the diverse needs and backgrounds of individuals when delivering care and support.

In Australia, an estimated 22 per cent of people aged 65 years and over were born overseas in countries other than main English speaking countries, which equates to more than 700,000 people. On 20 December 2012, the *National Ageing and Aged Care Strategy for people from Culturally and Linguistically Diverse backgrounds* was released. This Strategy will help inform the way Government responds to the needs of older people from CALD backgrounds and better support the aged care sector to deliver care that is sensitive, appropriate and inclusive. The Strategy contains goals for implementation from 2012 to 2017. The Department will report progress on the Strategy annually. A range of activities which support the achievement of strategy goals are funded through the Aged Care Service Improvement and Healthy Ageing Grants Fund (see Section 10.1).

At 30 June 2013, the number of recipients in care from CALD backgrounds totalled 28,352 in residential care and 12,487 in home care (Table 43).

**Table 44: Number of residents from CALD backgrounds in residential care and home care, at 30 June 2013, by state and territory**

| State/Territory | Residential Care | Home Care |
|---|---|---|
| NSW | 10,263 | 4,238 |
| VIC | 9,569 | 4,182 |
| QLD | 2,779 | 1,319 |
| WA | 2,427 | 1,383 |
| SA | 2,614 | 924 |
| TAS | 276 | 159 |
| ACT | 368 | 202 |
| NT | 56 | 80 |
| Aust. | 28,352 | 12,487 |

Older people from CALD backgrounds can also access services funded through the Commonwealth HACC program. At 30 June 2013, the number of CALD clients as a proportion of this group within the target population, where CALD is defined as country of birth, was 17.7 per cent.

## 8.3 People who are veterans

Veterans are designated as ‘people with special needs’ under the Act. The Department of Veterans’ Affairs issues gold and white treatment cards to veterans, their war widows and widowers and dependents, to ensure they have access to health and other care services that promote and maintain self-sufficiency, well-being and quality of life.

There were 27,132 gold or white treatment card holders in residential care at 30 June 2013 (Table 44), a decrease from 27,488 at 30 June 2012.

**Table 45: Number of gold or white treatment card holders in residential care, at 30 June 2013, by state and territory**

| NSW | VIC | QLD | WA | SA | TAS | ACT | NT | Aust. |
|---|---|---|---|---|---|---|---|---|
| 9,677 | 6,648 | 5,283 | 1,997 | 2,364 | 801 | 341 | 21 | 27,132 |

Note: These figures are preliminary and may be subject to change.

## 8.4 People who live in rural or remote areas

The aged care planning system outlined in the Act ensures that aged care places are provided in rural and remote areas in proportion to the number of older people who live in these non-metropolitan areas.

In recognition of the higher costs of providing care in those regions, some aged care services in rural and remote areas receive a viability supplement. The viability supplement aims to improve the capacity of small, rural aged care services to offer quality care to older people.

In 2012–13, the Australian Government provided viability supplement funding for mainstream residential care ($28.6 million), home care ($5.1 million), Multi-Purpose Services ($14.2 million), and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program ($4.7 million).

The Multi-Purpose Services program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community, and to allow change as the community's needs change. The number of operational Multi-Purpose Services increased from 137 services at 30 June 2012 to 143 services at 30 June 2013. Some Multi-Purpose Services provide services at more than one location (see Section 7.2).

The Australian Government also provides funding to assist aged care services operating in remote areas, and those providing care to Aboriginal and Torres Strait Islander people (see Section 8.1).

## 8.5 People who are financially or socially disadvantaged

Frail older people who are financially or socially vulnerable are protected from being disadvantaged in gaining access to aged care services. There are special arrangements under the Act for supported residents, assisted residents and concessional residents in residential care and hardship provisions for care recipients in residential care. In home care, a person may not be denied a home care package because they cannot afford to pay. Support is also provided for people in insecure housing arrangements.

**Supported, concessional and assisted residents**
Arrangements established under the Act mean that older people can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to supported, concessional and assisted residents.

Supported residents are those who:

- entered care for the first time on or after 20 March 2008, or who re-entered care on or after 20 March 2008 after a break of more than 28 days (referred to as post-20 March 2008 residents); and
- have assets equal to or less than an amount determined by the Secretary to be the maximum asset threshold for supported resident status.

Concessional residents are those who:

- entered care before 20 March 2008 and who have not re-entered care on or after 20 March 2008 after a break of more than 28 days; and
- receive an Australian Government means-tested income support payment; and
- have not owned a home for the last two or more years (or whose home is occupied by a 'protected' person, for example, the care recipient's spouse or long term carer); and
- have assets of less than 2.5 times (or if the resident transferred after 20 September 2009, 2.25 times), the annual single basic age pension.

The criteria for determining assisted resident status are the same as for concessional resident status, except that an assisted resident has assets of between 2.5 (or 2.25 if the resident entered care after 20 September 2009) and 4.0 (3.61 if the resident entered care after 20 September 2009) times the annual single basic age pension amount.

Concessional residents and some supported residents do not pay accommodation bonds or charges. The Australian Government pays an accommodation supplement in respect of these residents equal to the maximum level of the accommodation charge. Assisted residents and some supported residents pay a reduced amount of accommodation bond or charge. The Australian Government also pays an accommodation supplement in respect of these residents but at a lower rate than in respect of fully supported residents because these residents also contribute to the cost of their accommodation.

For each aged care planning region, there is a minimum target ratio for supported and concessional residents to total residents, based on regional socio-economic indices. The lowest regional target ratio is 16 per cent and the highest is 40 per cent. The supported resident ratio includes supported, concessional and assisted residents, and certain residents approved under the hardship provisions.

The Australian Government gives additional supplements to aged care providers on behalf of supported, assisted and concessional residents. The amount of accommodation supplement paid for supported residents depends on the level of residents' assets, whether or not the service meets fire and safety requirements (see Section 11.4), and the proportion of residents in the service that are supported, concessional or assisted residents.

The rate of the concessional supplement depends upon the assets of the resident and whether or not more than 40 per cent of an aged care home's residents are supported, concessional or assisted residents.

Of the 226,042 people receiving permanent residential care during 2012–13, financial support with accommodation costs was provided for nearly 92,000 supported, concessional and assisted residents. In 2012–13, a total of $613.3 million was paid to approved providers as supplements for accommodation costs for residents who were unable to meet the full cost of their accommodation.

**Hardship Provisions**
Financial hardship assistance provisions under the Act cater for the minority of residents who have difficulty paying care fees and accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily fees, the income tested fee, accommodation charge, or accommodation bond. Where assistance is granted, an additional supplement may be payable by the Australian Government so that the aged care provider is not disadvantaged.

During 2012–13, the Department processed 1,440 applications for financial hardship assistance. Of these, 49 per cent were approved and 8 per cent were rejected as ineligible. Following advice from the Department, the remaining 43 per cent of applications were withdrawn when, for example, the Department was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the *Residential Care Subsidy Principles 1997* and Section 6.4.

The Australian Government provided $7.1 million in hardship supplements during 2012–13.

Amendments to the Act in 2012–13 introduced arrangements for care recipients receiving a home care package to be able to seek financial hardship assistance with their daily fee and income tested care fee from 1 July 2014. The expanded provisions coincide with the introduction of new income testing arrangements in home care for care recipients entering on or after 1 July 2014.

## 8.6 People who are homeless or at risk of becoming homeless

The Assistance with Care and Housing for the Aged (ACHA) program supports older people who are homeless or at risk of becoming homeless. The program links clients to suitable accommodation services with the aim of helping clients to remain in the community rather than inappropriately entering residential care. While accommodation support is a key feature of the program, clients are also referred to a range of care and other services to help them maintain their independence.

In 2012–13, Australian Government funding of $5.5 million was provided to the ACHA program, supporting 54 services to assist 5,390 people. This included new services in outer regional, remote and very remote areas of Australia where the incidence of older people who are homeless is highest. In 2012–13, 14 new or extended

ACHA services were funded to deliver services in regional, remote and very remote areas of Australia from January 2013.

As part of the viability supplement, support is available for eligible residential services specialising in care for people at risk of homelessness, low care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians (see Section 6.4).

In June 2013, it was announced that the Government would provide more than $29 million in additional funding over four years for a new Homeless Supplement to better support residential aged care homes providing care to people with a history of, or are at risk of, homelessness. The Homeless Supplement commenced on 1 October 2013.

## 8.7 Care-leavers

A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century. This includes the Forgotten Australians, former child migrants and Stolen Generations. Institutional care refers to residential care provided by a government or non-government organisation, including (but not limited to) orphanages; children's homes; industrial, training or farm schools; dormitory or group cottage houses; juvenile detention centres; and mental health or disability facilities.

The experiences of care-leavers while in institutional or out-of-home care may affect their ongoing well-being and have an impact on members of this group who need to access aged care services or enter an aged care home later in life.

## 8.8 Parents separated from their children by forced adoption or removal

On 1 August 2013, parents separated from their children by forced adoption or removal were included in the Act as a special needs group. This was in recognition of the traumatic experiences, health issues and socio-economic disadvantages that parents affected by those adoption practices are disproportionately likely to face. It also recognised the importance of the identification of people who may require assistance from time to time in ensuring that they receive appropriate aged care services that are sensitive to their care needs.

## 8.9 Lesbian, gay, bisexual, transgender and intersex people

The *National Lesbian, Gay, Bisexual, Transgender and Intersex Ageing and Aged Care Strategy* informs the way the Government responds to the needs of older LGBTI people and better support the aged care sector to deliver care that is sensitive, appropriate and inclusive. The Strategy contains goals for implementation from 2012 to 2017. The Department will report progress against this Strategy annually.

A range of activities which support the achievement of strategy goals are funded through the Aged Care Service Improvement and Healthy Ageing Grants Fund (see Section 10.1).

# 9 Aged Care Workforce

In supporting and encouraging improvements in the delivery of aged care and ensuring the best possible care for older Australians, a number of strategies have been implemented to support the development and maintenance of a sufficient and skilled aged care workforce.

## 9.1 Support for the Aged Care Workforce

Support for the aged care workforce includes training and education funded through the Aged Care Workforce Fund. Under the Aged Care Workforce Fund, $334.2 million is available over four years to 2015–16.

The Aged Care Workforce Fund's primary objective is to improve the quality of aged care by developing the skills of the aged care workforce by providing a range of training, education and support. This includes facilitating collaborations among the aged care, acute care, training and research sectors, providing targeted training strategies for priority target groups, such as Aboriginal and Torres Strait Islander people, responding to emerging issues, and supporting the introduction of innovative practices in aged care.

Following the establishment of the Aged Care Workforce Fund, Fund guidelines were developed in consultation with stakeholders. These guidelines were publically released in May 2012 and provide information on the operation and priorities for the Fund. The following projects are currently funded through this Fund.

**Aged Care Workforce Vocational Education and Training**

This project directly funds Registered Training Organisations to deliver relevant aged care certificate and diploma qualifications to personal care workers and enrolled nurses working in aged care. Qualifications eligible for funding range from entry-level aged care certificates, through to a management and leadership qualification and a Diploma of Enrolled Nursing.

The Department responded to the workforce development needs identified by approved providers of aged care across Australia in 2010–11, and provided funding up to June 2013 for approximately 10,700 full qualifications, including almost 1,500 Diplomas of Enrolled Nursing. This training commenced in the 2011–12 financial year.

The Department also funds Registered Training Organisations to deliver short course and skill set training to aged care workers. Palliative and dementia care are among the specifically targeted areas of need.

Organisations funded to deliver this training report that approved providers of aged care have expressed a high level of interest in the skill sets and short courses offered, such as the Medication Management skill-set. This funding ensures the delivery of specialist skills to those providing care to the most vulnerable older Australians.

In March 2012, funding was allocated for the delivery of almost 15,000 units of competency to aged care workers across Australia. This training commenced in the 2011–12 financial year.

**Dementia Workforce Training and Support**

This project, known as Dementia Care Essentials, provides funding for the delivery of dementia-specific units of competency to aged care workers across all states and territories, including nurses and ancillary staff employed in aged care homes. From 2011–2013 (to date) approximately 12,000 aged care workers received this training.

**Aged Care Education and Training Incentives**

The Aged Care Education and Training Incentives (ACETI) program which began in 2010, continues to provide financial support for aged care workers to undertake training to improve their skills and build a career in aged care. In 2012–13, 14,541 payments were made to the value of $10.7 million.

**Aged Care Nursing Scholarships**

The Aged Care Nursing Scholarships (ACNS) project provides financial support to eligible aged care workers to undertake nursing studies at a University or to attend continuing professional development activities. Scholarships are provided for undergraduate, postgraduate (including continuing professional development and nurse re-entry) and nurse practitioner courses. The Royal Australian College of Nursing administers these scholarships on behalf of the Department. Since July 2010, more than 2,200 aged care nursing scholarships have been offered. Of these, 751 scholarships were offered in 2012–13.

**Aged Care Student Nurse Clinical and Graduate Nurse Placements Projects**

The Aged Care Nursing Clinical and Graduate Placements projects aim to improve the quality of the clinical placement experience for student nurses and help graduate nurses transition into employment. Since 2011, 14 organisations have been funded, with up to 1,300 aged care nursing clinical and graduate placements expected to be delivered in aged care services across Australia through to June 2014.

**Nurse Practitioner Aged Care Models of Practice Initiative**

The Nurse Practitioner Aged Care Models of Practice Initiative, established in 2010–11, currently funds 30 organisations to deliver 31 projects through to June 2014. This Initiative aims to identify appropriate models of practice and promote access to nurse practitioner services in aged care. At 30 June 2013, there were 29 endorsed nurse practitioners and 16 nurse practitioner candidates, with the latter expecting endorsement by the end of the project period. The University of Canberra is undertaking a national evaluation.

**Teaching and Research Aged Care Services**

Teaching and Research Aged Care Services are aged care services that combine teaching, research, and care provision in one location to create a learning environment for aged care students and employees. In 2012–13, 16 projects were funded, with universities and aged care providers equally represented amongst the successful organisations. The funded projects will collectively support training and professional development in a range of disciplines including nursing, psychology, medicine, physiotherapy and occupational therapy. These projects have progressed well, and findings from the ongoing formative evaluation are being disseminated to the wider sector by the national evaluator, the Australian Workplace Innovation and Social Research Centre.

**Aboriginal and Torres Strait Islander Workforce**

In 2012–13, the Department continued to build and support the five Indigenous Employment Initiatives which provide over 750 permanent part-time positions for Aboriginal and Torres Strait Islander people in aged care services nationally. Funding for these positions includes award wages and accessing superannuation and leave entitlements.

These initiatives, which are funded under the National Partnership on Indigenous Economic Participation, form part of the commitments under Closing the Gap to halve the gap in employment outcomes for Indigenous and non-Indigenous Australians.

All of the employment initiatives include funding for training and development of workforce support, for example training resources, service delivery manuals and mentoring workshops.

In 2012–13, funding was provided for two training projects, the Northern Territory Aged Care Training Project, and the Rural and Remote Aged Care Training Project. These projects provide culturally appropriate models of accredited training to Aboriginal and Torres Strait Islander aged care workers on-site within eligible communities.

Under these programs, approximately 120 rural and remote Aboriginal communities in the Northern Territory, Queensland, Western Australia and South Australia are currently receiving training. At any one time more than 800 students are enrolled across the two projects, with training made available beyond those currently employed under the employment initiatives.

In 2012–13, the Department also provided 163 business and management traineeships to Aboriginal and Torres Strait Islander people under the Indigenous Remote Service Delivery program. Indigenous Remote Service Delivery Traineeships are available in remote and Aboriginal and Torres Strait Islander aged care and primary health care services and provide a range of training from certificate level to advanced diploma courses.

# 10 Ageing and Service Improvement

The Aged Care Service Improvement and Healthy Ageing Grants Fund enables the Australian Government to better support activities that promote healthy and active ageing, to better respond to existing and emerging challenges including dementia care and to better support services targeting Aboriginal and Torres Strait Islander people and people from diverse backgrounds.

## 10.1 Aged Care Service Improvement and Healthy Ageing Grants Fund

Support for aged care services and promoting healthy and active ageing are funded through the Aged Care Service Improvement and Healthy Ageing Grants Fund. Under this fund, approximately $379 million is available over four years to 2015–16.

Following the establishment of the Aged Care Service Improvement and Healthy Ageing Grants Fund, Fund guidelines were developed in consultation with stakeholders. These guidelines were publically released on 11 November 2011 and provide information on the operation and priorities for the Fund. The following projects are currently funded through this Fund.

**Activities that promote healthy and active ageing**

Through the Fund, the Government supports the National Seniors Productive Ageing Centre (NSPAC) to advance the knowledge and understanding of productive ageing to improve the quality of life of people aged 50 years and over. In 2012–13, the NSPAC released reports covering a range of ageing related issues including age discrimination, social engagement, financial literacy and mature age employment.

As part of the National Continence Program, the Continence Foundation of Australia (CFA) is funded to manage the National Continence Helpline which provides consumers, carers and health professionals with practical information and advice on bladder and bowel health. This confidential and free service is staffed by specialist continence nurse advisors. In 2012–13, the Helpline recorded a total of 27,255 episodes (an episode refers to an interaction with the Helpline via phone, email or fax).

The National Public Toilet Map provides locations, opening times and disability access information for over 16,000 public toilets across Australia. The Toilet Map can also be accessed via a smart phone application. In 2012–13, there were approximately 230,000 visitors to the Toilet Map website.

The Bladder Bowel website provides information about bladder and bowel health as well as incontinence prevention and management. In 2012–13, there were approximately 110,000 visitors to the website.

Funding is also provided to the CFA to undertake the Bladder Bowel Collaborative (BBC) project. This project promotes bladder and bowel health through a range of educational and awareness-raising activities and events. Marketing and communications are a key component of the BBC project. From January to June 2013, a television campaign was aired targeting women aged 35 years and older (who are the largest demographic shown to be at risk of incontinence). The campaign was viewed by 1.1 million women[21].

**Existing and emerging challenges, including dementia care**

On 10 August 2012, dementia became the ninth National Health Priority Area. This will help drive collaborative efforts aimed at tackling dementia at national, local and state and territory levels.

In 2012–13, $39.2 million over five years was allocated to improve acute care services for people with dementia to ensure that people with dementia are better identified, and that there is better coordination of care. Support systems will also be developed and trialled to enable safe and appropriate hospital services. In 2012–13, the following activities and strategies began:

- an audit of dementia training in the acute care sector to determine what resources are available and identify gaps;
- promotion of the National Safety and Quality Health Service Standards as they relate to the care of people with cognitive impairment; and
- an activity in respect of environmental design and acute care.

[21] Based on post-analysis of the campaign using rating reports including program viewing habits and audience demographics.

Additionally, $41.3 million was provided to support people with dementia across the health system. Part of this funding included $26.8 million over five years for training and education in the primary care sector which is expected to commence early in 2014. A more timely diagnosis will allow greater opportunity for earlier medical and social interventions.

Also in 2012–13, $3.9 million was provided to five Dementia Training Study Centres. The aim of the Dementia Training Study Centres is to improve the quality of care and support provided to people living with dementia and their families, through the development and up-skilling of the dementia care workforce and the transfer of knowledge into practice. Successful activities included the development of postgraduate curricula across the five centres, a Dementia Teaching DVD, GP seminars and the development of specialist education and training resources for special needs groups.

In 2012–13, $18 million was provided for Dementia Behaviour Management Advisory Services (DBMAS). The DBMAS consist of multi-disciplinary teams that may include, but are not limited to, psychologists, registered nurses and allied health professionals. The DBMAS teams provided support and education for care workers in residential and home care programs and also for family carers. Activities in 2012–13 included education and tailored information workshops, clinical supervision and mentoring, as well as modelling behaviour management techniques. The DBMAS 24 hour a day telephone support service received 13,339 calls in 2012–13, an increase of over 1,000 calls from 2011–12.

The DBMAS was expanded to enable services to be provided within the acute and primary care sectors making support available for care workers and health care professionals in all care settings and in transitioning from one care setting to another.

Alzheimer's Australia continued to deliver the National Dementia Support Program, a suite of activities which aim to build capacity in dementia care. Services include:

- the National Dementia Helpline (1800 100 500) and referral service;
- counselling and support groups;
- early intervention programs such as Living with Memory Loss Program;
- operation of dementia and memory community centres including outreach activities in rural and remote regions;
- education and training for family carers, health professionals and care workers;
- awareness activities including Dementia Awareness Week (annually in September); and
- support for people with special needs.

In 2012–13, this program was expanded to include a national network of Younger Onset Dementia Key Workers. Younger Onset Dementia Key Workers are funded $23.6 million over five years and will provide a single point of contact to assist younger people with dementia to access the care and support services most appropriate for their needs.

In 2012–13, funding was provided to support the continuation of the Service Access Liaison Officer (SALO) projects across Australia. SALOs explore a range of approaches to support service access and inclusiveness for all people living with dementia including Aboriginal and Torres Strait Islander people, those from CALD backgrounds, people in rural and remote areas, LGBTI people and those experiencing or at risk of homelessness.

In 2012–13, 36 Commonwealth Respite and Carelink Centres continued to deliver the Dementia Education and Training for Carers program. This program aims to improve the quality of life of people with dementia by increasing the competence and confidence of carers through the provision of courses that enhance carers' skills, as well as providing support and access to information.

**Activities that build the capacity of aged care services to deliver high quality care**

A priority under the second open and competitive funding round for the Fund was to promote better practices in medication management within the aged care sector, to improve the health outcomes for older Australians. A number of projects were funded over the period 2012 to 2015. These include a project that aims to promote quality use of antipsychotic and benzodiazepine medicines in residential aged care; and another that aims to reduce the use of antipsychotic medicine by residents who have been prescribed this medication over a long term.

The Encouraging Better Practice in Aged Care (EBPAC) initiative aims to encourage and support the uptake of evidence-based, person-centered, better practice in Australian Government subsidised aged care services, through a focus on improving staff knowledge and skills and developing supporting resources/materials, to improve outcomes for aged care recipients.

While there are a number of existing evidence-based guidelines to assist aged care staff in providing appropriate care for residents and people in the community, it is recognised that there is a need to establish strategies to translate the evidence into everyday practice.

EBPAC consists of three elements; evidence translation projects, national rollout projects and resource management:

- evidence translation projects are the core element of EBPAC in providing grants to the aged care sector to implement evidence translation projects;
- EBPAC national rollout projects build on the successes of the EBPAC projects by rolling out the results more widely across the aged care sector; and
- resource management and dissemination activities increase the availability of evidence to support clinical practice and resources developed through the evidence translation projects to the aged care sector.

**Support activities that provide information and support to assist carers maintain their caring role**

In 2012–13, $1.8 million was provided to Carers Australia which provides carers with access to specialist information and advice, and emotional support as well as a pathway to counselling, support groups, education and training, advocacy, referrals and assistance in planning for the caring role.

In addition, $0.5 million was provided to support a project that assists carers to maintain their caring role through increasing their skills and providing training for carers.

**Support to services providing aged care to Aboriginal and Torres Strait Islander people and people living in remote areas**

Remote and Indigenous Capital Infrastructure and Support grants recognise the challenges faced by facilities operating in remote areas away from professional support. Projects funded in 2012–13 provided capital assistance to support the construction in communities identified as having critical unmet needs, support for upgrading of aged care buildings and major maintenance.

Aboriginal and Torres Strait Islander Assistance and Support grants assist aged care facilities provide services to Indigenous populations. In 2012–13, projects were funded to support provision of staff housing and acquisition of equipment essential for the delivery of aged care services, staff support, and emergency assistance for services to meet critical needs.

**Support for older people with diverse needs, particularly those from CALD backgrounds, care-leavers and people from LGBTI communities**

In 2012–13, grants were funded through the Fund to support older people from CALD backgrounds. Across the two rounds of the Fund held to date, a total of 60 projects have been funded that target people from CALD backgrounds. These projects involve activities such as capacity building, consultation and engagement, information translation and dissemination, and raising awareness.

Additionally in 2012–13, funding continued to support a Partners in Culturally Appropriate Care (PICAC) organisation in each State and Territory which provides support to aged care providers to deliver culturally appropriate care to older people from CALD backgrounds. These PICAC organisations undertake a range of activities and services including the provision of culturally appropriate training to staff of aged care services and dissemination of information on high quality aged care practices.

The Department also provides financial support to Government funded residential aged care services to access the Department of Immigration and Citizenship's Translating and Interpreting Services (TIS National). From 1 August 2013, this service was made available to home care providers. TIS National is available 24 hours a day, seven days a week and provides both telephone and onsite interpreting.

There are a number of projects currently being funded through the Fund to support older people from LGBTI communities. Across the two rounds of the Fund held to date, a total of 10 projects have been funded that target people from LGBTI communities. These projects involve activities such as capacity building, consultation and engagement, and raising awareness.

In 2012–13, the National LGBTI Health Alliance (the Alliance) was funded to develop and deliver a national rollout of LGBTI aged care awareness training to aged care providers. The training will be delivered through local sessions as well as through an e-learning module, and providers can register their interest on the Alliance's website.

# 11 Regulation and Compliance

Australians expect high standards of care and accommodation in aged care services. The Government's approach to quality and regulation, including the accreditation system for residential care and the quality reporting system for home care, emphasises providers accepting responsibility for providing, maintaining and improving services. If an approved provider is not meeting its obligations under the Act, the Department may take regulatory action. This action is aimed at protecting current and future care recipients' health, welfare and interests as well as returning the approved provider to compliance.

## 11.1 Approved provider regulation

To receive Australian Government subsidies for providing aged care, an aged care service must be operated by an organisation that has been approved under the provisions of the Act, and hold an allocation of places in respect of care recipients occupying those places in a service. In 2012–13, the Department received 141 applications from entities seeking approval as providers. Of these, 73 were approved, 43 were still being considered and 25 were withdrawn. At 30 June 2013, there were 1,686 approved providers.

An approved provider and associated key personnel must continue to be suitable under the legislative provisions. One of the obligations of an approved provider is to notify any changes in key personnel within 28 days. In 2012–13, approved providers notified 7,423 changes.

Approved providers of Australian Government funded aged care must comply with the legislative obligations as set out in the Act and the Aged Care Principles. The Department monitors compliance by approved providers with their responsibilities, and should the approved provider cease to be suitable, the Department is required to revoke approved provider status under the provisions set out in the Act. In 2012–13, it was necessary to revoke the status for two approved providers.

## 11.2 Community Care Quality Reporting

'Quality Reporting' is the Australian Government's process to promote ongoing improvement of the quality of aged care services provided in the community. It is a Government requirement that applies to providers funded for home care packages, NRCP and Commonwealth HACC services. Providers of these services must appraise their performance against the Community Care Common Standards and complete a quality report at least once during a three year cycle. On 1 August 2013, the common standards became the Home Care Standards.

From 1 July 2012, the Commonwealth assumed full responsibility for the Commonwealth HACC program in all states and territories with the exception of Victoria and Western Australia.

During 2012–13, the Commonwealth continued work with state and territory governments to clarify quality reporting arrangements for HACC services with the aim of minimising additional administrative burden.

In 2012–13, quality reviews were completed on 560 out of a total of 1,513 (37 per cent) home care and NRCP outlets. Quality reviews were completed on a total of 203 Commonwealth HACC services.

## 11.3 The National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework

The Quality Framework for aged care services funded under the National Aboriginal Torres Strait Islander Flexible Aged Care Program was finalised in July 2011.

The aim of the Quality Framework is to improve the quality of care provided by services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program by setting culturally appropriate standards for care delivery, information, governance, management and accountability.

A Quality Review is conducted at least once every two years for the ongoing assessment and monitoring of services' performance against the Quality Framework. During 2012–13, 18 of the 30 services were assessed under the framework. Since the framework's introduction all services have been assessed at least once, except for one service which commenced in 2012–13.

## 11.4 Residential care accreditation

The Act provides for an accreditation-based quality assurance system. Aged care homes must be accredited in order to receive Australian Government subsidies. The accreditation process assesses the performance of homes against the 44 expected outcomes of the four Accreditation Standards:

- management systems, staffing and organisational development;
- health and personal care;
- resident lifestyle; and
- physical environment and safe systems.

The Aged Care Standards and Accreditation Agency Ltd (Accreditation Agency) manages the accreditation of aged care homes in accordance with the *Accreditation Grant Principles 2011*. It is a wholly owned Australian Government company limited by guarantee subject to Corporations Law and the *Commonwealth Authorities and Companies Act 1997*. The Accreditation Agency's role is to promote high quality care through:

- managing the accreditation process using the Accreditation Standards;
- promoting high quality care and helping the sector to improve service quality, by identifying best practices and providing information, education and training to industry;
- assessing and strategically managing services working towards accreditation; and
- liaising with the Department about aged care services that do not comply with the Accreditation Standards.

During 2012–13, the Accreditation Agency conducted industry education and learning activities including:

- Better Practice conferences, attended by a total of 1,362 delegates;
- a series of one-day courses, attended by 834 participants, covering *Information systems and Making the most of complaints;*
- a three-day *Understanding Accreditation: a practical toolkit for homes* program directed at aged care managers, attended by 952 participants;
- Quality Education on the Standards (*QUEST*) sessions, delivered to 8,051 aged care staff, in topics including privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers - your role in aged care, continuous improvement for residential aged care, turning data into results and using resident feedback; and
- various presentations at industry conferences made by Accreditation Agency executives.

The Accreditation Agency has developed an e-learning strategy for aged care managers and staff to have improved access to its industry education programs.

Aged care homes must remain accredited to receive Australian Government subsidies. During 2012–13, the Agency conducted 5,689 visits to assess and monitor the performance of Australian Government subsidised aged care homes against the Accreditation Standards. These visits included:

- 931 re-accreditation site audits;
- 51 review audits, of which nine were unannounced; and
- 4,707 assessment contacts, of which 3,060 were unannounced.

All homes received at least one unannounced visit. There were a total of 3,069 unannounced visits comprising 3,060 unannounced assessment contacts, and nine unannounced review audits.

During 2012–13, 51 review audit decisions were made, as follows:

- 17 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 27 homes were the subject of a decision to vary accreditation; and
- seven homes were subject to a decision to revoke accreditation.

During 2012–13, the Accreditation Agency identified 181 homes (6.6 per cent) as not having met one or more of the 44 expected outcomes of the Accreditation Standards. Homes found to have not met the Accreditation

Standards were placed on a timetable for improvement, providing them with an opportunity to meet the Accreditation Standards.

At 30 June 2013, 2,581 of the 2,723 accredited homes (94.8 per cent) were accredited for three years.

Information about a home's accreditation status, including copies of the most recent accreditation and review audit reports, is published on the Accreditation Agency's website[22]. The Accreditation Agency also publishes an annual report which provides details about its operations.

As part of aged care reforms, the Australian Aged Care Quality Agency (Quality Agency) will replace the Accreditation Agency on 1 January 2014. The Quality Agency will be a new body prescribed under the *Financial Management and Accountability Act 1997.* The Quality Agency will assume responsibility for the quality review of home care services from 1 July 2014 and will be the sole agency that approved providers will deal with in relation to the quality assurance of the aged care services that they deliver.

## 11.5 Residential care certification

Residents expect high quality and safe accommodation in return for their direct and indirect contributions. The Department grants Certification to those residential aged care services that are able to provide suitable accommodation and care. A residential aged care service must be certified to be able to charge accommodation bonds or accommodation charges. Furthermore, to be eligible to receive the maximum level of the accommodation supplement, aged care services must meet the fire safety and privacy and space requirements.

Residential aged care buildings are assessed against the Department's Certification Assessment Instrument, which is based on the Building Code of Australia. The requirements of the Instrument do not override the building regulations within each state and territory. Through the Building Code, the state and territory building regulations set the minimum community standard for safety, health and amenity of buildings.

Aged care homes constructed before July 1999 are required to have no more than four residents accommodated in any room; no more than six residents sharing each toilet; and no more than seven residents sharing each shower or bath.

Aged care homes constructed after July 1999 are required to have an average, for the whole aged care home, of no more than one and a half residents per room; no room may accommodate more than two residents; there may be no more than three residents per toilet, including those off common areas; and there may be no more than four residents per shower or bath.

At 30 June 2013, 2,717 of the 2,718 residential aged care services met the privacy and space requirements. The one service that did not meet the privacy and space requirements is not eligible to receive the maximum level of the accommodation supplement. The service has commenced building works in order to meet the privacy and space requirements. A review of the service's certification is expected to occur in the second quarter of the 2013–14 financial year.

## 11.6 Compliance/sanctions

Approved providers of Australian Government funded aged care services must comply with responsibilities specified in the Act and the Aged Care Principles. These responsibilities encompass quality of care, user rights, accountability and allocation of places. The responsibilities of approved providers are set out in Appendix C.

The accreditation system for residential care and the quality reporting system for home care and home support requires providers to accept responsibility for providing, maintaining and improving service. The regulatory processes ensure that approved providers understand what actions need to be taken to rectify non-compliance.

Both the Accreditation Agency and the Department have a role in monitoring residential aged care services. In broad terms, the Accreditation Agency manages the accreditation process and assesses performance against the Accreditation Standards. The Department is responsible for managing the community care quality reporting program and monitors compliance with the Community Care Common Standards. The Department assesses the performance of approved providers with all their responsibilities under the Act and is responsible for taking regulatory action when approved providers breach their responsibility, including failing to implement improvements required by the Accreditation Agency or the Department.

[22] www.accreditation.org.au

**Protecting residents' safety**
**Allegations and suspicions of assault**

To help protect residents, the Act has compulsory reporting provisions. Services must report suspicions or allegations of assaults to local police and the Department.

This legal requirement ensures that those affected receive timely help and support and that operational and organisational strategies are put in place to prevent the situation from occurring again. Such strategies help maintain a safe and secure environment for residents. The police have the responsibility for substantiating the allegations.

**Reportable assaults**

A reportable assault is:

- unreasonable use of force on a resident, ranging from deliberate and violent physical attacks on residents to the use of unwarranted physical force;
- unlawful sexual contact, meaning any sexual contact with residents where there has been no consent.

Services make a report based on a suspicion or allegation. This means services must make a report if someone suspects that an assault may have occurred or if someone has witnessed or been informed of a reportable assault.

**Unlawful sexual contact**

Unlawful sexual contact refers to non-consensual sexual activity involving residents in aged care homes. Reporting requirements under the law are designed to protect vulnerable residents, not to restrict their sexual freedoms.

When aged care staff first have a suspicion of a reportable assault or become aware of an allegation of a reportable assault, they should report it immediately to the most senior member of staff on duty. Within 24 hours, a service must report the incident to local police and the Department.

There are limited circumstances where service providers have discretion not to report alleged assaults and unlawful sexual contact.

These relate to incidents:

- that have already been reported to police and the Department (for example, where multiple staff members report an assault to the service provider); and
- where the alleged assault was perpetrated by a resident with a previously diagnosed cognitive or mental impairment.

In applying their discretion not to report incidences involving a resident with a previously diagnosed cognitive or mental impairment, service providers are required to meet certain conditions, including:

- the resident who is alleged to have, or is suspected of committing an assault having a documented clinical assessment of mental or cognitive impairment prior to the alleged assault taking place; and
- developing, documenting and implementing strategies to manage the behaviour of the resident within 24 hours of becoming aware of an alleged assault.

In 2012–13, the Department received 2,256 notifications of reportable assaults. Of those, 1,878 were recorded as alleged or suspected unreasonable use of force, 349 as alleged or suspected unlawful sexual contact and 29 as both. With 226,042 people receiving permanent residential care in 2012–13, the incidence of reports of suspected or alleged assaults was 1.0 per cent.

People can make a report directly to local police or the Department without fear of reprisal from their employer. The Act provides certain protections for service staff who report, in good faith, suspicions or allegations of assault.

**Missing residents**

A resident is considered missing when they are absent and the service is unaware of any reasons for the absence.

The Department must be informed within 24 hours by service providers about missing residents in circumstances where:

- a resident is absent from a residential care service; and
- the absence is unexplained; and
- the absence has been reported to police.

The Department must also be notified where the provider was unaware that a resident was missing and the police returned the resident to the service before the service provider had the opportunity to lodge a report.

In 2012–13, there were 1,021 notifications of unexplained absences of care recipients.

**Sanctions**

In 2012–13, the Department issued 17 Notices of Decision to Impose Sanctions to 14 approved providers. On 30 June 2013, seven of these sanctions remained in place. Details of sanctions imposed in 2012–13 are included in Appendix D. In 2012–13, the Department also issued 50 Notices of Non-Compliance against aged care services in relation to quality of care and an additional six Notices of Non-Compliance against approved providers in relation to prudential matters.

The majority of cases of non-compliance with approved provider responsibilities were identified by the Accreditation Agency. A small number of cases were identified by the Department. In all cases of identified non-compliance, the Department assesses the risk to care recipients and determines if regulatory action will be initiated in order to return the approved provider to compliance with its responsibilities. During 2012–13, the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and personal Care and non-compliance with the Prudential Standards, reporting obligations and the responsibility to repay accommodation bonds as, and when, they fell due.

**Compliance/sanction information**

From 1 July 2009, additional information became available on the Aged Care Australia website in relation to compliance action taken by the Department against residential aged care services. This initiative followed representations from consumer and advocacy groups. From 1 July 2013, this information is now published on the My Aged Care website.

The information includes aged care services that have received a sanction, are currently the subject of a Notice of Non-Compliance or have received a Notice of Non-Compliance in the previous two years.

The information published on a Notice of Non-Compliance includes the name and address of the service, the name of the approved provider, the reasons for the Notice of Non-Compliance and the date of issue. Information is moved to the archived list when either the provider has resolved the non-compliance or has a sanction imposed on it.

**Risk Management for Emergency Events**

The Department works with the aged care sector, state, territory and local governments and emergency planning authorities to build the capacity of Australian Government subsidised home care, home support and residential aged care services to plan for and respond to emergency events.

Under the Act, the Accreditation Standards and the Community Care Common Standards require that all aged care services have emergency management plans and protocols in place to protect the health, safety and wellbeing of care recipients.

Between January and March 2013, flood and bushfire events in Queensland, New South Wales and Victoria led to the partial or complete evacuation of over 200 residents from five aged care homes. The Department liaised with state emergency management agencies and monitored and provided support to affected approved providers.

## 11.7 Prudential

Approved providers of residential and flexible aged care services that hold accommodation bonds and entry contributions must comply with the prudential requirements stated in the Act and the *User Rights Principles 1997*. The prudential requirements aim to protect accommodation bonds and entry contributions paid to approved providers by residents of aged care homes.

The prudential requirements are supplemented by the Accommodation Bond Guarantee Scheme (Guarantee Scheme) established under the *Aged Care (Bond Security) Act 2006.* This scheme guarantees that residents' accommodation bond and entry contribution balances will be repaid if their approved provider becomes bankrupt or insolvent and defaults on its bond refund obligations to residents.

Approved providers holding accommodation bonds or entry contributions must comply with four Prudential Standards: the Liquidity Standard, the Records Standard, the Disclosure Standard, and the Governance Standard. The Prudential Standards seek to reduce the risk that approved providers default on their bond refund obligations to residents by:

- requiring providers to systematically assess their future accommodation bond and entry contribution refund obligations and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due;
- requiring providers to establish and maintain a register that records information about bonds and the residents who pay them;
- requiring providers to establish and document governance arrangements for the management of accommodation bonds; and
- promoting the transparency of approved providers' management of accommodation bond and entry contribution funds by requiring disclosure to residents, prospective residents, and the Department, of information on the approved provider's prudential compliance and their financial position.

During 2011–12, the Department conducted regulatory activity to promote compliance with the prudential requirements, including assessing the Annual Prudential Compliance Statements (APCS) lodged by approved providers, and investigating cases of possible non-compliance.

The Prudential Standards require an APCS to be completed by each approved provider, disclosing compliance with the prudential requirements. In 2011–12, 1,088 approved providers were asked to complete and lodge an APCS by 31 October 2012. The APCS outcomes for 2010–11 and 2011–12 are seen in Table 45.

Approved providers reported through their APCS that at 30 June 2012 they held over 65,700 bonds with a total bond balance value of $13.1 billion. This is an increase of $1 billion (8.2 per cent) in bonds held on 30 June 2011. The average holding per approved provider was $12 million and it is estimated that the 10 largest bond holding approved providers and approved provider groups held $2.6 billion (23 per cent), of all accommodation bond monies.

**Table 46: Annual Prudential Compliance Statement outcomes, 2010–11 and 2011–12**

| **Annual Prudential Compliance Statement Reported Non-Compliance** | **2010–11** | **2011–12** |
|---|---|---|
| Approved providers that reported non-compliance | 100 | 180 |
| Approved providers that reported non-compliance with the Records Standard | 6 | 4 |
| Approved providers that reported non-compliance with the Disclosure Standard | 20 | 64 |
| Approved providers that reported non-compliance with the Liquidity Standard | 4 | 8 |
| Approved providers that reported non-compliance with the Governance Standard | N/A | 43 |
| Approved providers that reported late refund of accommodation bonds | 76 | 89 |

Note: 2012–13 data unavailable at the time of publication.

The level of compliance with the Prudential Standards is relatively high with over 83 per cent of providers compliant with all four prudential standards. In particular, over 99 per cent of providers reported compliance with the Records Standard, 94 per cent with the Disclosure Standard, 99 per cent with the Liquidity Standard and 96 per cent with the Governance Standard. The number of approved providers that have reported non-compliance rose from 100 to 180. This is largely due to new reporting requirements about the Governance Standard, Disclosure Standard and permitted uses of accommodation bonds that came into effect in the reporting

period. Some providers were yet to implement the necessary adjustments to fully comply with permitted uses at the time of submission; these providers relied on the two year transition period which was put in place to allow providers to become familiar with the new requirements and to make the necessary adjustments to comply with them.

The Prudential and Approved Provider Regulation Client Service Charter states the standards of service that regulated entities and aged care consumers can expect to receive in relation to prudential and approved provider regulation. Since the Charter's implementation in February 2011, the Department received over 4,000 enquiries and over 80 per cent were acknowledged within the service standard outlined in the Charter.

**Accommodation Bond Guarantee Scheme**

In the event that an approved provider becomes insolvent and defaults on the refund of accommodation bonds, the Guarantee Scheme enables the Government to refund all accommodation bond and entry contribution balances owed to residents by their approved provider. In return for the payment, the rights that each resident had to recover the amount from their approved provider are transferred to the Commonwealth so it can pursue the approved provider for the funds. The Guarantee Scheme is automatically triggered if the approved provider has been placed into bankruptcy or liquidation and there is at least one outstanding accommodation bond or entry contribution balance.

The Guarantee Scheme was not triggered during 2012–13.

## 11.8 Validation of providers' appraisals under the Aged Care Funding Instrument

Approved providers are accountable for the subsidies they receive based on the Aged Care Funding Instrument (ACFI) appraisals for funding classifications they complete to show the assessed care needs of their residents. The Department checks the accuracy of the appraisals to ensure that homes are correctly funded according to the care needs of their residents and that public expenditure is protected.

In 2012–13, 21,426 reviews of funding classifications under the ACFI were completed. Of these reviews, 3,414 (15.9 per cent) resulted in reductions in funding and 350 (1.6 per cent) resulted in increased funding classifications. The Department analysed the cause of the 15.9 per cent funding reductions and found that questions relating to the Complex Health Care domain had the highest level of downgrade followed by the Activities of Daily Living domain. During 2012–13, the Department also began using its ACFI compliance powers to address cases of significant and repeated failures to correctly apply the ACFI. At 30 June 2013, three approved providers were required to re-appraise all their aged care residents under section 27-3 of the Act.

If an approved provider is dissatisfied with a change to a funding classification made by a Departmental review officer, the provider can request a reconsideration of that decision. Decisions were reconsidered for 265 residents and 8 per cent of the 3,414 downgraded classifications involved 384 ACFI question decisions. Of the 265 cases the Department reconsidered, 129 (48.7 per cent) of Departmental review officer decisions were confirmed. In 113 cases (42.6 per cent), the original classification by the approved provider was reinstated. In the majority of these cases, the decision was changed because the approved provider was able to supply evidence that was unavailable at the time of the review visit.

# 12 Aged Care Complaints Scheme

During 2012–13, the Aged Care Complaints Scheme (the Scheme) continued to seek to achieve quality outcomes for recipients of aged care services.

The Scheme has facilitated proportionate and timely resolution of complaints since the new options for complaints resolution and risk assessment tools began in September 2011. Early resolution is used, where appropriate, to improve timeliness of resolution for the complainant and the service provider. More complaints are now being resolved through non-investigative techniques.

An independent audit of the operation of the Scheme was conducted by the Australian National Audit Office in late 2012. The audit found that the Department has made good progress in the implementation and ongoing management of the reformed Scheme. The audit also identified that overall, consumers were positive about the Scheme's renewed focus on the care recipient and more timely resolution of complaints.

Phase 3 of the Scheme's Strategic Plan (2012–13), *communicating outcomes and influencing industry,* was supported by:

- engaging with service providers and their staff throughout the complaints management process;
- presentations about the Scheme with consumers and industry at conferences and events;
- producing a suite of resources for industry, including the Better Practice Complaint Handling Toolkit, which focuses on effective complaint handling systems within the service;
- consulting extensively with industry, including better practice advice to share with aged care services and their staff;
- implementing measures to improve Scheme accessibility for socially isolated care recipients, including translating Scheme resources into 17 languages to support older people from CALD backgrounds; and
- increasing the Scheme's communication with aged care providers in the community following the introduction of Commonwealth HACC complaints on 1 July 2012.

The focus of Phase 4 of the Scheme's Strategic Plan (2013–14) is *leading good practice in complaints management.* Key priorities for the Scheme to achieve this next phase will include:

- further engagement with industry to share better practice complaint handling insights and advice, with the aim of contributing to continuous improvement in aged care;
- increasing awareness of aged care complaints and the Scheme with socially isolated care recipients, including those from Aboriginal and Torres Strait Islander, CALD and LGBTI communities; and
- continuing to educate industry on better practice in complaint management, for example, through resources on service providers' compulsory reporting responsibilities, What can we learn? reports and industry feedback alerts.

## 12.1 Overview of contacts with the Scheme

The Scheme responds to complaints regarding Australian Government subsidised aged care services such as residential care and home care. From 1 July 2012, the Scheme began responding to Commonwealth HACC program complaints.

The Scheme received 12,065 contacts in 2012–13. A total of 8,074 contacts were in-scope for the Scheme, representing 66.9 per cent of all contacts. A contact is in-scope when it relates to an approved provider's responsibilities under the Act or a Commonwealth HACC provider's responsibilities under the Commonwealth HACC Funding Agreement, including complaints, inquiries and notifications[23].

[23] In previous years, this report has included numbers in relation to allegations or suspicions of assaults and notifications of missing residents as part of the total in-scope contacts received by the Scheme. Although these reports continue to be made through the Scheme's telephone number (1800 550 552) these reports are not managed via the complaints resolution process. Data in relation to these reports can be found in Section 11 under 'Protecting residents' safety.'

Of the in-scope contacts, 72.5 per cent were open, that is, the person disclosed their name and contact details to the Scheme.

Of the in-scope contacts, 18.9 per cent were from an approved provider, 34.7 per cent were from a representative or family member of a care recipient and 8 per cent were from the care recipient themselves. The remainder of contacts were received from external agencies, other areas of the Department or from persons who wished to remain anonymous.

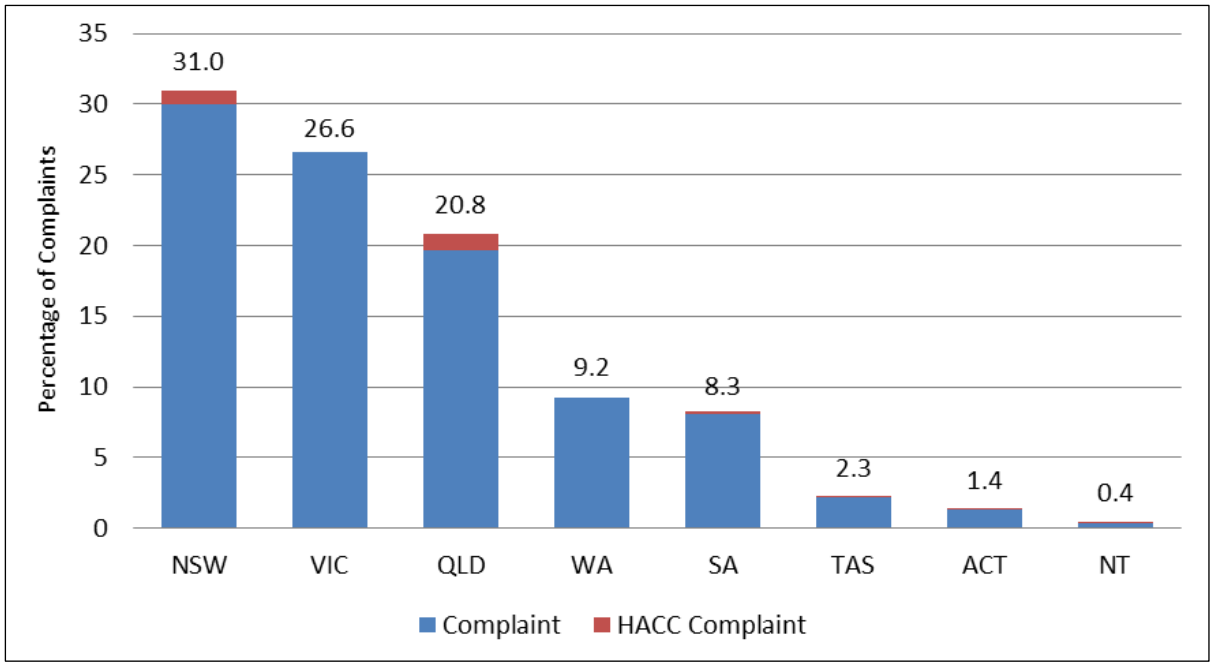
A total of 3,991 contacts were out-of-scope, representing 33.1 per cent of all contacts. A contact is out-of-scope when it is not related to an approved provider or an approved provider's responsibilities under the Act or a Commonwealth HACC provider's responsibilities under the Commonwealth HACC Funding Agreement. Where possible, the Scheme will provide the person making the contact with information about their options or they may be referred to the appropriate organisation.

Examples of out-of-scope contacts include complaints about retirement villages, questions about industrial matters and requests for legal or clinical advice.

**Complaints to the Scheme**

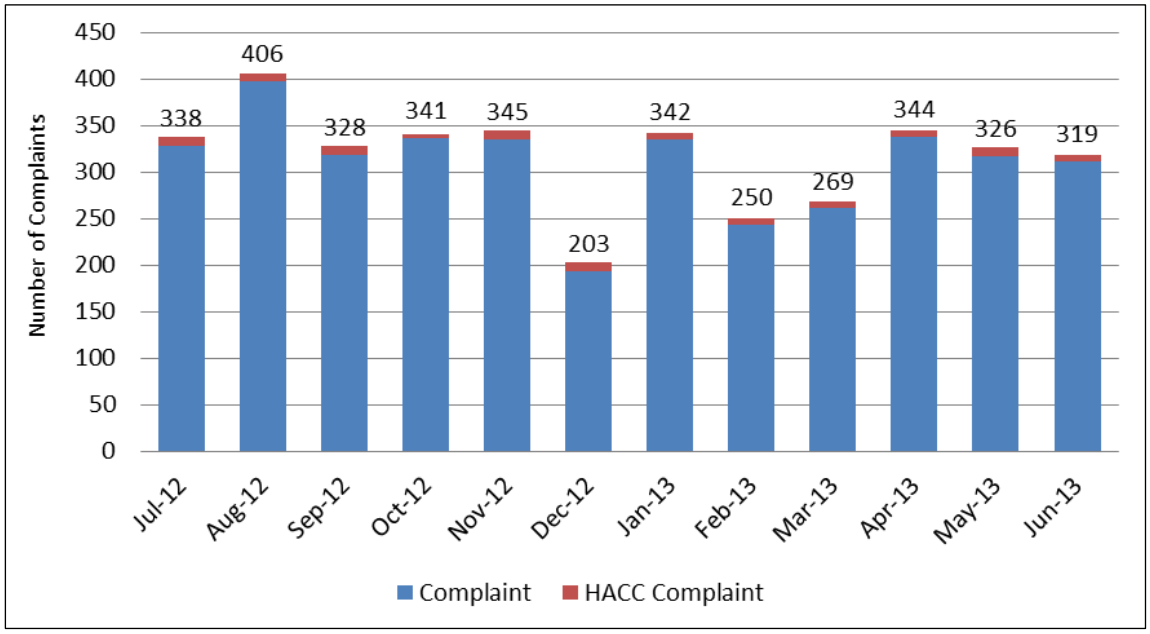
Of the 8,074 in-scope contacts, the Scheme received 3,811 complaints relating to Australian Government subsidised residential care, home care, flexible care and home support; on average 318 complaints were received each month. A breakdown of national complaints by state and territory can be seen in Figure 4.

**Figure 4: Percentage of total national complaints received in 2012–13, by state and territory**




The fewest number of complaints were recorded in December 2012 with the highest number of complaints recorded in August 2012 (Figure 5).

**Figure 5: Number of complaints received each month in 2012–13**




## 12.2 Average number of complaints per care type

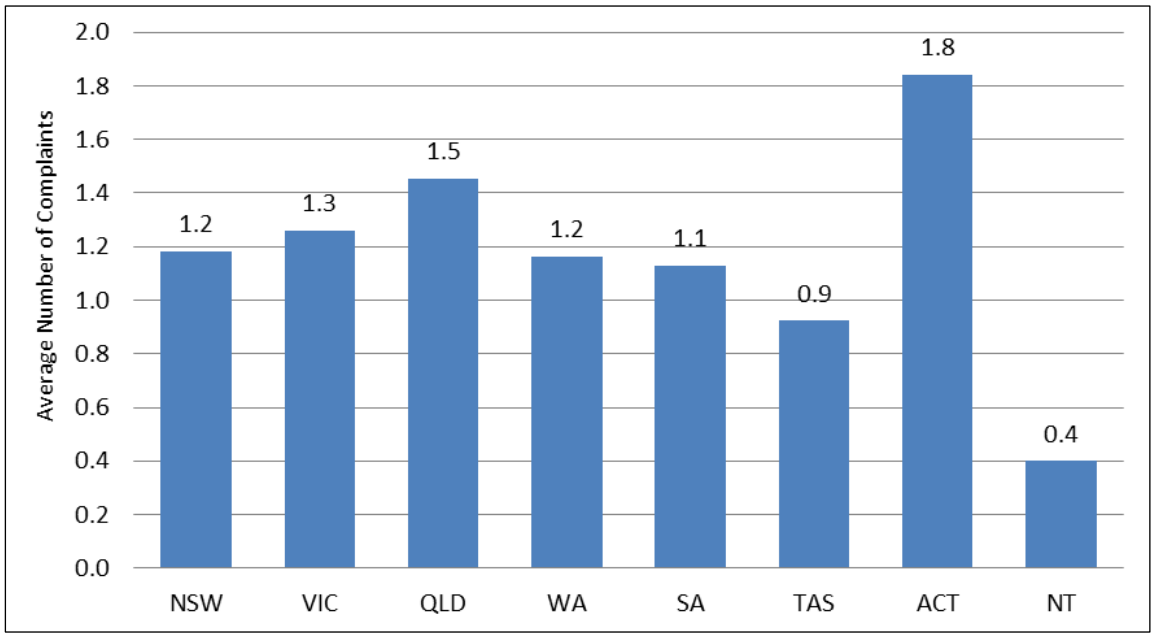
Of the 3,811 complaints received in 2012–13:

- 89.2 per cent (3,398) related to residential aged care services;
- 7.4 per cent (282) related to home care services;
- 2.5 per cent (94) related to Commonwealth HACC services; and
- 1.0 per cent of complaints (37) were not linked to a corresponding care type.

The national average was 1.2 complaints per residential care service (compared with 0.1 complaints per home care service and 0.1 complaints per HACC service). These figures are based on those residential care services that were operational on 30 June 2013.

State by state, the average number of complaints per residential care service ranged from 0.4 in the Northern Territory to 1.8 in the Australian Capital Territory (Figure 6). Numbers of complaints for home care services and Commonwealth HACC services are too small to be usefully reported by state and territory.

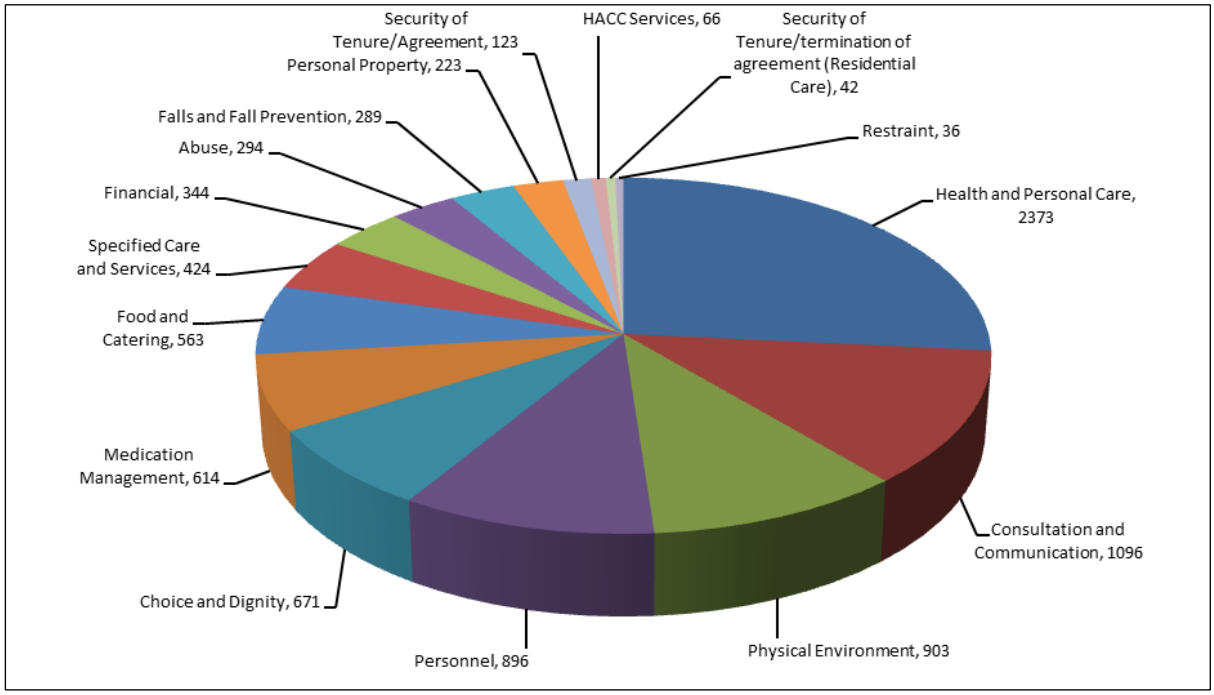
**Figure 6: Average number of complaints per residential aged care service in 2012–13, by state and territory**



## 12.3 Most commonly reported complaint issues

Complaints examined by the Scheme often incorporate more than one issue. In 2012–13, there were 8,957 individual issues identified within a total of 3,811 complaints. Figure 7 identifies the top 16 issue keywords identified in complaints to the Scheme in 2012–13.

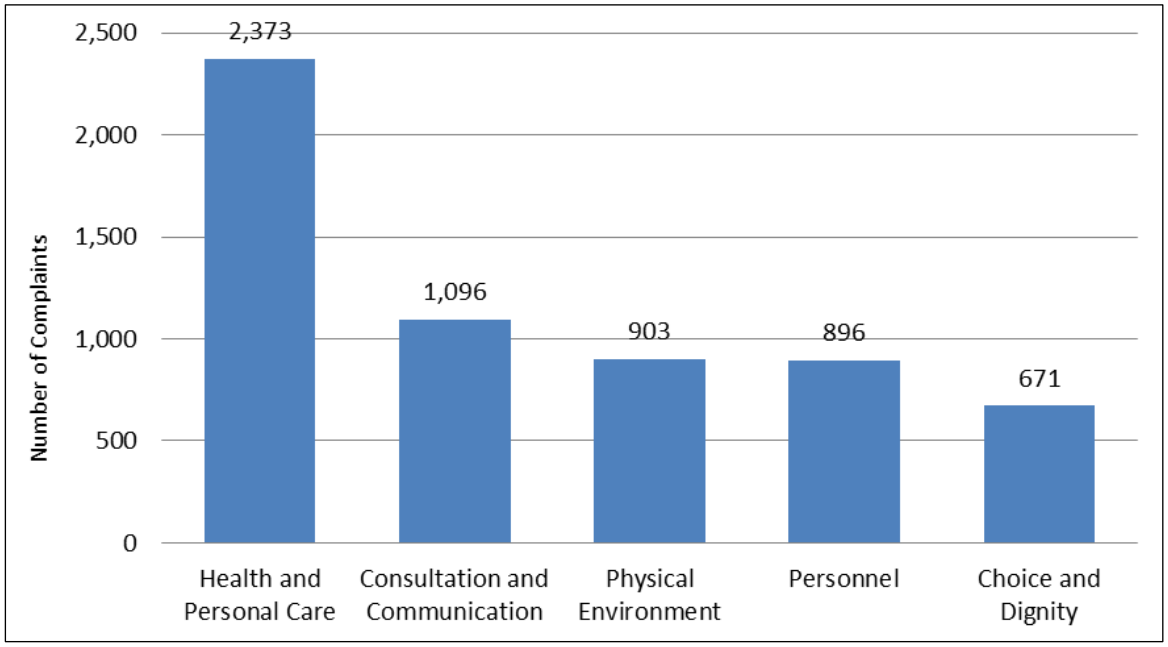
**Figure 7: Issues recorded in complaints to the Scheme in 2012–13.**




The top five (66.3 per cent) issues were (Figure 8):

1. Health and personal care for example infections, infection control, infectious diseases, clinical care, continence management, behaviour management and personal hygiene (26.5 per cent);
2. Consultation and communication for example internal complaints process, information, family consultation and failing to advise enduring powers of attorney or guardians (12.2 per cent);
3. Physical environment for example call bells, cleaning, equipment, safety and temperature (10.1 per cent);
4. Personnel for example number of staff and training/skills/qualifications (10.0 per cent); and
5. Choice and dignity for example the care recipient is treated with dignity and respect to live without exploitation, abuse or neglect (7.5 per cent).

**Figure 8: Top five issues recorded in complaints to the Scheme in 2012–13**

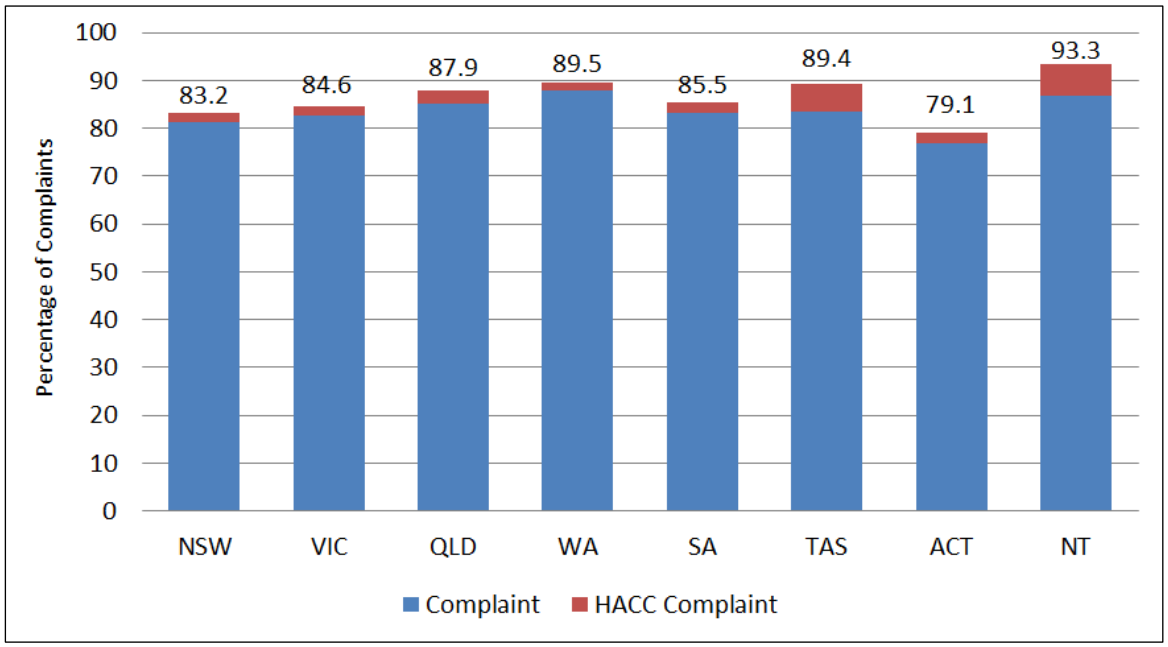



## 12.4 Complaints finalised

During 2012–13, the Scheme finalised 3,694 complaints, an average of 308 complaints finalised per month, nationally. This number includes some complaints which were received in 2011–12.

The Scheme released its Service Charter to the public in 2011. In this charter, the Scheme committed to resolve complaints within a benchmark timeframe of 90 days wherever possible. In 2012–13, the Scheme resolved 85.4 per cent of complaints within 90 days. On average, cases were resolved within 40 days. A breakdown by state and territory can be seen in Figure 9.

**Figure 9 : Percentage of complaints finalised in 90 days in 2012–13, by state and territory**

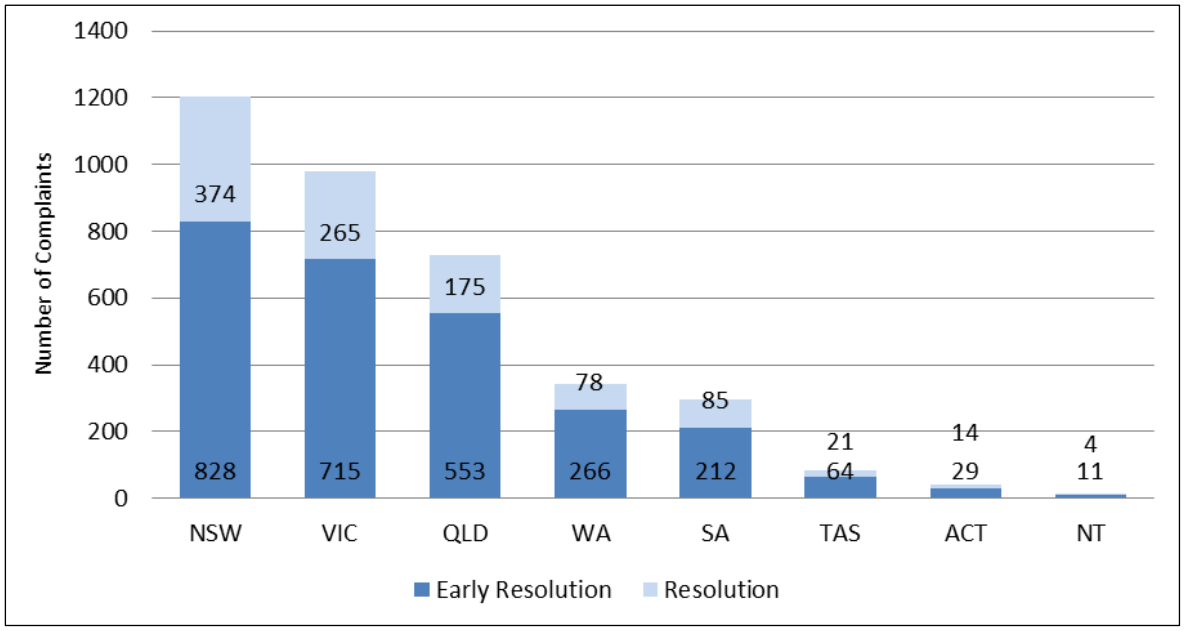



## 12.5 Early resolution vs. other resolution approaches

The Scheme aims to resolve concerns as soon as possible to achieve quality and timely outcomes for care recipients. In the Scheme this is known as early resolution. This may involve helping the complainant clarify their issues, assisting communication between complainants and the service provider and providing information.

During 2012–13, 72.5 per cent of complaints were finalised in early resolution, the remaining 27.5 per cent of complaints progressed to the resolution stage of the complaints process. The stages of complaints resolution for each state and territory can be seen in Figure 10.

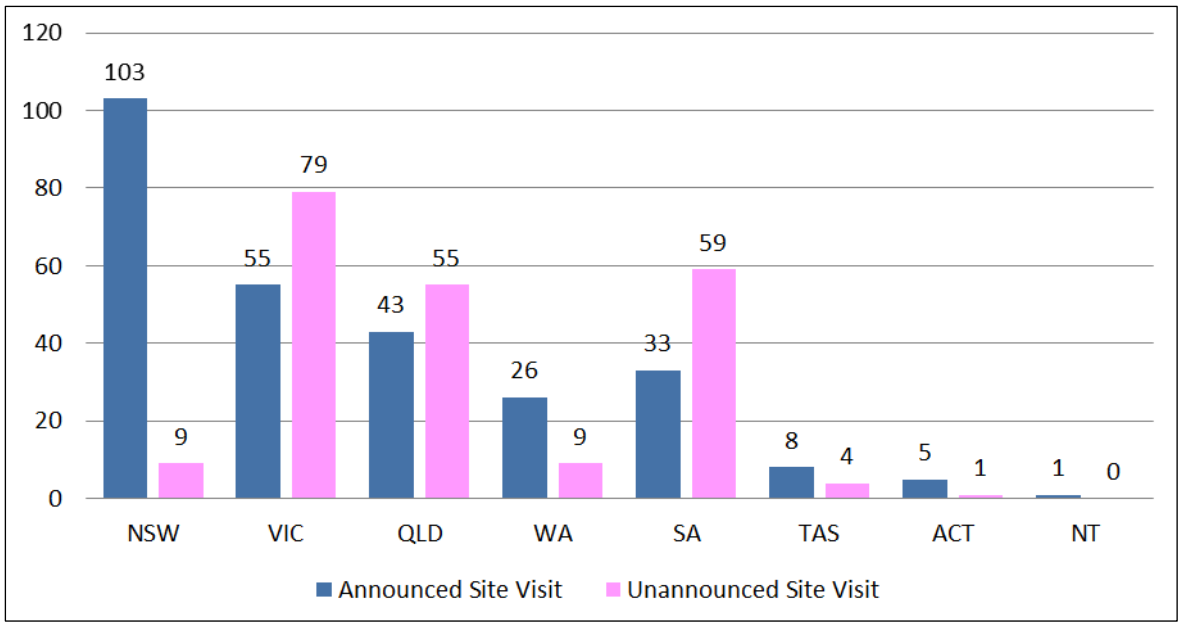
**Figure 10: Stage of complaints resolution in 2012–13, by state and territory**




## 12.6 Site visits

Scheme officers may visit either the approved provider's premises or the aged care service during the course of resolving a complaint. Visits may be announced or unannounced depending on the nature of the issue being examined. Officers conducted 490 visits in 2012–13, comprising 274 announced and 216 unannounced site visits. A breakdown of announced and unannounced visits can be seen in Figure 11.

**Figure 11: Announced and unannounced site visits conducted by the Scheme in 2012–13, by state and territory**



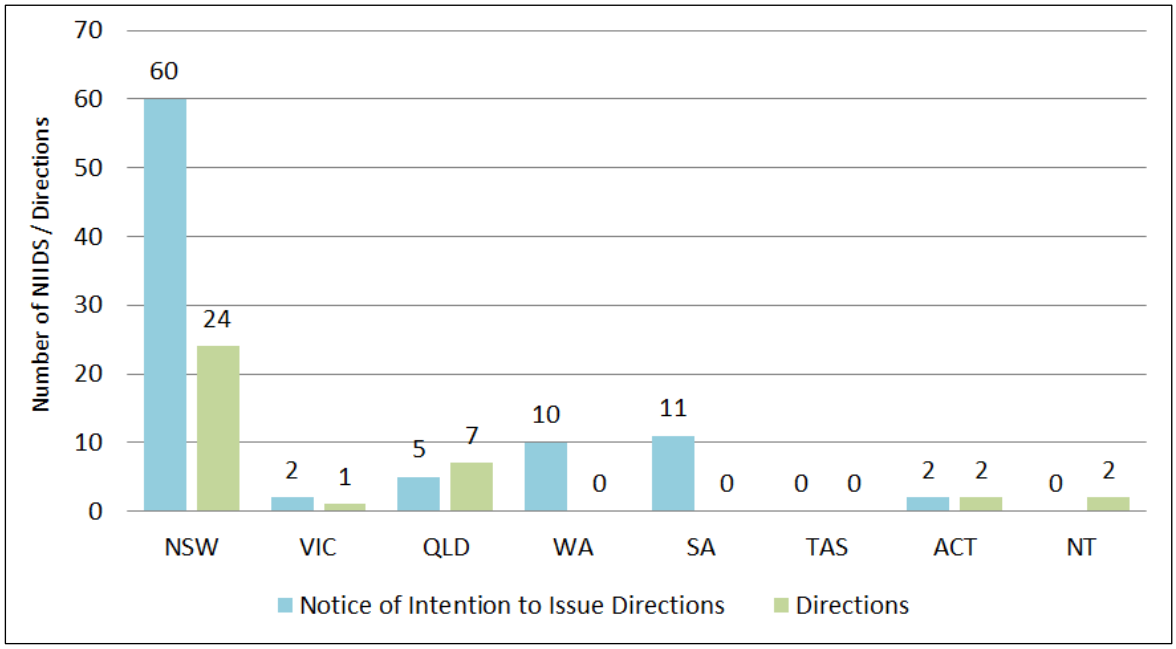

## 12.7 Directions (including notices of intention)

Directions require an approved provider to demonstrate how they have met or will meet their responsibilities under the Act.

Before issuing Directions, the Scheme will typically give a provider a Notice of Intention to Issue Directions (NIID). The NIID gives the approved provider the opportunity to demonstrate to the Scheme how they have, or will solve the issues. Depending on the approved provider's response to the NIID, the Scheme may or may not issue Directions.

Figure 12 indicates that in 2012–13, 90 complaints resulted in a NIID being issued. Of these, 11 ultimately resulted in Directions. In addition, there were 25 complaints where the Scheme decided to proceed straight to issuing Directions without a NIID.

**Figure 12: Notices of Intention to Issue Directions and Directions issued by the Scheme in 2012–13, by state and territory**




## 12.8 Referrals to external organisations

At any time, the Scheme may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal matters are referred to the relevant state or territory police service, while concerns regarding the conduct of a health professional are referred to the relevant health professional regulatory body, such as the Australian Health Practitioner Regulation Agency. Depending on the matters being referred, the Scheme may or may not continue to manage the complaint.

In 2012–13, the Scheme made 883 referrals to external agencies. Of these, 99.5 per cent (879) were made to the Accreditation Agency.

If the Scheme finds a problem that may be related to systemic issues within a residential aged care service, it may refer the matter to the Accreditation Agency while continuing to examine the original complaint. The Accreditation Agency will consider this information in its case management of residential aged care services. It may bring forward a visit already scheduled, change the scope of the planned visit or hold the information for the next planned visit.

Of the 879 referrals, the Scheme:

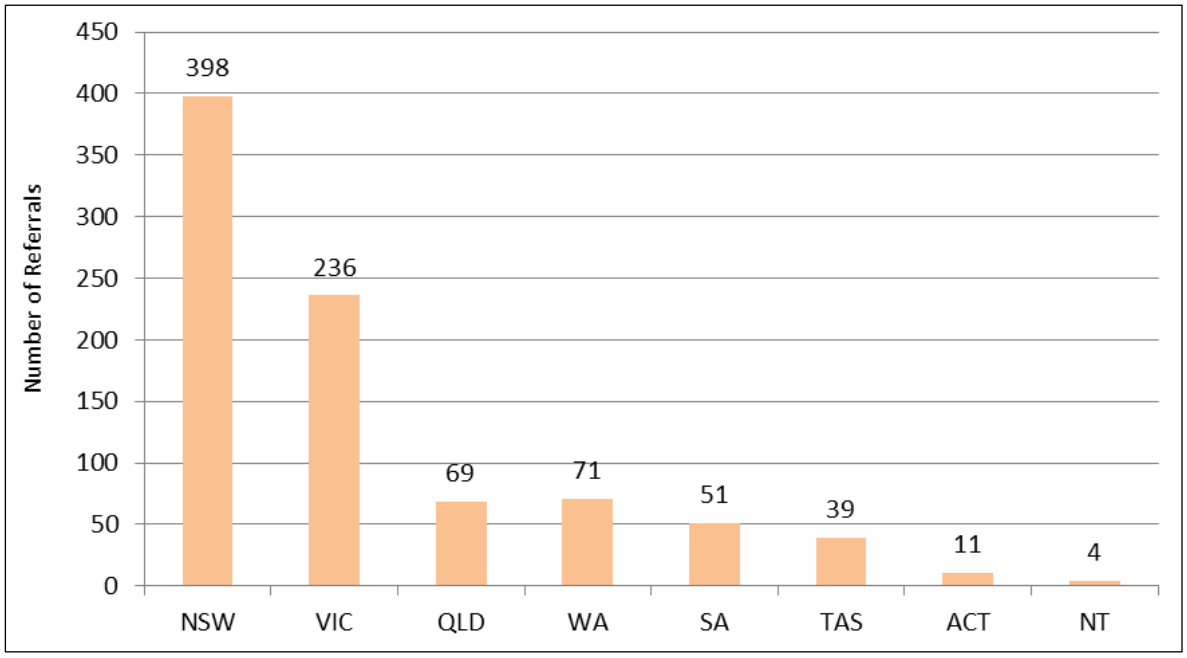
- asked the Accreditation Agency to consider information at the next assessment contact in 75.4 per cent of referrals;
- provided the Accreditation Agency with information about matters considered to be non-urgent in

15.2 per cent of referrals;

- requested an accreditation assessment contact in 8.3 per cent of referrals; and
- requested the Accreditation Agency conduct a review audit in 1.0 per cent of referrals.

The remaining 0.5 per cent of external referrals were to other agencies, such as health care complaints commissions, coroners or relevant health professional regulatory bodies. A breakdown of referrals to the Accreditation Agency by state and territory is provided in Figure 13 below.

**Figure 13: Referrals to the Accreditation Agency in 2012–13, by state and territory**




## 12.9 Internal reconsideration

In line with good administrative practice and the *Complaints Principles 2011*, if either party to a complaint is dissatisfied with certain decisions made by the Scheme in the complaints process, they can seek reconsideration of these decisions by the Scheme. During 2012–13, 20 applications were received for internal reconsiderations (Table 46).

**Table 47: Applications for internal reconsideration received in 2012–13**

| **State/Territory** | NSW | VIC | QLD | WA | SA | TAS | ACT | NT | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Internal Reconsideration** | 9 | 3 | 3 | 2 | 2 | 1 | 0 | 0 | 20 |

## 12.10 External review

The Aged Care Commissioner (the Commissioner) is a statutory office created under the Act. Amongst other functions, the Commissioner has the capacity to conduct a review of an examinable decision when service providers or complainants appeal against decisions made by the Scheme. The Commissioner also has the capacity to undertake reviews of Scheme processes at the request of service providers or complainants or on their own motion.

**Reviews of examinable decisions**

The Commissioner completed 22 reviews of the Scheme's examinable decisions representing one per cent of finalised complaints.

Of the 22 reviews conducted, the Commissioner made 14 recommendations that the Scheme undertake a new resolution process (63.6 per cent) and eight recommendations that the Scheme not undertake a new resolution process (36.4 per cent).

The Scheme completed 13 new processes which included one new process related to a review completed by the Commissioner in 2011–12. Due to the statutory timeframes associated with undertaking the Commissioner's recommendations, one of those received by the Scheme in 2012–13 will not be completed until 2013–14.

The Scheme fully accepted the Commissioner's recommendations.

**Reviews of Scheme processes**

The Commissioner provided 15 final reports to the Scheme resulting from reviews of Scheme processes. At 30 June 2013, the Scheme had responded to all but one report. The timeframe for responding to this report falls within the 2013–14 reporting period. The Scheme also responded to one report completed by the Commissioner in 2011–12.

The Scheme accepted 23 of the 25 recommendations made by the Commissioner. Recommendations arising from these reviews were used to refine and improve the Scheme and its processes.

The Commissioner finalised one 'own motion' review during 2012–13.

# Appendix A:

## Aged care legislation

**Legislative framework for aged care**

The *Aged Care Act 1997* and delegated legislation, Aged Care Principles and Determinations, provide the regulatory framework for Australian Government funded aged care providers, and provide protection for aged care recipients.

The legislative framework sets out the requirements to be an approved provider of Australian Government funded aged care, for the allocation of aged care places, the approval and classification of care recipients, the certification and accreditation of services, and the subsidies paid by the Australian Government. The framework also sets out the responsibilities of providers in relation to aged care quality and compliance.

**Aged Care Principles**

(made under subsection 96-1 (1) of the *Aged Care Act 1997*)

The Act enables the Minister to make Principles that are required or permitted under the Act, or that the Minister considers are necessary or convenient to carry out or give effect to a Part or section of the Act.

22 sets of Principles have been made under the Act (listed below). The Principles may be amended at any time.

| List of Principles | Description of Principles purpose |
|---|---|
| Accountability Principles 1998 | These Principles set out:<br>1. various aspects of the access that must be given by an approved provider to persons for the purposes of paragraphs 63-1(1) (j), (l) and (m) of the Act;<br>2. requirements relating to police certificates and statutory declarations for certain staff members and volunteers;<br>3. circumstances in which care recipients are absent without explanation and need to be reported by an approved provider; and<br>4. circumstances in which reportable assaults need to be reported by an approved provider to a police officer or the Secretary; and<br>5. requirements for circumstances mentioned in paragraph (c) or for alleged or suspected reportable assaults. |
| Accreditation Grant Principles 2011 | These Principles set out the procedures to be followed and the matters to be taken into account, by the Aged Care Standards and Accreditation Agency Limited (the accreditation body) for accreditation of residential care services, the accreditation body's responsibilities for services that have received accreditation, and the conditions to which the accreditation grant is subject. |
| Advocacy Grant Principles 1997 | These Principles set out the requirements to be met in making advocacy grants to organisations under Part 5.5 of the Act. Advocacy grants support activities to allow care recipients to understand and exercise their rights as care recipients. |
| Allocation Principles 1997 | These Principles deal with a number of aspects of the process for allocating aged care places to approved providers. |
| Approval of Care Recipients Principles 1997 | These Principles deal with a number of matters about approving care recipients for residential care and home |

| List of Principles | Description of Principles purpose |
|---|---|
| | care, and in some cases flexible care, so that subsidy can be paid to the approved provider. |
| Approved Provider Principles 1997 | These Principles deal with a number of matters that are important in operating the approved provider process. Approval under Part 2.1 of the Act is a precondition to a provider of aged care receiving subsidy under the Act for provision of care. |
| Certification Principles 1997 | These Principles deal with a number of aspects of the certification of residential care services under Part 2.6 of the Act. |
| Classification Principles 1997 | These Principles deal with a number of aspects of the classification of care recipients. A care recipient's classification affects the amount of residential care, or flexible care, subsidy payable to an approved provider for providing care to the care recipient. |
| Community Care Grant Principles 1997 | These Principles deal with a number of aspects of the allocation and amounts of community care grants. Community care grants contribute towards the costs associated with some projects undertaken by approved providers to establish community care services or to enhance their capacity to provide community care. |
| Community Care Subsidy Principles 1997 | These Principles specify kinds of care that are, or are not, included in the package of community care services and assistance provided under Part 3.2 of the Act. |
| Community Visitors Grant Principles 1997 | These Principles set out some of the requirements to be met in making community visitors grants. Community visitors are sponsored by an organisation to allow care recipients to maintain contact with their community. |
| Complaints Principles 2011 | These Principles enable a flexible approach that not just investigates, but also conciliates, mediates and facilitates other non-investigative techniques to better meet the needs of complainants. |
| Extra Service Principles 1997 | These Principles deal with various aspects of extra service places for the purposes of Part 2.5 of the Act. Extra service places involve providing a significantly higher standard of accommodation, food and services to care recipients. |
| Flexible Care Grant Principles 2008 | These Principles deal with a number of aspects relating to flexible care grants under Part 5.2A of the Act. Flexible care means care provided in a residential or community setting through an aged care service that addresses the needs of care recipients in alternative ways to the care provided through residential care services and home care services. |
| Flexible Care Subsidy Principles 1997 | These Principles set out who is eligible for flexible care subsidy, paid to approved providers for providing flexible care to care recipients, and on what basis flexible care subsidy may be paid. |
| Information Principles 1997 | These Principles specify kinds of persons to whom the Secretary may disclose protected information, and for what purposes the information can be disclosed. |
| Quality of Care Principles 1997 | These Principles set out a number of standards relating to the responsibilities of approved providers (Part 4.1 of the Act) for the quality of the aged care they provide through their aged care services. The standards are:<br>• the Accreditation Standards;<br>• the Residential Care Standards;<br>• the Common Standards for Community Care; |

| List of Principles | Description of Principles purpose |
|---|---|
| | and<br>• the Flexible Care Standards |
| Records Principles 1997 | These Principles deal with a number of aspects relating to the keeping and retention of records by approved providers and former approved providers under Part 6.3 of the Act. |
| Residential Care Grant Principles 1997 | These Principles set out a number of matters that relate to the allocation and amounts of residential care grants. Residential care grants contribute towards the capital works costs associated with some projects undertaken by approved providers to establish residential care services or to enhance their capacity to provide residential care. |
| Residential Care Subsidy Principles 1997 | These Principles deal with eligibility for the subsidy, paid to approved providers for providing residential care to care recipients, how it is paid, and what amount is paid. |
| Sanctions Principles 1997 | These Principles deal with a number of matters that are important to the operation of the sanctions process under Part 4.4 of the Act. This process relates to the consequences of non-compliance with an approved provider's responsibilities under Parts 4.1, 4.2 or 4.3 of the Act. |
| User Rights Principles 1997 | These Principles set out a number of user rights and approved provider responsibilities in association with Part 4.2 of the Act. |

Copies of the *Aged Care Act 1997*, the Aged Care Principles, Amending Principles and Aged Care Determinations are published on the Federal Register of Legislative Instruments (FRLI) at www.comlaw.gov.au

**Aged Care Determinations**

The Act provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide residential, community or flexible care services (approved providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

Chapter 3 of the Act empowers the Minister to determine, in writing (by legislative instruments or 'Determinations'), the daily amounts of residential care, home care and flexible care subsidies that are payable to aged care providers. Accommodation-related supplements and charges are indexed on 20 March and 20 September each year in line with the Government's pension indexation arrangements. Other care-related subsidies and supplements are indexed annually in July each year.

While the majority of Determinations relate to the amount of Australian Government subsidies, the Act also empowers the Minister and/or the Secretary to determine other matters, such as conditions on the allocation of aged care places.

# Appendix B:

## Legislative amendments made in the reporting period

On 28 June 2013, a package of Bills amending the primary legislation in relation to aged care, received Royal Assent and passed into law.

This includes the:

- *Aged Care (Living Longer Living Better) Act 2013*;
- *Aged Care (Bond Security) Amendment Act 2013*;
- *Aged Care (Bond Security) Levy Amendment Act 2013*;
- *Australian Aged Care Quality Agency Act 2013*; and
- Australian Aged Care Quality Agency (Transitional Provisions) Act 2013.

These changes to the primary legislation form an important part of a two year legislative amendment process and reflect the outcomes of the comprehensive consultation process with consumers and industry representatives during 2012–13. An overview of the five Acts follows.

**Overview of the Acts**

***Aged Care (Living Longer Living Better) Act 2013***
This Act includes changes to the regulation of aged care to provide for sustainable funding, higher quality of care, improved access and strengthened protections for care recipients.

The Act also sets out the independent Five Year Review of the reforms, which is scheduled to commence on 1 August 2016. The Review will consider the impact of the reforms and whether further changes are needed. It will take into consideration the views of stakeholders, including consumers and providers, across the aged care sector and related sectors.

***Aged Care (Bond Security) Amendment Act 2013***
This Act amends the existing bond security legislation to extend the guarantee scheme for accommodation bonds to refundable accommodation deposits and refundable accommodation contributions which will be new types of accommodation payments existing from 1 July 2014.

***Aged Care (Bond Security) Levy Amendment Act 2013***
This Act extends the existing levy provisions under the bond security legislation to enable the levy to be imposed in relation to approved providers holding refundable accommodation deposits and refundable accommodation contributions (two of the new types of accommodation payments existing from 1 July 2014).

***Australian Aged Care Quality Agency Act 2013***
This Act will establish a new body, the Australian Aged Care Quality Agency, to accredit and monitor Australia's residential providers from 1 January 2014 and home care providers from 1 July 2014. This will be the sole agency that providers will deal with in relation to the quality assurance of the aged care services that they deliver. It will replace the Aged Care Standards and Accreditation Agency.

***Australian Aged Care Quality Agency (Transitional Provisions) Act 2013***

This Act will enable the transition of the existing assets and resources of the Aged Care Standards and Accreditation Agency to the new body, the Australian Aged Care Quality Agency.

**Amendments to Aged Care Principles**

In 2012–13, the following changes to the Aged Care Principles were made and came into effect:

| List of Amendments to the Aged Care Principles | Description of amendment made |
|---|---|
| Allocation Amendment (People with Special Needs) Principles 2012 | The purpose of the *Allocation Amendment (People with Special Needs) Principles 2012* was to specify a further class of people, namely people who are lesbian, gay, bisexual, transgender and intersex (LGBTI) as people with special needs within the Allocation Principles 1997.<br><br>This amendment helps ensure that sexual diversity does not act as a barrier to receiving high quality aged care. |
| Residential Care Subsidy Principles 2011 | Amendments were made to the *Residential Care Subsidy Principles 2011* following a 2011–12 Budget Measure announcing the extension of the aged care viability supplement, previously provided to eligible aged care services operating in rural and remote areas, to certain categories of specialist aged care providers. The measure responds to the findings of the Review of the Aged Care Funding Instrument (ACFI), which suggested that some provider groups were likely to face greater pressures in transitioning to the ACFI which was introduced on 20 March 2008.<br><br>Amendments to the *Residential Care Subsidy Principles 2011* were required to expand previous viability supplement arrangements so as to provide additional support for residential care providers who specialise in providing:<br>a) low care in rural and remote areas; or<br>b) care for homeless people or Indigenous Australians with complex behavioural needs. |
| Residential Care Subsidy Principles 1997 and User Rights Principles 1997 | Amendments were made to the *Residential Care Subsidy Principles 1997* and the *User Rights Principles 1997*, as part of the implementation of the Basic Daily Fee (BDF) Supplement. The BDF Supplement is paid to aged care providers on behalf of eligible residential aged care residents.<br><br>The BDF supplement was introduced to ensure self-funded retirees are not disadvantaged by the increase to the Basic Daily Fee on 1 July 2012. This supplement offers aged care providers the option of sourcing the difference in the BDF (84 per cent to 85 per cent of the basic aged pension) from the Government instead of from the resident.<br><br>This change to the *Residential Care Subsidy Principles 1997* adds a new division which outlined the eligibility criteria for the BDF supplement.<br><br>The *User Rights Principles 1997* amendment requires the aged care provider to provide the resident with information about their eligibility for the BDF supplement. |
| Classification Principles 1997 (ACFI Changes 1 July 2012, 1 February 2013 and 1 July 2013) | Amendments to the *Classification Principles 1997* were made to ensure the intent of the ACFI is retained and improve the evidence requirements to ensure that residential aged care funding better matches the care needs of residents. In developing these amendments, the Department consulted with the ACFI Monitoring Group and directly with peak bodies, providers and consumer representatives. |
| User Rights Amendment (Various Measures) Principle 2013 | The *User Rights Amendment (Various Measures) Principle 2013* removed a redundant step from the calculation of the Maximum permissible interest rate (MPIR). It also made clear that the MPIR is the rate of the annualised general interest charge, as defined by the *Taxation Administration Act 1953*, minus three percentage points.<br><br>This amendment also expanded the purposes for which loans of |

| List of Amendments to the Aged Care Principles | Description of amendment made |
|---|---|
| Allocation Amendment (People with Special Needs) Principles 2012 | The purpose of the *Allocation Amendment (People with Special Needs) Principles 2012* was to specify a further class of people, namely people who are lesbian, gay, bisexual, transgender and intersex (LGBTI) as people with special needs within the Allocation Principles 1997.<br><br>This amendment helps ensure that sexual diversity does not act as a barrier to receiving high quality aged care. |
| | bonds can be made and introduced the new permitted use of investment in Religious Charitable Development Funds, where covered by an investment management strategy. |
| Residential Care Grant Principles 1997 | As part of the aged care reforms, capital grants programs for residential aged care have been combined into a single Rural, Regional and Other Special Needs Building Fund.<br><br>The purpose of the *Residential Care Grant Amendment Principles 1997* was to streamline the process for providing assistance to approved providers in the form of capital grants from the combined fund. The *Residential Care Grant Amendment Principles 1997* clarify the criteria for allocation of residential care grants by removing duplication and overlap of criteria. The Residential Care Grant Amendment Principles also updated cross references to provisions in the Act. |

**Amendments to Aged Care Determinations**

Determinations that commenced in 2012–13 are listed below. Unless they had been rescinded, Determinations made in previous years were also in effect during 2012–13.

- Aged Care (Amount of Flexible Care Subsidy — Innovative Care Service — Congress Community Development and Education Unit Ltd) Determination 2012 (No. 1)
- Aged Care (Amount of Flexible Care Subsidy — Extended Aged Care at Home — Dementia) Determination 2012 (No. 1)
- Aged Care (Amount of Flexible Care Subsidy — Extended Aged Care at Home) Determination 2012 (No. 1)
- Aged Care (Amount of Flexible Care Subsidy – Innovative Care Services) Determination 2012 (No. 1)
- Aged Care (Amount of Flexible Care Subsidy — Multi Purpose Services) Determination 2012 (No. 1)
- Aged Care (Amount of Flexible Care Subsidy — Transition Care Services) Determination 2012 (No. 1)
- Continence Aids Payment Scheme Variation 2012 (No.1)
- Aged Care (Residential Care Subsidy — Adjusted Subsidy Reduction) Determination 2012 (No. 1)
- Aged Care (Residential Care – Amount of Basic Subsidy) Determination 2012 (No.1)
- Aged Care (Residential Care Subsidy —Amount of Viability Supplement) Determination 2012 (No. 1)
- Aged Care (Community Care Subsidy Amount) Determination 2012 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Enteral Feeding Supplement) Determination 2012 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Oxygen Supplement) Determination 2012 (No. 1)
- Aged Care (Residential Care Subsidy — Basic Subsidy Amount) Revocation Determination 2012
- Aged Care (Residential Care Subsidy —Amount of Accommodation Supplement) Determination 2012 (No. 2)
- User Rights Amendment Principles 2012 (No. 3)
- Aged Care (Residential Care Subsidy — Amount of Concessional Resident Supplement) Determination 2012 (No. 2)
- Aged Care (Residential Care Subsidy —Amount of Pensioner Supplement) Determination 2012 (No. 2)
- Aged Care (Residential Care Subsidy — Amount of Respite Supplement) Determination 2012 (No. 2)

- Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2012 (No. 2)
- Aged Care (Residential Care Subsidy — Amount of Transitional Supplement) Determination 2012 (No. 2)
- Aged Care (Residential Care Subsidy —Amount of Accommodation Supplement) Determination 2013 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Concessional Resident Supplement) Determination 2013 (No. 1)
- Aged Care (Residential Care Subsidy —Amount of Pensioner Supplement) Determination 2013 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Respite Supplement) Determination 2013 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2013 (No. 1)
- Aged Care (Residential Care Subsidy — Amount of Transitional Supplement) Determination 2013 (No. 1)

# Appendix C:

## Responsibilities of approved providers under the *Aged Care Act 1997*

Approved providers are required to comply with their responsibilities under the Act. These include meeting their responsibilities in relation to:

**Quality of care**

- providing the care and services that are specified in the *Quality of Care Principles 1997* for the type and level of aged care that is provided by the service;
- complying with the Accreditation Standards; and
- maintaining an adequate number of skilled staff to ensure that the care needs of care recipients are met.

**User rights**

- providing care and services of a quality consistent with the Charter of Residents Rights and Responsibilities and other requirements in the *User Rights Principles 1997* relating to:
    - residents' security of tenure of their places;
    - access to the service by residents' representatives, advocates and community visitors;
    - providing information to residents about their rights and responsibilities and about the financial viability of the service;
    - to disclose to resident's in accordance with the disclosure standard;
    - restrictions on moving a resident within a residential service;
    - booking fees for respite days;
    - complying with the prudential and other requirements in relation to any accommodation payments charged for a resident's entry to a service;
    - complying with legislative requirements in relation to accommodation bonds, including refunding bonds in accordance with the legislative timeframes; and
    - where a resident has had an asset assessment, not charging a bond that would leave a resident with less than the resident's minimum permissible asset.
- providing care and services for community care and certain types of flexible care consistent with the *Charter of Rights* and *Responsibilities for Community Care* and other requirements in the *User Rights Principles 1997*, including:
    - treating and accepting care recipients as individuals, and respecting their individual preferences;
    - facilitating involvement by care recipients in identifying the community care most appropriate for their needs and in making decisions affecting themselves;
    - providing reliable, coordinated and safe quality care and services;
    - respecting the privacy and confidentiality of personal information;
    - effectively communicating with care recipients; and
    - determining fees for care recipients in a transparent, accessible and fair manner.
- charging no more than the amount permitted under the Act and *User Rights Principles 1997* for the care and services that are the approved provider's responsibility to provide;
- charging no more for other care or services than an amount agreed beforehand with the resident, accompanied by an itemised account of the care and services provided;
- offering to enter into a resident agreement with the resident and, if the resident wishes, entering into such an agreement;
- ensuring that personal information about the resident is used only for purposes connected with providing aged care to the resident, or for a purpose for which the information was given to the provider by the resident or their representative;
- establishing a complaints resolution mechanism for the service and using it to resolve any complaints made by, or on behalf of, a resident; and
- if the service has extra service status, complying with the requirements of the Act and the *Extra Service Principles 1997* in relation to extra service fees and agreements.

**Accountability requirements**

- keeping and maintaining records that enable claims for payments of residential care subsidy to be verified and proper assessments to be made of whether the approved provider has complied with, or is complying with, its responsibilities;
- cooperating with any person who is exercising the powers of an authorised officer under the Act and complying with the provider's responsibilities in relation to the exercise of those powers;
- notifying the Department of any change of circumstances that materially affects the approved provider's suitability to be a provider of aged care, and responding within 28 days to any request by the Secretary of the Department to provide further information in this regard;
- notifying the Department of any change to the approved provider's key personnel within 28 days after the change occurs;
- taking the steps required under section 63-1A of the Act and specified in the *Sanctions Principles 1997* to ensure that none of the approved provider's key personnel is a disqualified individual;
- complying with any conditions that apply to the allocation of any places included in the service;
- providing records or copies of records to another approved provider relating to any places transferred to that provider;
- if the provider intends to relinquish any places:
    - notifying the Department at least 60 days beforehand of the proposed date of relinquishment; and
    - complying with any proposal accepted or specified by the Secretary for ensuring that the care needs of residents occupying those places are met;
- allowing people authorised by the Secretary access to the service to assess whether residents have been approved to receive care at an appropriate level;
- conducting in a proper manner, appraisals or reappraisals of the care required by residents;
- if the service or a distinct part of the service has extra service status, complying with the conditions of the grant of extra service status;
- allowing people authorised by the Secretary access to the service to review the service's certification;
- complying with any undertaking given to the Secretary, and agreed by the Secretary, to remedy non-compliance with the provider's responsibilities;
- complying with the prudential requirement relating to accommodation bonds;
- if the provider is receiving Conditional Adjustment Payment, meeting the requirements for the payment;
- allowing people acting for an accreditation body to access the service for the purpose of accrediting the service, or reviewing its accreditation;
- complying with the requirement to report allegations or suspicions of assaults on residents of aged care homes and provide protections for persons who report;
- complying with the responsibility to require staff members to report allegations or suspicions of assaults;
- complying with the requirement that immunities and protections for staff members reporting allegations or suspicions of assaults are preserved;
- complying with the requirement to protect the identity of persons reporting allegations or suspicions of reportable assaults;
- complying with the requirements to ensure that staff, volunteers and contractors who have, or are likely to have, access to care recipients, undertake a national criminal history record check to determine their suitability to provide aged care services;
- allowing people representing the Secretary to access the service for the purpose of investigating information about a matter involving an approved provider's responsibilities under the Act or Principles; and
- allowing a person representing the Aged Care Commissioner to access the service for the purpose of examining decisions made by the Secretary under the *Complaints Principles 2011* or for the purposes of investigating complaints about the Secretary's processes for handling matters under the *Complaints Principles 2011*.

**Allocation of places**

- complying with the conditions on the allocation of places to the approved provider, including those relating to the proportion of places that must be provided to:
    - people with special needs;
    - concessional and assisted residents;

    - people needing a particular level of care;
    - people receiving respite care; and
    - other people specified in the notice of allocation of places to the approved provider.
- complying with the requirements of the Act in relation to:
    - any variation of the conditions of allocation of places; and
    - any transfer of places.

# Appendix D:

## Sanctions imposed under the *Aged Care Act 1997* – 1 July 2012 to 30 June 2013

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
|---|---|---|---|---|---|
| NSW - Warrigal Care Warilla | Warrigal Care | 1.Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.<br>4. Approval as an approved provider of aged care services revoked unless an administrator is appointed for a period of six months. | 15 August 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanctions expired on 14 February 2013. |
| NSW - Orana Gardens Lodge | Dubbo RSL Aged Care Association Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. Approval as an approved provider of aged care services revoked unless an administrator is appointed for a period of six months.<br><br>3. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 7 September 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanctions expired on 7 March 2013 |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| NT - Tracy Aged Care | Uniting Church in Australia Assembly Ltd (trading as Frontier Services) | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents. This sanction ceased to have effect thirty days after the adviser required under the sanctions commenced work at the home.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 21 December 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanction 1 expired on 31 October 2013.<br><br>Sanction 2 expired on 4 March 2013.<br><br>Sanction 3 expired on 20 June 2013. |
| NT - Terrace Gardens | Uniting Church in Australia Assembly Ltd (trading as Frontier Services) | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents. This sanction ceased to have effect thirty days after the adviser required under the sanctions commenced work at the home.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 29 December 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanction 1 and 3 expired on 28 June 2013.<br><br>Sanction 2 expired on 8 February 2013. |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| NT - Tracy Aged Care | Uniting Church in Australia Assembly Ltd (trading as Frontier Services) | 1. Approval as an approved provider of aged care services revoked unless an administrator is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 31 January 2013 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Accreditation Standards Outcomes.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | Sanction 2 and 3 expired on 30 July 2013.<br><br>Sanction 1 expired on 31 October 2013. |
| NT - Tiwi Residential Care Centre (formerly known as Tiwi Gardens Lodge) | ECH Inc. | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of four months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of four months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 14 March 2013 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Accreditation Standards Outcomes.<br><br>The approved provider did not comply with an Undertaking to Remedy non-compliance within the agreed time frame. | Sanctions expired on 13 July 2013. |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| NT - Terrace Gardens | Uniting Church in Australia Assembly Ltd (trading as Frontier Services) | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of nine months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of nine months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.<br>4. Approval as an approved provider of aged care services revoked unless an administrator is appointed for a period of nine months. | 10 April 2013 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanction 1, 2 and 4 expire on 9 January 2014.<br><br>Sanction 3 expired on 9 October 2013. |
| Qld - Merrimac Park Private Care | Superior Care Group Pty Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of four months.<br>2. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 26 October 2012 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Accreditation Standards Outcomes.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | Sanction 1 expired on 25 February 2013<br><br>Sanction 2 was lifted on 15 February 2013. |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| Qld - Hopevale Aged Hostel | Hope Vale Aboriginal Council | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents until seven days after commencement of the adviser.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 4 November 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanctions expired on 3 May 2013. |
| Qld - Tricare Annerley Nursing Centre | Tricare (Annerley) Pty Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 10 May 2013 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanctions expired on 9 November 2013. |
| Vic - AdventCare Yarra Valley (Nursing Home) | Seventh Day Adventist Aged Care Pty Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 1 September 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanction 1 and 3 expired on 28 February 2013.<br><br>Sanction 2 was lifted on 21 January 2013. |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| | Nepean Hospitals Pty Ltd | 1. 1. The approved provider is prohibited from charging accommodation bonds for the entry of care recipients to all residential services conducted by the approved provider for a period of eight months. | 12 October 2012 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Prudential Standards.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | The sanction expired on 11 June 2013. |
| Vic - Lynch's Bridge Aged Care Facility- | Doutta Galla Aged Services Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 24 November 2012 | The Accreditation Agency identified serious risks and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanction 1 and 3 expired on 23 May 2013.<br><br>Sanction 2 was lifted on 28 February 2013. |
| Vic - Reservoir Retreat | Reservoir Retreat Aged Care Pty as trustee for The Ryan Family Trust | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 13 December 2012 | The Accreditation Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents. | Sanctions expired on 12 June 2013.<br><br>On 18 January 2013 places were transferred and the home closed. |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| | Viva Care Pty Ltd | 1. 1. The approved provider is not eligible to receive Australian Government subsidies for any new residents for a period of six months.<br>2. 2. The approved provider is prohibited from charging accommodation bonds for the entry of care recipients to Viva Care at Albion for a period of six months. | 26 April 2013 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Prudential Standards.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | Sanctions expired on 25 October 2013.<br><br>On 10 May 2013 all residents left and the home closed.<br><br>On 25 June 2013, approval was revoked for Viva Care Pty Ltd as a provider of aged care. |
| SA - Woodville Nursing Home | Woodville Nursing Home Pty Ltd | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.<br>2. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. | 27 February 2013 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Accreditation Standards.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | Sanctions expired on 26 August 2013 |

| State and Service | Approved Provider | Sanctions Imposed | Date Imposed | Reason for Imposing Sanctions | Outcomes |
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| WA - Balladong Lodge | Global Care Group Inc. | 1. Approval as an approved provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. | 17 August 2012 | The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of:<br>• Continuing non-compliance in relation to the Accreditation Standards.<br>• The approved provider did not comply with an Undertaking to remedy non-compliance within the agreed time frame. | Sanctions expired on 16 February 2013. |

Note: Section 68-1 of the *Aged Care Act 1997* provides that a sanction that has been imposed on an approved provider for non-compliance with its responsibilities ceases to apply if (a) the sanction period ends or (b) the Secretary decides under section 68-3 of the Act that it is appropriate for the sanction to be lifted. When applicable, the duration of a sanction is fixed by the Secretary and specified in the notice of decision to impose a sanction.

# List of Figures and Tables

## Figures:



## Tables:

**Department of Social Services**

All information in this publication is correct as at November 2013