2020-21
2020–21
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Minister’s Foreword
Minister’s Foreword

By the Minister for Senior Australians and Aged Care Services
Senator the Hon Richard Colbeck


The past year has been extraordinarily difficult for all Australians as the COVID-19 pandemic has forced us to adapt the way we live in order to save lives.

Families have been separated by border closures and the elderly in residential aged care facilities have endured visitor restrictions as providers act to protect the most vulnerable.

I want to thank senior Australians and their families for their determined spirit during such a challenging time and all those who work in aged care for their care and compassion.

The Australian Government has worked to support the sector through the pandemic with one aim in mind, and that has been to protect the most vulnerable. We provided more than $2.1 billion in aged care specific measures to support residential aged care providers and staff, and ensure quality of care for older Australians.

This support has been wide-ranging, including improved infection-control management and training, workforce support, extra funding to cover the increased costs of caring for older Australians during the pandemic, and additional funding for better communication with older Australians and their families, as well as improved support for their mental health and well-being.

While managing the immediate threat from COVID-19, the Government has also responded swiftly and decisively to the Final Report of the Royal Commission into Aged Care Quality and Safety with a comprehensive $17.7 billion package which will support a once-in-a-generation reform of aged care in Australia.

The reforms will be built on five pillars – Home Care, Residential aged care services and sustainability, Residential aged care quality and safety, Workforce, and Governance. Progress has already been made in all these areas, including the release of an average of 3,000 Home Care Packages each week, resulting in a significant reduction in waiting times for high care packages, and new legislation, which will deliver risk-based assurance reviews of 500 home care providers every 12 months, to improve the safety and quality of services provided to older Australians.
Underpinning these reform pillars are the principles of genuine two-way engagement with all involved parties, combined with a commitment to absolute transparency in reporting from providers, in order to strengthen the financial oversight of the aged care sector.

To facilitate this, an Engagement Hub has been established, to make it easier for consumers, their families and carers, the workforce, and the sector more broadly, to ensure they have a voice in the implementation of aged care reforms and can easily access information on progress to date.

Strong, independent oversight of the system is essential for good governance and transparency, and to that end, the Government has committed $262.5 million to ensure the Aged Care Quality and Safety Commission is well equipped to safeguard the quality, safety and integrity of aged care services, and can effectively address any failures in care which do occur.

This Government’s commitment to the well-being of senior Australians and the integrity of the aged care system is absolute, and I look forward to continuing to work with the sector in this once in a lifetime opportunity to implement reforms which will ensure Australia’s aged care system is second to none.

Richard Colbeck
Minister for Senior Australians and Aged Care Services
Nearly 60 per cent of aged care expenditure was on residential aged care.

There were 830 approved providers of residential aged care and 939 approved providers of home care packages.
More than **1,430** organisations were funded to deliver CHSP services.

Almost **two thirds** of aged care consumers accessed basic support at home.
Introduction
Introduction

Purpose of this report
This report details the operation of Australia’s aged care system during the 2020–21 financial year. It is the twenty-third report in the series. The report is delivered to Parliament by the Minister in accordance with section 63-2 of the Aged Care Act 1997 (the Act).

Scope
In addition to meeting the reporting requirements specified in the Act, the report provides an overview of the components of the Australian aged care system (including those not governed by the Act), in order to present a comprehensive snapshot of the system as a whole during the 2020–21 financial year.

Structure of the report
Chapter 1 provides an overview of the structure, operation and funding of the aged care system in Australia.

Chapter 2 describes the systems and resources available to ensure consumers have access to information about aged care services, and describes the processes through which they gain access to those services.

Chapters 3 to 7 describe the various types of service provision on a continuum from entry level community care to permanent residential care, including flexible care options and respite care.

Chapter 8 describes the provisions made to support people who are designated as having diverse needs.

Chapter 9 summarises the Australian Government’s contribution to aged care workforce measures.

Chapter 10 gives an overview of the regulatory and prudential frameworks to ensure compliance by providers with the provisions of the Act, and to ensure consumers receive quality services.

Appendix A addresses the reporting requirements specified in s63-2 of the Act.

Data sources
Data in this report was collected from departmental information systems and records.

On 15 August 2017, a new, user-friendly, interactive website targeted to a wide audience was launched. The GEN Aged Care Data website (GEN) is Australia’s only central, independent repository of national aged care data and is managed and regularly updated by the Australian Institute of Health and Welfare.¹

Approximately 1.5 million consumers of aged care

229,547 operational residential and flexible places

$23.6 billion in Australian Government expenditure
Overview of the Australian Aged Care System
1. Overview of the Australian Aged Care System

1.1. Introduction

The traditional image of aged care is often associated with residential care. While it is true that the majority of expenditure is in the residential care sector, in fact, the majority of people remain independent and stay in their home, connected to family and community, for the duration of their lives. For some, home support and home care packages provide the support they need to maintain independent living. Only a small proportion of older Australians are accessing residential care at any point in time.

The aged care system offers a continuum of care under three main types of service: Commonwealth Home Support, home care packages, and residential care. There are also several types of flexible care available to consumers (and their carers) that extend across the spectrum from home support to residential aged care.

Commonwealth Home Support Programme

The Commonwealth Home Support Programme (CHSP) provides entry-level services focussed on supporting individuals to undertake tasks of daily living to enable them to be more independent at home and in the community. Services under the program are provided on an on-going or episodic basis, depending on need.

For more information on the CHSP, see Chapter 3.

Home Care

This is a more structured, more comprehensive package of home-based support, provided over four levels:

- Level 1 – to support people with basic care needs
- Level 2 – to support people with low level care needs
- Level 3 – to support people with intermediate care needs
- Level 4 – to support people with high care needs.

For more details on home care, see Chapter 4.
Respite Care
Respite care is an important support service for frail people and their carers, and is provided in a number of settings to allow flexibility for users.

For more details on respite care, see Chapter 5.

Residential Care
Residential care provides support and accommodation for people who have been assessed as needing higher levels of care than can be provided in the home, and, where required, 24-hour nursing care. Residential care is provided on either a permanent, or a temporary (respite) basis.

For more information on residential care, see Chapter 6.

Flexible Care
Flexible care acknowledges that in some circumstances an alternative to mainstream residential and home care is required. There are five types of flexible care:

• Transition Care
• Short-Term Restorative Care
• Multi-Purpose Services
• National Aboriginal and Torres Strait Islander Flexible Aged Care
• Innovative Care.

For more information on flexible care, see Chapter 7.

Summary
While the components of the system represent a continuum of care from low-level (possibly temporary) to high-level, permanent care, a consumer’s progression through the system is not necessarily linear.

When and where on the care-spectrum a person enters the system (and indeed whether they ever enter it), and their progression through it, is determined by the complex interaction of intrinsic and extrinsic factors. These include the social determinants of health, physical and mental health and well-being, social support and inclusion.

Each person’s life experience is unique and therefore there is no ‘typical’ aged care consumer. The aged care system is designed to be flexible and responsive to these varying needs.
1.2. Managing supply and demand

Supply

The Australian Government’s needs-based planning framework aims to grow the supply of aged care places in proportion to the growth in the aged population. It also seeks to ensure balance in the provision of services between metropolitan, regional, rural and remote areas, as well as among people needing differing levels of care.

The Australian Government manages the supply of aged care places by specifying a national target provision ratio (the ratio) of subsidised aged care places. At 30 June 2021, the ratio is 76.4 operational aged care places for every 1,000 people aged 70 years and over.

While the overall target provision ratio comprises residential care, home care, and, since 2016, restorative care places, the reported ‘operational provision ratio’ refers only to places assigned to approved providers. Since the introduction of the Increasing Choice in Home Care reforms on 27 February 2017, home care packages can no longer be defined as ‘operational places’ as they are not assigned to the provider, but to the consumer, and are therefore no longer included in the operational provision ratio.

As the number of places increases, the balance of care types within the ratio will also change. The change in mix of care-types is intended to respond to the reported consumer preference to stay at home, where possible, and, to accommodate the inclusion of the recently introduced Short-Term Restorative Care (STRC) program.

The Australian Government does not regulate the supply of home support services in the same way as it does home care and residential care, as these services are provided through grant-funding arrangements, although the supply is affected by overall funding levels.

Current provision

The total number of operational residential and flexible aged care places at 30 June 2021 was 229,547. This represents an increase of 2,013 residential and flexible aged care places since 30 June 2020.

At 30 June 2021, there were 176,105 people in a home care package, an increase of 33,669 since 30 June 2020.
Allocation of residential aged care places

The Aged Care Approvals Round (ACAR) is a competitive application process that enables prospective and existing approved providers of aged care to apply for a range of new Australian Government-funded aged care places (residential care places and STRC places), and may also offer financial assistance in the form of capital grants for eligible aged care providers.

As part of the 2021–22 Budget, the Australian Government announced that no further ACARs for permanent residential aged care would be held following the conclusion of the 2020 ACAR. Instead, from 1 July 2024 residential care places will be assigned directly to older Australians, giving them more control to choose an approved provider that they deem is best able meet their care needs.

This will restructure residential aged care and generate a more consumer-driven market where the success of individual providers will be determined by their quality and responsiveness to clients.

The Department of Health will undertake wide-ranging consultation over the next 12 to 18 months, allowing the opportunity for all interested stakeholders to help guide the implementation of this reform. This will include consultation papers, workshops, and other targeted activities with providers, older Australians, carers and peak bodies.

Access to residential respite care will occur as part of the new support-at-home arrangements. Separate processes will continue for the allocation of STRC places and capital grants.

2020 Aged Care Approvals Round

Following delays caused by the pandemic response, the application period for the 2020 ACAR was open from 18 December 2020 to 18 March 2021.

The 2020 ACAR allocated 4,098 residential care places, 1,028 STRC places and $150 million in capital grant funding for residential care services.

For residential care places, the 2020 ACAR prioritised applications that demonstrated they could bring the new places into effect either immediately or within 18 months of allocation. These places are therefore anticipated to take effect prior to 1 July 2024, when the allocation of places will change from being assigned to providers, to being assigned directly to consumers.
Table 1: Results of the 2020 ACAR by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Residential places</th>
<th>STRC places</th>
<th>Estimated annual recurrent funding $M*</th>
<th>Capital grants $M</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>1,391</td>
<td>297</td>
<td>125.2</td>
<td>24.0</td>
</tr>
<tr>
<td>Vic</td>
<td>1,289</td>
<td>252</td>
<td>114.2</td>
<td>28.0</td>
</tr>
<tr>
<td>Qld</td>
<td>917</td>
<td>218</td>
<td>84.3</td>
<td>43.3</td>
</tr>
<tr>
<td>WA</td>
<td>239</td>
<td>104</td>
<td>25.6</td>
<td>4.5</td>
</tr>
<tr>
<td>SA</td>
<td>157</td>
<td>60</td>
<td>16.2</td>
<td>17.8</td>
</tr>
<tr>
<td>Tas</td>
<td>16</td>
<td>42</td>
<td>4.4</td>
<td>19.9</td>
</tr>
<tr>
<td>ACT</td>
<td>29</td>
<td>40</td>
<td>5.2</td>
<td>-</td>
</tr>
<tr>
<td>NT</td>
<td>60</td>
<td>15</td>
<td>5.6</td>
<td>12.5</td>
</tr>
<tr>
<td>Australia</td>
<td>4,098</td>
<td>1,028</td>
<td>380.7</td>
<td>150.0</td>
</tr>
</tbody>
</table>

*Estimated annual recurrent funding values once residential and STRC places have taken effect.

Allocation of home care packages

Under the Act, the Australian Government provides a subsidy to an approved provider of home care, chosen by the client, to coordinate a package of care, services and case management to meet their individual needs.

Individuals approved for a home care package are placed on a national queue until a package becomes available and is assigned to them. Consumers are placed on the queue according to the date they were approved for home care, and their priority for home care services, ensuring a consistent and equitable national approach. They are assigned a package when they are the next eligible consumer on the queue at a particular level and priority.
Table 2: Number of people in a home care package on 30 June each year from 2017 to 2021

<table>
<thead>
<tr>
<th>State/territory</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>23,403</td>
<td>30,418</td>
<td>35,863</td>
<td>48,270</td>
<td>59,283</td>
</tr>
<tr>
<td>Vic</td>
<td>18,541</td>
<td>23,449</td>
<td>27,776</td>
<td>39,425</td>
<td>50,011</td>
</tr>
<tr>
<td>Qld</td>
<td>13,293</td>
<td>18,514</td>
<td>21,562</td>
<td>27,560</td>
<td>32,389</td>
</tr>
<tr>
<td>WA</td>
<td>6,752</td>
<td>8,246</td>
<td>8,999</td>
<td>11,049</td>
<td>13,911</td>
</tr>
<tr>
<td>SA</td>
<td>5,609</td>
<td>6,855</td>
<td>7,758</td>
<td>10,254</td>
<td>13,597</td>
</tr>
<tr>
<td>Tas</td>
<td>1,907</td>
<td>2,330</td>
<td>2,626</td>
<td>3,428</td>
<td>4,060</td>
</tr>
<tr>
<td>ACT</td>
<td>1,141</td>
<td>1,316</td>
<td>1,464</td>
<td>1,810</td>
<td>2,079</td>
</tr>
<tr>
<td>NT</td>
<td>777</td>
<td>719</td>
<td>659</td>
<td>640</td>
<td>775</td>
</tr>
<tr>
<td>Australia</td>
<td>71,423</td>
<td>91,847</td>
<td>106,707</td>
<td>142,436</td>
<td>176,105</td>
</tr>
</tbody>
</table>

Note: Location of home care consumers is based on the physical address of the service delivering the care.

Demand

Age

The ageing of the population and the associated increasing number of people with dementia are the two main factors driving increased demand for aged care services. As age increases, the likelihood of needing care increases, as shown in Figure 1.

Figure 1: Age-specific usage rates of residential aged care, 30 June 2021
At 30 June 2021, 16.2 per cent of Australia's population was aged 65 years and over (4.3 million people) and 2.0 per cent was aged 85 years and over (529,000 people). By 2031, it is estimated that 18.2 per cent of the population will be aged 65 years and over (5.5 million people) and 2.5 per cent (753,000 people) will be 85 years and over.

While older age groups have greater utilisation of aged care services, it is not age per se that determines access, rather, assessed need.\(^2\)

Access to home care packages and residential aged care services is through a comprehensive assessment performed by one of the 80 Aged Care Assessment Teams (ACAT) which operate in all states and territories. ACATs are funded by the Australian Government and administered by the relevant state/territory government. In 2020–21, a total of 185,605 ACAT assessments were administered. If a person has been assessed as eligible for a particular level of home care package, but there are none available, the person can be offered a lower level package as an interim measure until a higher level package is available. This connects them with care as soon as possible, given package availability.

Access to CHSP is through an assessment by a Regional Assessment Service (RAS).

**Dementia**

Dementia is an umbrella term describing conditions associated with an ongoing decline of the brain and its abilities, characterised by the impairment of brain function, including language, memory, perception, personality and cognitive skills. Dementia is a terminal condition and the second most common underlying cause of death in Australia.

Dementia usually occurs in people who are aged 65 and over. After the age of 65 the likelihood of developing dementia doubles every five years. Currently the prevalence of dementia in Australia is 10 per cent of people aged 65 and over, rising to 40 per cent of people 90 years and over.\(^3\)

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2 However certain age cohorts are typically used for planning purposes and are referenced in this report: 65 years plus (50 years plus for Aboriginal and Torres Strait Islander people) - is the ‘traditional’ definition of an older person and constitutes the aged care target population that the Australian Government has sole responsibility for funding; 70 years plus is used for planning purposes, such as determining ratios of residential care places; and 85 years plus is considered ‘very old’ and more closely reflects the target population of the high-end of aged care.

In 2021, there were an estimated 386,000 Australians with dementia, over 40 per cent of whom were aged 85 years and over. The number of people with dementia is anticipated to grow to around 782,000 by 2051.\(^4\)

At 30 June 2021, just over half of all residential aged care residents with an Aged Care Funding Instrument (ACFI) assessment had a diagnosis of dementia.

**Figure 2: Permanent residents by dementia status, at 30 June 2021**

![Diagram of dementia status]

### 1.3. Legislative framework

**The Aged Care Act 1997**

The Act and delegated legislation – Aged Care Principles and Determinations – provide the regulatory framework for Australian Government-funded aged care providers.

The legislative framework sets out the requirements for the allocation of aged care places, the approval and classification of care recipients, the responsibilities of approved providers, and the subsidies paid by the Australian Government. The framework also sets out the responsibilities of providers.

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\(^4\) Australian Institute of Health and Welfare 2021. Dementia in Australia Cat no. DEM 2 Canberra: AIHW
Aged Care Principles

Aged Care Principles are made under subsection 96–1 of the Act. The Act enables the Minister to make Principles that are required or permitted under the Act, or that the Minister considers necessary or convenient to carry out or give effect to a Part or section of the Act.

There are currently 16 sets of Principles made under the Act. In addition, the Aged Care (Transitional Provisions) Principles 2014 were made under the Aged Care (Transitional Provisions) Act 1997. These Principles may be amended at any time.

Aged Care Quality and Safety Commission Act 2018

This Act provides for the establishment of the Aged Care Quality and Safety Commission (the Commission). The Commission is responsible for assisting the Aged Care Quality and Safety Commissioner (Commissioner) with their functions. The Aged Care Quality and Safety Commission Rules 2018 (the Rules) give operational effect to the processes of the Commission. The Rules replaced a number of Principles including the Quality Agency Principles 2013.

Outside the Act

The operation of the CHSP is governed by the CHSP Program Manual 2020–22.

1.4. Funding

The Australian Government is the major funder of aged care, with aged care consumers contributing to the cost of their care where able to do so.

Australian Government expenditure for aged care throughout 2020–21 totalled $23.6 billion, an increase of 11.4 per cent from the previous year.
Figure 3: Australian Government outlays for aged care, 2016–17 to 2020–21

Figure 4: Australian Government aged care expenditure by type of care, 2020–21
Funding reform

The Australian Government has approved the Australian National Aged Care Classification (AN-ACC) as the new residential aged care funding model from 1 October 2022, replacing the current Aged Care Funding Instrument (ACFI). Developed by the University of Wollongong, the AN-ACC is based on real evidence on what drives relative care costs, has an evidence-based methodology for determining funding increases, and is less resource-intensive on provider-staff than the ACFI.

Independent assessments of all residents in Government-funded aged care facilities, using the AN-ACC assessment tool, commenced in April 2021. These ‘shadow assessments’ will take place in parallel to ACFI assessments undertaken by providers, and there will be no change to ACFI processes until 1 October 2022. After that date, funding for all residential aged care providers will be calculated based only on AN-ACC assessments.

As announced in the 2020–21 Budget, in response to the Royal Commission into Aged Care Quality and Safety, AN-ACC will be the main mechanism to deliver additional funding to the residential aged care sector. This includes a new Government Basic Daily Fee supplement from 1 July 2021 (which will be rolled into AN-ACC funding from 1 October 2022), and additional funding from 1 October 2022, paid through the AN-ACC funding model, to enable residential aged care providers to meet a new mandatory care-time standard.

More information on residential aged care funding reform and the AN-ACC shadow assessment process can be found here.5

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1.5. Aged care consumer

In 2020–21, approximately 1.5 million people received some form of aged care, the great majority receiving home-based care and support, while relatively few lived in residential care.

- 825,383 people received home support through the CHSP
- 212,293 people received care through a home care package
- 67,775 people received residential respite care, of whom 39,404 (approximately 58.1 per cent) were later admitted to permanent care
- 243,117 people received permanent residential aged care.

People also accessed care through flexible-care programs and other aged care services. Some people received care through more than one program.

**Figure 5: Consumers of aged care by service type, 2020–21**

Average age on entry

The average age on admission to permanent residential aged care was 82.9 years for men and 85.0 years for women.

For entry to a home care package the average was 81.3 years for both men and women.
People with diverse needs

Older Australians display the same diversity in race, religion, language, gender, health, economic status, and geographic location as the broader Australian population. While aged care consumers with diverse needs have access to mainstream services, there are also special provisions and funding mechanisms to ensure that they can access appropriate care.

For more information on provision of services for people with diverse needs, see Chapter 8.

1.6. Informed access for consumers

My Aged Care provides a clear entry point to the aged care system through:

- information about aged care services and how to access them for consumers, family members and carers
- a Find a Provider tool (service finder) that provides information about aged care service providers, including costs and compliance history
- a fee estimator for pricing on home care packages and residential care
- an eligibility checker and the ability to apply for an assessment online
- tailored information for people with diverse needs, including resources in other languages.

For more information on how consumers can access information about aged care, see Chapter 2.

1.7. Support for consumers

National Advocacy Scheme

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers.

Community Visitors Scheme

The Australian Government funds community-based organisations to recruit volunteers to make regular visits to aged care consumers of Australian Government-subsidised residential aged care services and home care packages.

For more information on services which support consumers, see Chapter 2.
1.8. Aged care workforce

The aged care workforce numbers over 370,000 and includes nurses, personal care workers, and allied health professionals, as well as administrative and ancillary staff. Workforce training and education is a shared responsibility between government and industry, with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of consumers. Volunteer workers also make a significant contribution across the sector.

In 2020, the fifth National Aged Care Workforce Census was conducted on behalf of the department. The report contains information about the size and composition of the workforce, training and education, the characteristics of aged care workers and the organisations in which they work, and factors related to staff recruitment and retention.

For more information on the aged care workforce, see Chapter 9.

1.9. Regulatory, quality and prudential oversight

There are strict prudential requirements related to the accounting and handling of bonds and refundable accommodation deposits collected by approved providers. The department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers’ prudential arrangements.

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 Commission monitors the compliance of aged care services against their responsibilities under the Act and the Rules.

For more information about governance and quality, see Chapter 10.

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6 This estimate is not comparable to the estimate of 366,000 reported in 2019–20 and prior ROACA, and derived and reported in the 2016 National Aged Care Workforce Census and Survey. Amongst other differences, since the 2016 Census and Survey, more contemporaneous methodologies are available to reliably estimate duplication of worker counts in the workforce such as where a worker has multiple job roles across the aged care sector.

1.10. Aged Care Pricing Commissioner

Throughout the year, the Aged Care Pricing Commissioner received applications from providers who wished to charge an accommodation price above the threshold determined by the Minister (currently $550,000). Further information on the Aged Care Pricing Commissioner’s operations for the year is available from the Aged Care Pricing Commissioner’s Annual Report.8

1.11. Aged Care Quality and Safety Commission

On 1 January 2019, the Australian Government established an independent Aged Care Quality and Safety Commission. The Commission has combined the functions of the former Australian Aged Care Quality Agency, and the former Aged Care Complaints Commissioner. The aged care regulatory functions of the Department of Health joined the Commission from 1 January 2020.

1.12. Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) was announced by the Prime Minister, the Hon Scott Morrison MP, on 16 September 2018, and established on 8 October 2018. The Royal Commission’s Final Report (Final Report)9 was made public on 1 March 2021.

On 11 May 2021, the Australian Government responded to the Final Report with a comprehensive $17.7 billion package announced in the 2021–22 Budget. The Government’s response includes a five-year implementation plan, underpinned by five pillars: home care, residential aged care services and sustainability, residential aged care quality and safety, workforce, and governance.

The package includes:

- $7.5 billion over five years to address critical and immediate needs for home-based care
- $7.8 billion over five years to improve and simplify residential aged care services and access
- $942 million over four years to improve residential aged care quality and safety
- $652.1 million over four years to grow and upskill the aged care workforce to drive improvements to the safety and quality of care experienced by older Australians
- $698.3 million over five years for improvements to governance of the aged care system.

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1.13. Aged care services and the COVID-19 pandemic

Australia has been facing an extraordinary health challenge from the COVID-19 pandemic. COVID-19 has proven to be much more serious for those who are vulnerable, particularly older Australians. This has required a specific response for the aged care sector.

From early in the pandemic the Australian Government worked with the aged care sector and state and territory public health authorities to support arrangements to increase infection control measures, manage cases of COVID-19 and to minimise transmission, in order to ensure a safe environment within aged care services.

A key consideration and acknowledgement has been the significant contribution of aged care workers during the COVID-19 pandemic, and the care they continue to provide for the most vulnerable Australians every day.

Since the COVID-19 pandemic began, the Government has funded more than $2.1 billion in aged care-specific measures to support residential aged care providers and staff and ensure quality of care for our vulnerable older Australians.

Support for the aged care sector

- $61.3 million for the COVID-19 Aged Care Support Program grant, (part of the $101.2 million Aged Care COVID-19 Preparedness measure), was announced on 11 March 2020. The program supported aged care providers by reducing the financial cost of managing direct impacts of COVID-19 through reimbursing eligible costs incurred between 24 February 2020 and 31 May 2021:
  - Additional funding of $29.9 million was announced on 2 June 2021 for the COVID-19 Aged Care Support Extension Program grant. The program supports aged care providers by reducing the financial cost of managing direct impacts of COVID-19 reimbursing eligible costs incurred between 28 May 2021 and 31 March 2022.

- On 20 March 2020, the Government announced:
  - A temporary 1.2 per cent increase to the basic subsidy from March to August 2020 paid to all residential aged care services and home care package providers to support continuity of workforce supply; $78.3 million was allocated to residential aged care providers and $22.1 million to home care providers
  - $26.9 million for a temporary 30 per cent increase to the viability supplement payable to rural and remote providers and the homeless supplement payable to providers that specialise in services to the homeless. A six-month extension of the temporary increase worth $27.4 million (from September 2020 through to February 2021) was announced on 31 August 2020.
• Support for Commonwealth Home Support Programme (CHSP) providers include:
  - An additional $30 million in 2019–20 and $20 million in 2020–21 for CHSP meals providers to address the impact of COVID-19
  - Additional funding of $40 million in 2019–20, $101.6 million in 2020–21 and $8 million in 2021–22, has been allocated to fund short-term support for CHSP service providers to respond to the impact of COVID-19, including support for aged care residents returning to the community
  - From 24 April 2020, providers with unspent 2019–20 grant funds could purchase up to $1,000 in technology-based personal monitoring systems for vulnerable clients.
• On 1 May 2020, the Government announced a $205 million COVID-19 support supplement. Lump sum payments were provided to all residential aged care providers to support additional costs of caring for the health and wellbeing of residents during the pandemic:
  - Additional funding of $217.6 million was provided on 31 August 2020 for a second lump sum payment for all residential aged care providers to support additional costs of caring for the health and wellbeing of residents during the pandemic.

Surge workforce support and training for aged care workers
• On 11 March 2020, as part of the $101.2 million Aged Care COVID-19 Preparedness measure, $43 million of funding was provided over two years for workforce surge support and training. Subsequently:
  - on 21 August 2020, a further $81 million was announced for additional surge workforce and increased training for aged care workers
  - on 2 June 2021, additional funding of $28.3 million was made available to ensure providers affected by an outbreak can access surge workforce staff until 30 June 2022.
• On 20 March 2020 the Government announced funding of $234.9 million to ensure continuity of workforce in both residential and home care through a retention payment for direct care workers in residential and home care. Subsequently:
  - on 21 August 2020, further funding of $50.6 million was announced to meet demand within the existing eligibility
  - on 31 August 2020, additional funding of $154.5 million was announced for a third payment based on employment at 30 November 2020.
• A total of $93 million to deliver the Support for Aged Care Workers in COVID (SACWIC) grant opportunity to financially support residential and home care providers to implement single site worker arrangements in COVID-19 hotspots and high-risk areas. $92.4 million was announced on 31 August 2020 and an additional $0.6 million was announced as part of the 2021–22 Budget. The grant opened on 4 August 2020 and closes on 31 December 2021

• On 21 August 2020, $9.1 million was announced for the Victorian Aged Care Response Centre (VACRC), established with the Victorian Government, providing a workforce that could quickly respond to outbreaks in aged are services. A further $8.4 million funding was announced on 1 December 2020

• As part of the 1 October 2020 response to the Royal Commission’s ‘Aged Care and COVID-19: a special report’, $10.8 million was announced to enhance the skills and leadership qualities of aged care nurses:
  - $2.3 million to expand the Australian College of Nursing (ACN) scholarship program and introduce a completion bonus
  - $2.4 million to establish an Aged Care Transition to Practice Program
  - $5.3 million to establish a skills development program for nurses and personal care workers in aged care
  - the remaining funding is for departmental costs to support the operation of these programs.

• $57.8 million was announced on 1 December 2020, under the National Partnership on COVID-19 Response, for jurisdictions to support infection prevention and control (IPC) training, and outbreak management preparedness within residential aged care facilities (RACF).

Support for older Australians

• On 20 March 2020, the Government announced funding of $12.3 million for the My Aged Care Contact Centre to support increased call volumes and respond to the needs of older Australians

• $50 million was provided in temporary funding to ensure more prepared-meals, food staples and essential daily items are delivered to those who need them the most

• $9.3 million in temporary funding was set aside to provide an urgent food parcel delivered to older Australians at home

• On 31 August 2020, the Government announced $71.4 million for short-term home support for older Australians who temporarily relocated from residential aged care
• $4.4 million was provided to expand the National Aged Care Advocacy Program to meet increased demand and need for additional education and information services due to the impacts from the COVID-19 pandemic.
• $19.12 million was provided in temporary funding to support Indigenous older people (not currently receiving aged care services) in urban areas who are socially isolated at home. The initiative commenced in April 2020 and will conclude in October 2021.

Supporting aged care mental health and wellbeing during COVID-19

• On 29 March 2020, an additional $10 million over two years for the Community Visitors Scheme (CVS) was announced to support the mental health of older Australians who are socially isolated due to distancing measures.
• On 3 June 2021, $690,000 was provided to continue the standard inbound/outbound functions of the Older Persons COVID-19 Support Line until 31 December 2021. The CALD service element will be supported through the CALD navigator services, led by the Federation of Ethnic Communities Councils of Australia (FECCA).
• On 21 August 2020 the Prime Minister announced $12.4 million for the Grief and Trauma package for COVID-19, (as part of the $103.4 million extension of the Aged Care COVID-19 Preparedness Measure).
• On 30 November 2020, the Government announced $63.3 million to support increased access to allied health services and improved mental health care supports for people in residential aged care in response to recommendations from the Royal Commission’s ‘Aged Care and COVID-19: a special report’. This includes:
  - Expanded Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule (MBS) initiative (Better Access) to allow eligible aged care residents to access up to 20 individual Medicare subsidised psychological services each calendar year between 10 December 2020 and 30 June 2022, and, an evaluation of Better Access (total cost of $35.5 million).
  - New MBS items that support access to allied health for residents of aged care facilities. The temporary MBS items are available until 30 June 2022 (at a cost of $12.1 million).
  - Additional allied health group physical therapy services for aged care residents in facilities affected by COVID-19 outbreaks. This measure provides funding to Public Health Networks (PHN) to commission physiotherapists, occupational therapists and/or exercise physiologists to deliver group physical therapy for people living in COVID-19 affected RACF (at a cost of $15.7 million).
Protecting aged care recipients during COVID-19

- The Government has established a dedicated ‘in-reach’ pathology service for the rapid collection and testing of suspected cases of COVID-19 in residents and staff of RACF. The service, provided through Sonic Healthcare, commenced on 22 April 2020 and is available until 31 December 2021.
- On 21 August 2020, $9 million was announced to ensure quality care is maintained by supporting the Aged Care Quality and Safety Commission to continue its critical work supporting aged care providers across the country to prepare for and respond to COVID-19 outbreaks.
- As part of the 1 October 2020 Response to the Royal Commission’s ‘Aged Care and COVID-19: a special report’, the Government introduced the Serious Incident Response Scheme (SIRS), with additional funding of $29.8 million for residential aged care:
  - On 1 December 2020, a further $11.1 million in funding over five years was announced. This brings the investment in SIRS in response to COVID-19 to $31.9 million.
  - As part of the 2021–22 Budget, the Government announced that the SIRS would be expanded to home and community aged care with an initial investment of $14 million, bringing the total investment to $81.2 million.
Over **4.2 million** website visits and **1.5 million** calls answered

Nearly **2 million** My Aged Care information products distributed

**17** RAS organisations and **80** ACATs delivered assessment services
Informed Access to Aged Care
2. Informed Access to Aged Care

The Australian Government provides support to older Australians, their families, representatives and carers to access reliable and trusted information about aged care services.

My Aged Care is the entry point to access Australian Government-subsidised aged care services. My Aged Care information and assessments can be accessed from the dedicated contact centre and website, including an option to apply for an assessment online, with the support of general practitioners. The My Aged Care contact centre (1800 200 422) operates nationally from 8am-8pm weekdays and 10am-2pm on Saturdays. A separate phone line is available to support My Aged Care assessors and service providers.

In 2020–2021, the department increased efforts to build the capability of the contact centre staff with the implementation of targeted training packages with a strong focus on supporting clients within specified groups, such as those with dementia or cognitive impairment, and Forgotten Australians. Other tailored programs have provided staff with strategies to improve client conversations and understand their requests, ultimately providing better client outcomes and tailored support to navigate the aged care system.

In response to the Aged Care Royal Commission, the Australian Government committed $272.5 million through the 2020–21 Budget to support older Australians to access the aged care services they need, and to navigate the system. This investment includes a range of supports for people who may need additional assistance to access My Aged Care:

• face-to-face support in Services Australia service-centres to help older Australians navigate and connect to government-funded aged care services
• a network of care-finders to provide specialist assistance to older Australians who need intensive support to understand and access aged care services, and who might otherwise fall through the cracks
• an 18-month extension of the Aged Care System Navigator trials to provide service continuity until care finders are in place.

2.1. Enabling people to make informed choices

Ongoing enhancements to the My Aged Care website have been made in response to consumer and stakeholder feedback. Key improvements in the last year include:

• a new ‘My Guide to Aged Care’ tool that allows users to create and save a tailored guide to help them understand how to apply for and access government-funded aged care
• further enhancements to the ‘Find a Provider’ tool, to allow users to search for multiple services at once
• interactive and improved information on how to appoint or become a representative
• updates to tools and information to better support users to understand how costs are determined and how much they may need to pay for their care
• the introduction of a News and Updates section, to share timely stories and information that consumers may find useful. News topics include COVID-19 announcements, updates on the Royal Commission, and announcements of new policies and support services.

The department has also made improvements to the My Aged Care client portal (which is accessed through myGov), to make it easier to use, including renaming it ‘Online Account’ to help consumers understand its purpose. In addition, information about how to use and access the Online Account was updated on the My Aged Care website, and new user-guides and videos added, to assist consumers to use their account.

Calls, correspondence and website data

In 2020–21, the My Aged Care contact centre received 1,557,471 calls, and provided practical support by connecting services and providing information and advice. The My Aged Care website had a total of 4,273,662 visits.

Publications

The department continues to disseminate a range of printed aged care materials, including information booklets and brochures for older Australians, their families and carers.

In 2020–21, nearly two million My Aged Care information products were distributed including:

• nearly 600,000 brochures explaining the range of Australian Government-funded aged care services available and how to access them
• more than 500,000 detailed booklets about accessing specific Australian Government-funded aged care programs. This included the Charter of Aged Care Rights, which describes the rights of aged care consumers who receive Australian Government-funded aged care services.

From July 2021, this was complemented by the introduction of personalised welcome packs that are mailed to new clients and/or their representatives, after registering with My Aged Care.
In addition to printed resources, the department produces a fortnightly e-Newsletter and distributes regular email announcements to over 26,000 aged care sector subscribers, including service providers, assessors, peak bodies and health professionals.

These resources are regularly reviewed and updated to ensure the information remains accurate and is easy to understand. Translated versions of many of the resources, in 18 Culturally and Linguistically Diverse (CALD), and four Aboriginal and Torres Strait Islander languages, are also available to view and download.

### 2.2. Support for consumers

#### National Aged Care Advocacy Program

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers. Since 1 July 2017, NACAP has been delivered by a single national provider, the Older Persons Advocacy Network (OPAN). In 2020–21, OPAN delivered 1,310 education sessions and 20,675 instances of advice or individual advocacy. OPAN also received an additional $3.1 million to deliver information promoting aged care consumer rights to older people, and undertake outreach/outbound activities to connect with older people in residential and home care in response to the COVID-19 pandemic.

#### Community Visitors Scheme

The Community Visitors Scheme (CVS) provides friendship and companionship through one-on-one volunteer visits to consumers of residential aged care, home care packages and groups in residential aged care who are socially isolated or are at risk of social isolation or loneliness. In 2020–21, funding of $23.4 million was provided, which includes $5 million in supplementary funding to support providers in responding to the challenges of the COVID-19 pandemic. During 2020–21, approximately 10,300 volunteers conducted an estimated 148,500 visits, with the number of visits significantly impacted by COVID-19 restrictions.

#### National Dementia Support Program

In 2020–21, the National Dementia Support Program (NDSP) provided education, resources, counselling and support to people living with dementia, their families and carers, to help improve their lives and increase awareness and understanding about the disease. The NDSP offers a website and national helpline, where professional counselling or group and individual support sessions can be scheduled. These help people living with dementia, and their families and carers, with support strategies
to cope with dementia, and provide advice on what to expect once a diagnosis of dementia is received. The NDSP also offers education and training to family members and carers of people living with dementia to help the person with dementia remain in their own homes for longer, where appropriate, and help ensure the family members and carers are supported in their caring role.

In 2020–21 the core NDSP program was delivered by Dementia Australia. This followed a program redesign, and a 2019 open competitive grant round to find a national provider to deliver the redesigned program. The NDSP includes five elements:

**Element 1: Information and Foundation Supports**

This includes the National Dementia Helpline and website, and provision of advice to local service delivery and support networks. In December 2020, Dementia Australia received additional funding to provide an outbound call service.

**Element 2: Awareness and Stigma Reduction**

This includes consumer-focused and GP/health professional-focused awareness and stigma reduction campaigns.

**Element 3: Outreach – Targeted Supports**

This includes the delivery of culturally appropriate education and support to both CALD and Aboriginal and Torres Strait Islander communities.

**Element 4: Early Intervention Supports**

This includes education, counselling, planning support, and other psychosocial supports to help people living with dementia to live well with the disease, and help carers and families maintain their caring role as long as practical.

**Element 5: Innovation and Technology**

This element incorporates the 2018–19 Federal Budget measure “Better Ageing – better care for people living with dementia”, which supported the design and implementation of a pilot program aimed at improving care for people living with dementia, and their carers, and which emphasised using innovative technologies. In 2020–21, $14.6 million was allocated for these activities under the five elements.

During 2020–21 Dementia Australia, Perx Health, and the Digital Development Factory continued their development of innovative projects, including:

- a “chatbot” to help people access dementia-related information in a format and at a time more convenient for their needs
- an app to promote medication adherence for people living with dementia
- an app to help carers and family members of people living with dementia coordinate informal help around the home for people living with dementia by building a trusted network of individuals willing to help.
In 2020–21, the National Dementia Helpline and referral service received over 33,255 contacts. More than 443,500 dementia resources were downloaded from the Dementia Australia national website, of which over 18,146 were targeting people from diverse-needs groups. More than 4,780 hours of counselling and 284 education sessions were delivered.

**EnCOMPASS: Multicultural Aged Care Connector**

In May 2019, the Australian Government made an election commitment to invest $10 million in a dedicated network of navigators to assist older people from CALD backgrounds and their families navigate the aged care system.

In February 2021, following consultation, the department engaged the Federation of Ethnic Communities Councils of Australia (FECCA) to deliver a CALD Navigator program. The EnCOMPASS: Multicultural Aged Care Connector Program (EnCOMPASS) will enable CALD consumers, their families and carers to understand and engage with the aged care system and access services that are appropriate to their needs. People from CALD backgrounds will be empowered to contact and engage with the My Aged Care call centre and website. The measure responds to the complexity of the aged care system and that people from CALD backgrounds may find it more difficult to understand what services are available, to navigate the system, and to be able to access the services they need.

### 2.3. Access to subsidised care

**Regional Assessment Service**

The Regional Assessment Service (RAS) delivers assessments of people seeking entry-level support at home, provided under the Commonwealth Home Support Programme (CHSP).

In 2020–21, the Australian Government allocated funding of approximately $115.6 million for 17 RAS providers to deliver assessment services in all states and territories. RAS providers completed 265,750 assessments in 2020–21.

**Aged Care Assessment Program**

The Australian Government engages states and territories to manage and administer the Aged Care Assessment Program (ACAP), which includes 80 individual ACATs to deliver comprehensive assessment services across Australia. Approximately $129.6 million was allocated for ACAT purposes in 2020–21. ACATs completed 185,605 assessments in 2020–21.
ACATs comprehensively assess the aged care needs of older Australians by building on the information collected in the My Aged Care contact-centre screening and home support assessment (if applicable). This process includes approving the person as eligible for Australian Government-subsidised aged care services funded under the Act, such as residential care, a Home Care Package and/or flexible care services. ACATs make referrals to aged care services or provide the person with a referral code for them to self-manage their referral.

Assessments are conducted in accordance with the requirements for the approval of care recipients outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 2014*.

**Table 3: ACAT assessments by state and territory: 2016–17 to 2020–21**

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
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<td>1,153</td>
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<td><strong>178,363</strong></td>
<td><strong>186,891</strong></td>
<td><strong>185,605</strong></td>
</tr>
</tbody>
</table>

The data includes reassessments.

Notes: Data was extracted from the Ageing and Aged Care Data Warehouse in July 2021. Future extracts of this data may change and thus alter final numbers. The table includes total number of assessments. Expanded data regarding completed assessments and approvals are published on the GEN Aged Care Data website and in the Productivity Commission Report on Government Services.
1,432 funded CHSP organisations

825,383 CHSP clients across 2020–21

$2.7 billion for CHSP service delivery activities
Home Support
3. Home Support

The Australian Government provides a range of entry-level home support services through the Commonwealth Home Support Programme (CHSP) designed to help people aged 65 years and older (50 years and older for Aboriginal and Torres Strait Islander people) to continue living in their own homes for as long as they can.

To access the CHSP, people are first assessed by a Regional Assessment Service (RAS), or an Aged Care Assessment Team (ACAT), to determine their eligibility and service requirements.

3.1. What was provided?

The CHSP helps frail older people living in the community to maximise their independence through the delivery of timely, high-quality, entry-level support services taking into account each person's goals. CHSP support is underpinned by a wellness approach, which is about building on each person's strengths, capacity and goals to help them remain independent and to live safely at home.

Through the Better Ageing – Promoting Independent Living Budget measure, the Australian Government has increased the focus on reablement under the CHSP, which includes the provision of advice and short-term support for older Australians to retain their independence for as long as possible. A national online CHSP reablement training program has been established to help CHSP support workers, allied health professionals and team leaders to embed wellness and reablement into everyday service delivery approaches. A reablement Community of Practice was also established for CHSP providers to share experiences and approaches.

Following a national review of assistive technology, a national Goods, Equipment and Assistive Technology (GEAT) provider has also been contracted to meet increased demand for assistive technology and support access for older Australians across all states and territories.
### Table 4: CHSP services by sub-programme and service type

<table>
<thead>
<tr>
<th>Sub-programme</th>
<th>Objective</th>
<th>Service types funded</th>
<th>Sector support and development activities</th>
</tr>
</thead>
</table>
| Community and home support           | To provide entry-level support services to assist frail, older Australians to live independently at home and in the community.                                                                                     | • Allied health and therapy services  
• Domestic assistance  
• Goods, equipment and assistive technology  
• Home maintenance  
• Home modifications  
• Meals  
• Nursing  
• Other food services  
• Personal care  
• Social support-individual  
• Social support-group  
• Specialised support services  
• Transport  
• Centre-based respite:  
  - Centre based day respite  
  - Residential day respite  
  - Community access - group respite  
• Flexible respite:  
  - In-home day respite  
  - In-home overnight respite  
  - Community access – individual respite  
  - Host family day respite  
  - Host family overnight respite  
  - Mobile respite  
  - Other planned respite  
  - Cottage respite (overnight community)  
  - Assistance with care and housing activities:  
    - Assessment – referrals  
    - Advocacy – financial, legal  
    - Hoarding and squalor (A person must be aged 50 years or over (45 years or over for Aboriginal and Torres Strait Islander people), or prematurely aged, on a low income, and be homeless or at risk of homelessness as a result of experiencing housing stress or not having secure accommodation). |                                                                                                                                                                                                                      |                                                                                                             |
3.2. Who provided care?
In 2020–21, a total of 1,432 aged care organisations were funded to deliver CHSP home support services to clients. CHSP providers include government, non-government and not-for-profit organisations.

3.3. Who received care?
The CHSP provided support to 825,383 clients through delivery of home support services. Access to CHSP services is coordinated through My Aged Care. For consumers this means entry and assessment through My Aged Care and referral to the RAS for a face-to-face assessment. In 2020–21, the average age of access to the CHSP was 80.2 years.

3.4. How were these services funded?

What the Australian Government pays
The CHSP is a grant-funded program. During 2020–21, the Australian Government provided $2.7 billion for the delivery of CHSP services to assist eligible clients to remain living independently in their homes, including emergency COVID-19 funding. The Australian Government also provided $148.9 million to My Aged Care, RAS, and Emergency COVID-19 funding and other initiatives in support of the CHSP. In total, Australian Government expenditure for the program in 2020–21 was $2.9 billion.

Table 5: Australian Government expenditure for CHSP services in 2020–21, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>2020–21 $M</th>
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<tr>
<td>NSW</td>
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</table>
What the consumer pays

The Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework were implemented in October 2015. The Framework outlines a number of principles that CHSP providers should adopt in setting and implementing their own client contribution policy. The principles are designed to introduce fairness and consistency, with a view to ensuring that those who can afford to contribute do so, while protecting the most vulnerable. Consumer contributions support the financial sustainability of the program and CHSP providers to grow and expand their business. It is expected that contributions towards the cost of care will move towards a nationally consistent approach over time.
939 operational home care providers

176,105 home care consumers at 30 June

$4.2 billion in home care subsidies and supplements
Home Care
4. Home Care

The Australian Government recognises that people want to remain living independently in their own home for as long as possible. To support this, the Government subsidises Home Care Packages (HCPs) to provide comprehensive home-based care that can improve older Australians’ quality of life and help them to remain active and connected to their communities.

To access a HCP, people are first assessed by an ACAT, which determines eligibility. Once assessed as eligible for home care, a person is placed on the National Priority System and is offered a HCP when one becomes available.

4.1. What was provided?

The HCP Program provides four levels of support:

- Home Care Level 1 – to support people with basic care needs
- Home Care Level 2 – to support people with low level care needs
- Home Care Level 3 – to support people with intermediate care needs
- Home Care Level 4 – to support people with high care needs.

Under a HCP, a range of personal care, support services, clinical services and other services are tailored to meet the assessed needs of the consumer. A summary list of the types of services available can be found on the My Aged Care website.\(^\text{10}\)

4.2. Who provided care?

HCPs are delivered by service providers who have been approved under the Act. This approval requires providers to comply with conditions relating to quality of care, consumer rights and accountability.

Between 30 June 2020 and 30 June 2021, the number of operational approved providers of home care grew from 920 to 939, representing a 2.1 per cent increase.

At 30 June 2021, there were 176,105 people who were in a HCP (Table 6). The not-for-profit group (comprising religious, charitable and community-based providers) delivered care to 63.8 per cent of people, while for-profit providers delivered care to 30.1 per cent, and government providers delivered care to 6.1 percent.

---

Table 6: Number of people in a HCP, by provider type and state and territory, at 30 June 2021

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Religious</th>
<th>Charitable</th>
<th>Community based</th>
<th>For profit</th>
<th>State/territory and Local Govt</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>8,439</td>
<td>14,856</td>
<td>13,519</td>
<td>21,539</td>
<td>930</td>
<td>59,283</td>
</tr>
<tr>
<td>Vic</td>
<td>8,563</td>
<td>9,817</td>
<td>8,904</td>
<td>15,324</td>
<td>7,403</td>
<td>50,011</td>
</tr>
<tr>
<td>Qld</td>
<td>11,677</td>
<td>5,963</td>
<td>6,008</td>
<td>8,325</td>
<td>416</td>
<td>32,389</td>
</tr>
<tr>
<td>WA</td>
<td>2,465</td>
<td>5,924</td>
<td>1,344</td>
<td>3,760</td>
<td>418</td>
<td>13,911</td>
</tr>
<tr>
<td>SA</td>
<td>2,370</td>
<td>5,657</td>
<td>1,526</td>
<td>2,643</td>
<td>1,401</td>
<td>13,597</td>
</tr>
<tr>
<td>Tas</td>
<td>601</td>
<td>1,283</td>
<td>1,139</td>
<td>1,018</td>
<td>19</td>
<td>4,060</td>
</tr>
<tr>
<td>ACT</td>
<td>403</td>
<td>841</td>
<td>617</td>
<td>218</td>
<td>. .</td>
<td>2,079</td>
</tr>
<tr>
<td>NT</td>
<td>188</td>
<td>6</td>
<td>312</td>
<td>115</td>
<td>154</td>
<td>775</td>
</tr>
<tr>
<td>Australia</td>
<td>34,706</td>
<td>44,347</td>
<td>33,369</td>
<td>52,942</td>
<td>10,741</td>
<td>176,105</td>
</tr>
</tbody>
</table>

% of Total 19.7% 25.2% 18.9% 30.1% 6.1% 100.0%

Note: Location of home care consumers is based on the physical address of the service delivering the care.
. . Not applicable

4.3. Who received care?

There were 176,105 people in a HCP at 30 June 2021 (Table 7).

This was an increase of 33,669 (or 23.6 per cent) from 30 June 2020 (142,436).
The number of people in a Level 3 or 4 HCP grew from 67,176 at 30 June 2020 to 87,680 at 30 June 2021, an increase of 30.5 per cent.

In 2020–21, the average age of access to a HCP was 81.3 years.
Table 7: Number of people in a HCP, by current care level and by state and territory, at 30 June 2021

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>8,142</td>
<td>24,817</td>
<td>15,167</td>
<td>11,157</td>
<td>59,283</td>
<td>33.7</td>
</tr>
<tr>
<td>Vic</td>
<td>4,362</td>
<td>22,291</td>
<td>11,709</td>
<td>11,649</td>
<td>50,011</td>
<td>28.4</td>
</tr>
<tr>
<td>Qld</td>
<td>2,896</td>
<td>12,416</td>
<td>8,952</td>
<td>8,125</td>
<td>32,389</td>
<td>18.4</td>
</tr>
<tr>
<td>WA</td>
<td>589</td>
<td>3,768</td>
<td>3,754</td>
<td>5,800</td>
<td>13,911</td>
<td>7.9</td>
</tr>
<tr>
<td>SA</td>
<td>1,037</td>
<td>4,951</td>
<td>4,193</td>
<td>3,416</td>
<td>13,597</td>
<td>7.7</td>
</tr>
<tr>
<td>Tas</td>
<td>274</td>
<td>1,682</td>
<td>1,188</td>
<td>916</td>
<td>4,060</td>
<td>2.3</td>
</tr>
<tr>
<td>ACT</td>
<td>88</td>
<td>797</td>
<td>457</td>
<td>737</td>
<td>2,079</td>
<td>1.2</td>
</tr>
<tr>
<td>NT</td>
<td>17</td>
<td>298</td>
<td>183</td>
<td>277</td>
<td>775</td>
<td>0.4</td>
</tr>
<tr>
<td>Australia</td>
<td>17,405</td>
<td>71,020</td>
<td>45,603</td>
<td>42,077</td>
<td>176,105</td>
<td>100.0</td>
</tr>
<tr>
<td>% of Total</td>
<td>9.9</td>
<td>40.3</td>
<td>25.9</td>
<td>23.9</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Note: Location of home care consumers is based on the physical address of the service delivering the care.

### 4.4. How were these services funded?

**What the Australian Government pays**

The Australian Government is the main contributor to the cost of HCPs. Government assistance is predominantly provided in the form of a subsidy to providers, with the amount increasing as the level of HCP rises (from Level 1 to Level 4).

The Minister determines the rates for subsidies and care-supplements to be paid from 1 July of each year. The current rates of payment are available on the department’s website.\(^{11}\)

As part of the Australian Government’s response to the COVID-19 pandemic, the following time-limited additional funding was made available in the HCP Program:

- 1.2 per cent increase in the basic subsidy (March – August 2020)
- 30 per cent increase in the viability supplement for home care (March 2020 – February 2021).

Table 8: Home Care supplements available in 2020–21

<table>
<thead>
<tr>
<th>Supplement type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary supplements</strong></td>
<td></td>
</tr>
<tr>
<td>Oxygen supplement</td>
<td>A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of oxygen therapy.</td>
</tr>
<tr>
<td>Enteral feeding supplement</td>
<td>A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of enteral feeding.</td>
</tr>
<tr>
<td>Dementia and cognition supplement</td>
<td>A supplement paid on behalf of eligible care recipients assessed as having cognitive impairment due to dementia or other conditions.</td>
</tr>
<tr>
<td>Veterans’ supplement in home care</td>
<td>A supplement paid on behalf of care recipients with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans’ Affairs.</td>
</tr>
<tr>
<td>Top-up supplement</td>
<td>A supplement paid on behalf of care recipients formerly in receipt of an Extended Aged Care at Home Dementia (EACHD) package prior to 1 August 2013, to ensure no disadvantage in funding as a result of the transition to the HCP Program.</td>
</tr>
<tr>
<td><strong>Other supplements</strong></td>
<td></td>
</tr>
<tr>
<td>Hardship supplement</td>
<td>A supplement paid on behalf of post-1 July 2014 care recipients in financial hardship who are unable to pay their aged care costs.</td>
</tr>
<tr>
<td>Viability supplement</td>
<td>A supplement paid on behalf of eligible care recipients living in regional and remote areas to assist with the extra costs of providing services in those areas.</td>
</tr>
</tbody>
</table>

The Australian Government’s expenditure on subsidies and supplements for HCPs increased from $3.4 billion in 2019–20 to $4.2 billion in 2020–21, an increase of 25.2 per cent.
Table 9: Australian Government expenditure for home care packages 2016–17 to 2020–21, by state and territory

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>483.8</td>
<td>619.8</td>
<td>753.1</td>
<td>1,025.1</td>
<td>1,241.2</td>
</tr>
<tr>
<td>Vic</td>
<td>388.6</td>
<td>497.9</td>
<td>605.0</td>
<td>820.8</td>
<td>1,027.3</td>
</tr>
<tr>
<td>Qld</td>
<td>301.4</td>
<td>386.1</td>
<td>469.2</td>
<td>636.5</td>
<td>796.7</td>
</tr>
<tr>
<td>WA</td>
<td>198.3</td>
<td>254.0</td>
<td>308.7</td>
<td>418.8</td>
<td>524.1</td>
</tr>
<tr>
<td>SA</td>
<td>114.2</td>
<td>146.3</td>
<td>177.8</td>
<td>241.2</td>
<td>301.9</td>
</tr>
<tr>
<td>Tas</td>
<td>39.7</td>
<td>50.8</td>
<td>61.7</td>
<td>83.8</td>
<td>104.8</td>
</tr>
<tr>
<td>ACT</td>
<td>36.5</td>
<td>46.7</td>
<td>56.8</td>
<td>77.1</td>
<td>138.4</td>
</tr>
<tr>
<td>NT</td>
<td>22.2</td>
<td>28.4</td>
<td>34.6</td>
<td>46.9</td>
<td>58.7</td>
</tr>
<tr>
<td>Australia</td>
<td>1,586.2</td>
<td>2,032.1</td>
<td>2,469.3</td>
<td>3,350.1</td>
<td>4,193.1</td>
</tr>
</tbody>
</table>

Note: The totals may include expenditure that cannot be attributed to an individual state or territory.

What the consumer pays

Consumers who have taken up a HCP on or after 1 July 2014, can be asked to pay:

- a basic daily fee – depending on HCP level, the current maximum basic daily fee ranges between 15.68 per cent and 17.50 per cent of the single rate of the basic age pension
- an income-tested fee – if they are assessed as having sufficient income to contribute to the cost of their care. The income-tested fee reduces the amount of the subsidy paid by the Australian Government to the provider
- amounts for additional care and services that the HCP would not otherwise cover.

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

There are annual and lifetime limits to how much a person has to pay in income-tested care fees. Once these limits have been reached, the Australian Government will pay the person’s share of income-tested care fees to the provider.

These fee arrangements do not apply to people who were receiving a HCP on or before 30 June 2014.

Further information on the fee arrangements for HCPs can be found on the department’s website.12

586 funded CHSP organisations and 2,613 residential aged care homes delivered respite care

46,527 CHSP respite clients and 67,775 residential respite clients across 2020–21

$301.2 million in CHSP grants and $458.0 million in residential subsidies and supplements
Respite Care
5. Respite Care

The Australian Government recognises the vital role that carers play 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 frail people and their carers, and is provided in a number of settings to allow greater flexibility for carers and consumers.

5.1. What was provided?

Residential respite care

Residential respite provides short-term care in Australian Government-subsidised aged care homes, with the primary purpose of giving a carer, or the person being cared for, a break from their usual care arrangements. Residential respite may be used on a planned or emergency basis. To access residential respite a person must be assessed as eligible by an ACAT. Eligible people may receive residential respite in aged care homes for up to 63 days in each financial year, with the possibility of extension, where approved by an ACAT.

An ACAT will determine whether a person is eligible for high-care or low-care residential respite. The determination of care levels does not affect the type of care provided but can impact the applicable fees and government subsidies. People receiving residential respite are entitled to receive the same services as someone receiving permanent residential aged care, including assistance with meals, laundry, room cleaning, personal grooming, and nursing care.

Commonwealth Home Support Programme

The CHSP provides a range of in-home and centre-based respite services to support the carer relationship by giving them a break. The types of respite services include:

- flexible respite – in-home day or overnight respite
- cottage respite – overnight respite in a community setting
- centre-based respite – day-based activities and supports in a centre or community club.
5.2. Who provided care?

Residential respite care

Residential respite is delivered through permanent residential aged care places. It is a matter for the provider as to what mix of respite and permanent residential care places they deliver within the financial year. In 2020–21 there were 2,613 residential aged care homes which provided residential respite services.

Table 10: Residential respite service providers 2020–21, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Residential respite providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>870</td>
</tr>
<tr>
<td>Vic</td>
<td>726</td>
</tr>
<tr>
<td>Qld</td>
<td>462</td>
</tr>
<tr>
<td>WA</td>
<td>210</td>
</tr>
<tr>
<td>SA</td>
<td>241</td>
</tr>
<tr>
<td>Tas</td>
<td>68</td>
</tr>
<tr>
<td>ACT</td>
<td>24</td>
</tr>
<tr>
<td>NT</td>
<td>12</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>2,613</strong></td>
</tr>
</tbody>
</table>

Commonwealth Home Support Programme

In 2020–21, 586 aged care organisations were funded to deliver CHSP respite services to clients. These providers range from small not-for-profit organisations to government and non-government organisations.

5.3. Who received care?

Residential respite care

The number of residential respite days used in 2020–21 was 2.4 million, an increase of 102,000 days from 2019–20. On average, each recipient received 1.2 episodes of residential respite care during 2020–21, and their average length of stay per episode was 28.6 days.
Table 11: Residential respite days by level of care, during 2020–21, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>High care respite</th>
<th>Low care respite</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>791,923</td>
<td>127,632</td>
<td>919,555</td>
</tr>
<tr>
<td>Vic</td>
<td>299,362</td>
<td>198,590</td>
<td>497,952</td>
</tr>
<tr>
<td>QLD</td>
<td>399,678</td>
<td>65,996</td>
<td>465,674</td>
</tr>
<tr>
<td>WA</td>
<td>100,387</td>
<td>17,912</td>
<td>118,299</td>
</tr>
<tr>
<td>SA</td>
<td>279,634</td>
<td>14,910</td>
<td>294,544</td>
</tr>
<tr>
<td>Tas</td>
<td>32,817</td>
<td>10,591</td>
<td>43,408</td>
</tr>
<tr>
<td>ACT</td>
<td>13,552</td>
<td>3,849</td>
<td>17,401</td>
</tr>
<tr>
<td>NT</td>
<td>12,140</td>
<td>2,159</td>
<td>14,299</td>
</tr>
<tr>
<td>Australia</td>
<td>1,929,493</td>
<td>441,639</td>
<td>2,371,132</td>
</tr>
</tbody>
</table>

Commonwealth Home Support Programme

In 2020–21, 46,527 clients received CHSP respite services.

5.4. How were these services funded?

What the Australian Government pays

Residential respite care

In 2020–21, the Australian Government provided subsidies and supplements totalling $458.0 million to service providers who delivered residential respite care.

As part of the government’s response to the COVID–19 pandemic, additional funding for residential respite care was made available through a 1.2 per cent increase to the basic respite subsidy from 1 March to 31 August 2020 inclusive.

Commonwealth Home Support Programme

In 2020–21, the Australian Government provided grant funding of $301.2 million to service providers who delivered respite services under the CHSP.
What the consumer pays

**Residential respite care**

The Australian Government sets the maximum level of the basic daily fee that providers may ask residential respite care recipients to pay, which equates to 85 per cent of the single rate of the basic age pension. 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.

A booking fee may be charged to secure a period of respite care which is deducted from the daily fees once the respite care recipient enters care. The booking fee cannot exceed whichever is lower of:

- one week’s fee for respite care
- 25 per cent of the fee for the proposed period of respite care.

**Commonwealth Home Support Programme**

CHSP service providers can charge a client contribution for respite services in accordance with a client contribution framework and the National Guide to the CHSP client contribution framework. CHSP service providers are responsible for setting their own client contribution policies, with a view to ensuring those who can afford to contribute do so, while protecting the most vulnerable.
830 operational residential aged care providers

183,894 permanent residents at 30 June

$14.1 billion in residential care subsidies and supplements
Residential Care
6. Residential Care

Residential aged care services provide 24-hour care and accommodation for older people who are unable to continue living independently in their own home, and need assistance with everyday tasks.

A person who has been assessed as eligible to receive residential aged care may be admitted to any residential aged care home of their choice, provided that the aged care home has an available place, agrees to admit them, and is able to meet the required care needs of that person.

6.1. What was provided?

Under the *Quality of Care Principles 2014*, approved providers of residential aged care are required to provide a range of care and services to residents, whenever they may need them. The type of care and services provided include:

- hotel-like services (e.g. bedding, furniture, toiletries, cleaning, meals)
- personal care (e.g. showering, dressing, assisting with toileting)
- clinical care (e.g. wound management, administering medication, nursing services)
- social care (e.g. recreational activities, emotional support).

All care and services are required to be delivered in accordance with the resident’s care needs and clearly outlined in their resident agreement and care plan.

6.2. Who provided care?

Approved providers of residential aged care can be from a range of sectors, including religious, charitable, community, for-profit and government. All providers must be approved under the Act and are required to adhere to the Aged Care Quality Standards when delivering care. At 30 June 2021, there were 2,704 residential aged care services, operated by 830 approved residential aged care providers.

In order to deliver care and services, an approved provider must have an allocation of residential aged care places, which are distributed through the competitive Aged Care Approvals Round. Places are allocated on a provisional basis until they can be made operational. At 30 June 2021, there were 26,280 provisionally allocated residential aged care places and 219,105 operational places, with an occupancy rate of 86.8 per cent through 2020–21. This does not include flexible aged care places.
Table 12: Operational residential care places, other than flexible care places, by provider type, at 30 June 2021, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Religious</th>
<th>Charitable</th>
<th>Religious/charitable</th>
<th>Community based</th>
<th>For profit</th>
<th>State/territory govt</th>
<th>Local govt</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>17,242</td>
<td>17,847</td>
<td>0</td>
<td>10,616</td>
<td>26,080</td>
<td>350</td>
<td>417</td>
<td>72,552</td>
</tr>
<tr>
<td>Vic</td>
<td>7,181</td>
<td>7,306</td>
<td>77</td>
<td>7,803</td>
<td>30,585</td>
<td>4,947</td>
<td>143</td>
<td>58,042</td>
</tr>
<tr>
<td>Qld</td>
<td>12,565</td>
<td>6,526</td>
<td>0</td>
<td>3,385</td>
<td>19,393</td>
<td>992</td>
<td>141</td>
<td>43,002</td>
</tr>
<tr>
<td>WA</td>
<td>5,369</td>
<td>3,278</td>
<td>0</td>
<td>2,327</td>
<td>7,690</td>
<td>56</td>
<td>258</td>
<td>18,978</td>
</tr>
<tr>
<td>SA</td>
<td>5,233</td>
<td>3,990</td>
<td>0</td>
<td>2,199</td>
<td>5,728</td>
<td>781</td>
<td>214</td>
<td>18,145</td>
</tr>
<tr>
<td>Tas</td>
<td>1,583</td>
<td>1,609</td>
<td>0</td>
<td>1,209</td>
<td>668</td>
<td>57</td>
<td>0</td>
<td>5,126</td>
</tr>
<tr>
<td>ACT</td>
<td>719</td>
<td>1,090</td>
<td>0</td>
<td>479</td>
<td>413</td>
<td>0</td>
<td>0</td>
<td>2,701</td>
</tr>
<tr>
<td>NT</td>
<td>85</td>
<td>0</td>
<td>0</td>
<td>339</td>
<td>135</td>
<td>0</td>
<td>0</td>
<td>559</td>
</tr>
<tr>
<td>Australia</td>
<td>49,977</td>
<td>41,646</td>
<td>77</td>
<td>28,357</td>
<td>90,692</td>
<td>7,183</td>
<td>1,173</td>
<td>219,105</td>
</tr>
<tr>
<td>% of Total</td>
<td>22.8%</td>
<td>19.0%</td>
<td>0.0%</td>
<td>12.9%</td>
<td>41.4%</td>
<td>3.3%</td>
<td>0.5%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

6.3. Who received care?

In 2020–21:
- 243,117 people received permanent residential aged care at some time during the year, an increase of 1,246 from 2019–20
- the average age (on entry) was 82.9 years for men, 85.0 years for women
- the average completed length of stay was 36.0 months.

On 30 June 2021, there were 183,894 people receiving permanent residential care.

Table 13: Number of permanent residents on 30 June 2021, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Permanent residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>60,287</td>
</tr>
<tr>
<td>Vic</td>
<td>47,495</td>
</tr>
<tr>
<td>Qld</td>
<td>36,273</td>
</tr>
<tr>
<td>WA</td>
<td>16,334</td>
</tr>
<tr>
<td>SA</td>
<td>16,233</td>
</tr>
<tr>
<td>Tas</td>
<td>4,516</td>
</tr>
<tr>
<td>ACT</td>
<td>2,267</td>
</tr>
<tr>
<td>NT</td>
<td>489</td>
</tr>
<tr>
<td>Australia</td>
<td>183,894</td>
</tr>
</tbody>
</table>
6.4. How were these services funded?

The cost of residential aged care is met by both public (Australian Government) and private (individual) funding. The arrangements for funding are set out in the Act or in the Transitional Provisions, with some of the arrangements differing depending on when a person entered care.

Typically, residential aged care homes fund their operational and capital expenses from pooled public and private funding received on behalf of all residents in the service.

What the Australian Government pays

During 2020–21, the Australian Government paid $14.1 billion for residential care subsidies and supplements, an increase of 4.8 per cent over the previous year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>3,992.5</td>
<td>4,053.9</td>
<td>4,270.3</td>
<td>4,376.7</td>
<td>4,575.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Vic</td>
<td>3,144.8</td>
<td>3,247.6</td>
<td>3,465.5</td>
<td>3,573.2</td>
<td>3,630.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Qld</td>
<td>2,189.1</td>
<td>2,274.2</td>
<td>2,465.8</td>
<td>2,592.3</td>
<td>2,790.8</td>
<td>7.7</td>
</tr>
<tr>
<td>WA</td>
<td>996.4</td>
<td>1,029.8</td>
<td>1,120.0</td>
<td>1,168.3</td>
<td>1,251.4</td>
<td>7.1</td>
</tr>
<tr>
<td>SA</td>
<td>1,116.6</td>
<td>1,126.9</td>
<td>1,194.0</td>
<td>1,208.6</td>
<td>1,273.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Tas</td>
<td>290.9</td>
<td>295.0</td>
<td>312.0</td>
<td>318.4</td>
<td>342.2</td>
<td>7.5</td>
</tr>
<tr>
<td>ACT</td>
<td>134.2</td>
<td>137.9</td>
<td>144.3</td>
<td>146.5</td>
<td>157.3</td>
<td>7.4</td>
</tr>
<tr>
<td>NT</td>
<td>39.1</td>
<td>38.9</td>
<td>42.6</td>
<td>45.7</td>
<td>52.6</td>
<td>15.2</td>
</tr>
<tr>
<td>Australia</td>
<td>11,903.8</td>
<td>12,204.2</td>
<td>13,014.5</td>
<td>13,429.7</td>
<td>14,073.4</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Note: Totals may not sum exactly, due to rounding. This table includes funding through the Department of Veterans’ Affairs. This table presents recurrent funding to residential care providers using accrual based reporting. Due to accrual adjustments, for smaller jurisdictions in particular, this can lead to significant year-on-year variation. Based on claims data between 2019–20 and 2020–21, the growth in recurrent funding for each state and territory ranged from 1.8 per cent to 14.7 per cent.
**Subsidies and supplements**

The Minister determines the rates for subsidies and care-linked supplements to be paid from 1 July each year, and the rates of accommodation-linked supplements on 20 March and 20 September each year. The current rates of payment are available on the Schedule of Subsidies and Supplements on the department’s website, and from My Aged Care.

The majority of Australian Government funding is made up of the basic subsidy, which for permanent residential care, is determined through the appraised care-needs of a resident by applying the Aged Care Funding Instrument (ACFI). The ACFI consists of 12 questions about assessed care needs, some of which are supported by specified assessment tools and two diagnostic sections. The questions are rated by the aged care home on a scale of A, B, C, or D then used to determine an individual’s ACFI score. In addition to the subsidy determined by the ACFI, supplements may be payable.

A new residential care support supplement was introduced in 2020–21. A lump sum payment of this supplement of approximately $760 per resident in metropolitan areas, and $1,145 per resident in non-metropolitan areas, was paid for residential and respite care recipients who received care during February 2021. The higher supplement in non-metropolitan areas was in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia. Multi-Purpose Service (MPS) and National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) program providers received an equivalent amount, taking into account the number of residential care places allocated to MPS and NATSIFAC services during the specified months.

**COVID-19 funding increases**

Due to the COVID-19 pandemic, residential care basic subsidy rates were temporarily increased by 1.2 per cent for six months from 1 March 2020 to 31 August 2020.

The residential care viability supplement and the residential care homeless supplement were also both temporarily increased by 30 per cent from 1 March 2020 to 28 February 2021. The temporary 30 per cent increases to the residential care viability supplement and homeless supplement were both subsequently extended to 30 June 2021 as part of the Government’s initial response to the Royal Commission’s Final Report.
A new COVID-19 support supplement was introduced in 2019–20, which provided two lump sum payments of additional funding for residential care. The first COVID-19 support supplement payment was paid for permanent care and respite care recipients who received residential care during February 2020. The second COVID-19 support supplement was paid for permanent care and respite care recipients who received residential care during June 2020.

The second COVID-19 support supplement was approximately $975 per resident in metropolitan areas and $1,435 per resident in non-metropolitan areas. The higher supplement amounts in non-metropolitan areas was in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia.

Multi-Purpose Service (MPS) and National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) program providers received an equivalent amount taking into account the number of residential care places allocated to MPS and NATSIFAC services during the specified months.

Table 15: Supplements available for residential aged care 2020–21

<table>
<thead>
<tr>
<th>Supplement Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary supplements</strong></td>
<td></td>
</tr>
<tr>
<td>Respite supplement</td>
<td>A supplement paid to residential care services for provision of residential respite care to eligible care recipients who normally live in the community.</td>
</tr>
<tr>
<td>Oxygen supplement</td>
<td>A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing oxygen therapy.</td>
</tr>
<tr>
<td>Enteral feeding supplement</td>
<td>A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing enteral feeding.</td>
</tr>
<tr>
<td><strong>Other supplements</strong></td>
<td></td>
</tr>
<tr>
<td>Accommodation supplement</td>
<td>A means-tested supplement paid to residential care services on behalf of care recipients who entered care on or after 20 March 2008 who are eligible for assistance with their accommodation costs.</td>
</tr>
<tr>
<td>Hardship supplement</td>
<td>A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.</td>
</tr>
<tr>
<td>The Veterans’ supplement in residential care</td>
<td>A supplement paid on behalf of residents with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans’ Affairs.</td>
</tr>
<tr>
<td>Supplement Type</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Viability supplement</td>
<td>A supplement paid to aged care services in rural and remote locations to assist with the extra cost of delivering services in those locations.</td>
</tr>
<tr>
<td>Homeless supplement</td>
<td>A supplement paid to aged care services that specialise in caring for people with a history of, or who are at risk of, homelessness.</td>
</tr>
<tr>
<td>Concessional supplement</td>
<td>A means-tested supplement paid on behalf of concessional and assisted residents who entered residential care between 1 October 1997 and 19 March 2008 who are eligible for assistance with their accommodation costs.</td>
</tr>
<tr>
<td>Transitional supplement</td>
<td>A supplement paid on behalf of pre-2008 reform care recipients who were residents in an aged care home on 30 September 1997 or who entered the service after 30 September 1997 but before it was certified, and who have remained in the same home.</td>
</tr>
<tr>
<td>Charge exempt supplement</td>
<td>A supplement paid on behalf of residents who were in high care on 30 September 1997 and who have subsequently moved to another home where they would be eligible to pay an accommodation charge.</td>
</tr>
<tr>
<td>Transitional accommodation supplement</td>
<td>A supplement paid on behalf of residents who entered low level care between 20 March 2008 and 19 September 2011, to ensure no financial disadvantage from changes to the accommodation supplement which were introduced on 20 September 2011.</td>
</tr>
<tr>
<td>Accommodation charge top-up supplement</td>
<td>A supplement paid on behalf of high care residents who entered care from 20 March 2008 to 19 March 2010 and who were on income support.</td>
</tr>
<tr>
<td>Basic daily fee supplement</td>
<td>A supplement paid on behalf of certain care recipients in permanent care on 1 July 2012 to ensure no financial disadvantage resulting from the increase of the basic daily fee from that date.</td>
</tr>
<tr>
<td>Pensioner supplement</td>
<td>A supplement payable for pre-March 2008 reform residents who either have a dependent child or receive an income support payment but have not agreed to pay a large accommodation bond.</td>
</tr>
<tr>
<td>COVID-19 support supplement</td>
<td>A supplement payable for residential care and residential respite care recipients who received care during February 2020 and during June 2020.</td>
</tr>
<tr>
<td>Residential care support supplement</td>
<td>A supplement payable for residential care and residential respite care recipients who received care during February 2021.</td>
</tr>
</tbody>
</table>
A detailed breakdown of the amount of payments for each of these subsidies and supplements in 2020–21 is shown in Table 24 in Appendix A.

The following information relates to residents who entered care on or after 1 July 2014 (new residents). For information on the payment arrangements for those who entered care prior to that date (continuing-care residents) please see section 7.4 of the 2014–15 Report on the Operation of the Aged Care Act 1997.

**Figure 6: Process for determining the payments for care recipients**

```
Basic subsidy + Primary supplements - Subsidy reductions + Any other supplements = Total subsidy paid
```

New residents are subject to the arrangements outlined in the Act. The Act sets out the following process for determining the payments for care recipients (as illustrated in Figure 6):

- a basic subsidy amount determined, for permanent residents, by the resident’s classification under the ACFI or, for respite residents, by the resident’s ACAT approval
- plus any primary supplements including respite, oxygen and enteral feeding
- less any reductions in subsidy resulting from adjusted subsidies for government-owned aged care homes or the receipt of a compensation payment
- less any reduction resulting from the income and asset testing of residents who entered residential care on or after 1 July 2014
- plus any other supplements, including the accommodation supplement, viability supplement, veterans’ supplement, homeless supplement and the hardship supplement (the last of which reduces fees and accommodation payments for residents who would otherwise experience financial hardship).

**What residents pay**

Depending on their income and assets, residents may be asked to make a contribution to their accommodation costs. The following information explains the arrangement for new residents.
Fees

Basic daily fee

All residents in aged care homes can be asked to pay a basic daily fee, which equates to 85 per cent of the single rate of the basic age pension. The basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension. The Australian Government sets the maximum levels for the basic daily fee that providers can ask residents to pay.

Means-tested care fee

Means-tested care fees are calculated based on a means assessment, (combined income and asset assessment). Significant safeguards, including annual and lifetime caps on the means-tested care fees payable by residents, apply to the post 1 July 2014 fee arrangements to limit the amount a person can be asked to pay.

Extra service fees

The extra service fee is the maximum amount a provider can charge a resident for receiving extra service in a residential care home which has been approved for extra service status.

Extra service status in residential aged care involves the provision of additional hotel-type services, including a higher standard of accommodation, food and services than the average provided by residential aged care homes which do not have extra service status. A residential aged care service can have extra service status for the whole service or a distinct part, or parts, of the service.

Additional service fees

An approved provider may also charge a resident for additional services (e.g. hairdressing), which the resident has asked the provider to provide. The amount of any charge for additional services must be agreed with the resident before services are delivered, with an itemised account given to the resident once the service has been provided. Fees for other care or services cannot be charged unless the resident receives direct benefit or has the capacity to take up or make use of the services.
Payments

Accommodation payments

Accommodation payments are a contribution to the cost of accommodation in an aged care home. Accommodation payments are means-tested. Residents with income below $28,048.80 and assets below $51,000.00 (single rate, at 30 June 2021) are not required to make an accommodation contribution. In these circumstances, the Australian Government pays the full accommodation cost for the resident.

Some residents pay an accommodation contribution, with the Australian Government paying the remainder. Those residents with higher levels of income/assets, are required to pay the full cost of their accommodation through an accommodation payment which is negotiated with the provider.

Residents have the option of paying for their accommodation as:

- a lump-sum refundable deposit or
- a daily payment or
- a combination of both.

Australian Government contributions towards accommodation costs are by way of accommodation supplements. There is a range of accommodation supplement rates set by Ministerial determination. At 30 June 2021, the highest of these, the maximum accommodation supplement amount, was $58.69 per day for new homes or those which have been significantly refurbished since 20 April 2012.

Providers determine the maximum prices they wish to charge for their accommodation (for residents who do not receive any government assistance with the cost of their accommodation) and publish these prices, along with information about the key features of the room, on My Aged Care, on their own website and in their printed materials.

More information about accommodation prices and choice of payment is available from the Aged Care Financing Authority’s (ACFA) Annual Report on the Funding and Financing of the Aged Care Sector – July 2021 available on the department’s website.13

10,442 operational flexible care places across five programs

23,802 people received transition care and 6,227 received Short-Term Restorative Care

$638.2 million in Australian Government funding
7. Flexible Care

The aged care needs of older Australians vary and will often require different care approaches to those provided through residential aged care or home care. To accommodate this range of needs, there are five different types of flexible care:

- Transition Care
- Short-Term Restorative Care
- Multi-Purpose Services
- National Aboriginal and Torres Strait Islander Flexible Aged Care\(^{14}\)
- Innovative Care.

At 30 June 2021, there were 10,442 operational flexible care places. In 2020–21, Australian Government funding across these programs totalled $638.2 million.

**Figure 7**: Operational flexible care places at 30 June each year between 2017 and 2021

14 Services funded under this program are administered outside the *Aged Care Act 1997*. 
7.1. Transition Care

The Transition Care Programme (TCP) provides short-term care that seeks to optimise the functioning and independence of older people after a hospital stay. Transition care is goal-oriented, time-limited and therapy-focused. The TCP seeks to enable older people to return home after a hospital stay rather than to prematurely enter residential aged care.

What was provided?

Older Australians may receive transition care for up to 12 weeks (with a possible extension of another six weeks) in either a community setting, such as their own homes, or a residential care setting, or a combination of both. To be assessed for TCP support, a person must be admitted to hospital at the time of the assessment. Once a client enters the TCP, they receive a package of services that includes low-intensity therapy, such as physiotherapy and occupational therapy, as well as social-work, and nursing support, or personal care, to maintain and improve physical and/or cognitive functioning.

Who provided care?

Transition care service delivery is managed by state and territory governments, who are the approved providers of the programme.

At 30 June 2021, there were 4,180 transition care places nationally.

Table 16: Number of operational transition care places at 30 June 2021, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Operational transition care places</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>1,408</td>
</tr>
<tr>
<td>Vic</td>
<td>1,025</td>
</tr>
<tr>
<td>Qld</td>
<td>753</td>
</tr>
<tr>
<td>WA</td>
<td>406</td>
</tr>
<tr>
<td>SA</td>
<td>362</td>
</tr>
<tr>
<td>Tas</td>
<td>119</td>
</tr>
<tr>
<td>ACT</td>
<td>68</td>
</tr>
<tr>
<td>NT</td>
<td>39</td>
</tr>
<tr>
<td>Australia</td>
<td>4,180</td>
</tr>
</tbody>
</table>
Who received care?

At 30 June 2021, 3,661 people were receiving transition care. During 2020–21, a total of 23,802 people received transition care.

Table 17: Number of transition care recipients by state and territory, at 30 June 2021 and during 2020–21

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Number of people receiving transition care at 30 June 2021</th>
<th>Number of people who received transition care during 2020–21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>1,247</td>
<td>7,638</td>
</tr>
<tr>
<td>Vic</td>
<td>847</td>
<td>5,528</td>
</tr>
<tr>
<td>Qld</td>
<td>679</td>
<td>4,587</td>
</tr>
<tr>
<td>WA</td>
<td>349</td>
<td>2,512</td>
</tr>
<tr>
<td>SA</td>
<td>351</td>
<td>2,406</td>
</tr>
<tr>
<td>Tas</td>
<td>85</td>
<td>614</td>
</tr>
<tr>
<td>ACT</td>
<td>65</td>
<td>335</td>
</tr>
<tr>
<td>NT</td>
<td>38</td>
<td>196</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>3,661</strong></td>
<td><strong>23,802</strong></td>
</tr>
</tbody>
</table>

How were these services funded?

The TCP is jointly funded by the Australian Government and state and territory governments. Australian Government funding is provided in the form of a flexible care subsidy, payable on a per-client, per-day basis for each TCP place. The daily rate for the subsidy in 2020–21 was $212.05. In 2020–21, the Australian Government provided $276.9 million in funding for the TCP.

In addition, TCP service providers can charge clients a daily care fee, if the client is in a financial position to be able to contribute to their care. Client contributions are calculated as follows:

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in a home.
7.2. **Short-Term Restorative Care**

The Short-Term Restorative Care (STRC) programme is an innovative flexible-care programme which provides early intervention care that aims to reverse and/or slow functional decline in older people and improve overall health and wellbeing. Through a tailored package of services, STRC enables older people to regain independence and autonomy, thereby delaying their need for more intensive aged care supports such as home care and residential aged care.

**What was provided?**

Each episode of STRC delivers a time-limited, multidisciplinary package of services, for a period of eight weeks. The care plan and range of services is designed by a team of three allied health professionals in consultation with the client, and can include such things as physiotherapy, minor home modification, nursing support, personal care and the provision of assistive technologies. STRC can be delivered in either a community setting, such as the client’s own home, a residential care setting, or a combination of both.

**Who provided care?**

At 30 June 2021, there were 93 operational STRC services being delivered by 58 approved providers.

**Table 18: Number of operational STRC places by state and territory, at 30 June 2021**

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Number of operational STRC places</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>329</td>
</tr>
<tr>
<td>Vic</td>
<td>311</td>
</tr>
<tr>
<td>Qld</td>
<td>276</td>
</tr>
<tr>
<td>WA</td>
<td>158</td>
</tr>
<tr>
<td>SA</td>
<td>75</td>
</tr>
<tr>
<td>Tas</td>
<td>32</td>
</tr>
<tr>
<td>ACT</td>
<td>30</td>
</tr>
<tr>
<td>NT</td>
<td>30</td>
</tr>
<tr>
<td>Australia</td>
<td>1,241</td>
</tr>
</tbody>
</table>
Who received care?

At 30 June 2021, 859 people were receiving STRC. During 2020–21, 6,227 people received care in the STRC program.

Table 19: Number of STRC recipients by state and territory, at 30 June 2021, and during 2020–21

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Number of people receiving STRC at 30 June 2021</th>
<th>Number of people who received STRC in 2020–21</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>205</td>
<td>1,444</td>
</tr>
<tr>
<td>Vic</td>
<td>243</td>
<td>1,702</td>
</tr>
<tr>
<td>Qld</td>
<td>198</td>
<td>1,485</td>
</tr>
<tr>
<td>WA</td>
<td>97</td>
<td>794</td>
</tr>
<tr>
<td>SA</td>
<td>51</td>
<td>378</td>
</tr>
<tr>
<td>Tas</td>
<td>27</td>
<td>164</td>
</tr>
<tr>
<td>ACT</td>
<td>17</td>
<td>127</td>
</tr>
<tr>
<td>NT</td>
<td>21</td>
<td>133</td>
</tr>
<tr>
<td>Australia</td>
<td>859</td>
<td>6,227</td>
</tr>
</tbody>
</table>

How were these services funded?

The STRC program is funded through a flexible care subsidy payable to the provider on a per-client, per-day basis for each STRC place. The daily rate for the subsidy in 2020–21 was $212.05. The Australian Government contributed $67.3 million for STRC services in that period.

In addition, STRC service providers can charge clients a daily care fee, if the client is in a financial position to be able to contribute to their care. Client contributions are calculated as follows:

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in the home.
### 7.3. Multi-Purpose Services

The Multi-Purpose Services (MPS) Program is a long-standing joint initiative between the Australian Government and state and territory governments. MPS provide integrated health and aged care services in small rural and remote communities in all states, the Northern Territory and Norfolk Island. This allows people to stay in their own communities as they get older, close to their families and community ties.

**Table 20: Number of operational Multi-Purpose Services and places, at 30 June 2021, by state and territory**

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Multi-purpose services with operational places</th>
<th>Operational high care residential care places</th>
<th>Operational low care residential care places</th>
<th>Operational home care places</th>
<th>Total operational places</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW*</td>
<td>64</td>
<td>1,073</td>
<td>1</td>
<td>139</td>
<td>1,213</td>
</tr>
<tr>
<td>Vic</td>
<td>11</td>
<td>267</td>
<td>92</td>
<td>19</td>
<td>378</td>
</tr>
<tr>
<td>Qld</td>
<td>36</td>
<td>332</td>
<td>118</td>
<td>141</td>
<td>591</td>
</tr>
<tr>
<td>WA</td>
<td>38</td>
<td>347</td>
<td>280</td>
<td>159</td>
<td>786</td>
</tr>
<tr>
<td>SA</td>
<td>26</td>
<td>531</td>
<td>67</td>
<td>14</td>
<td>612</td>
</tr>
<tr>
<td>Tas</td>
<td>3</td>
<td>66</td>
<td>15</td>
<td>21</td>
<td>102</td>
</tr>
<tr>
<td>ACT</td>
<td>. .</td>
<td>. .</td>
<td>. .</td>
<td>. .</td>
<td>. .</td>
</tr>
<tr>
<td>NT</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td><strong>179</strong></td>
<td><strong>2,620</strong></td>
<td><strong>573</strong></td>
<td><strong>495</strong></td>
<td><strong>3,688</strong></td>
</tr>
</tbody>
</table>

*Norfolk Island is included in NSW. Australian Government funding for Multi-Purpose Services is provided as a flexible care subsidy under the Act and is based on the number of flexible care places allocated to each Multi-Purpose Service.

. . Not applicable

**How were these services funded?**

The program is jointly funded by the Australian Government and state and territory governments. There was continued growth in Australian Government expenditure for the MPS, from $200.2 million in 2019–20 to $216.5 million in 2020–21. These funds included an additional $19.6 million in COVID-19 related support.
Table 21: Australian Government expenditure for Multi-Purpose Services from 2016–17 to 2020–21, by state and territory

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
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<td>56.9</td>
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<td>64.5</td>
<td>73.2</td>
<td>77.7</td>
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</tr>
<tr>
<td>Vic</td>
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<td>15.0</td>
<td>15.6</td>
<td>17.5</td>
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<td>7.4</td>
</tr>
<tr>
<td>Qld</td>
<td>24.6</td>
<td>26.3</td>
<td>28.1</td>
<td>31.7</td>
<td>34.1</td>
<td>7.6</td>
</tr>
<tr>
<td>WA</td>
<td>29.0</td>
<td>29.7</td>
<td>30.5</td>
<td>34.5</td>
<td>37.8</td>
<td>9.5</td>
</tr>
<tr>
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<td>32.2</td>
<td>34.0</td>
<td>38.3</td>
<td>41.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Tas</td>
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<td>4.4</td>
<td>4.7</td>
<td>4.9</td>
<td>4.8</td>
</tr>
<tr>
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<td>. . .</td>
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<td>. . .</td>
<td>. . .</td>
<td>. . .</td>
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<td>0.4</td>
<td>0.4</td>
<td>7.9</td>
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</tr>
<tr>
<td>Australia</td>
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<td>168.8</td>
<td>177.3</td>
<td>200.2</td>
<td>216.5</td>
<td>8.1</td>
</tr>
</tbody>
</table>

2020-21 funding for services provided on Norfolk Island is included in the totals for Other Territories (OT). Prior to 2020-21, funding for these services have been included under NSW totals.

. . Not applicable

7.4. National Aboriginal and Torres Strait Islander Flexible Aged Care Program

In addition to flexible care provided through the legislative arrangements, the National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) Program funds organisations to provide culturally-safe aged care services to Aboriginal and Torres Strait Islander people close to home and community. Services funded under this program are administered outside the Act.

In 2020–21, 42 aged care services were funded to deliver 1,304 aged care places under the NATSIFAC Program. This is an increase of 40 operational places from the 2019–20 financial year. The total expenditure for this program in 2020–21 was $76.8 million. Under this program, services can be delivered in either a residential or home care setting.
Table 22: Number of operational National Aboriginal and Torres Strait Islander Flexible Aged Care Program services and places at 30 June 2021, by state and territory

<table>
<thead>
<tr>
<th>State/territory</th>
<th>Operational services</th>
<th>Operational high care residential care places</th>
<th>Operational low care residential care places</th>
<th>Operational home care places</th>
<th>Total operational places</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2</td>
<td>1</td>
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<td>2</td>
<td>40</td>
<td>15</td>
<td>69</td>
<td>124</td>
</tr>
<tr>
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<tr>
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<td>5</td>
<td>71</td>
<td>0</td>
<td>73</td>
<td>144</td>
</tr>
<tr>
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<td>6</td>
<td>82</td>
<td>22</td>
<td>81</td>
<td>185</td>
</tr>
<tr>
<td>Tas</td>
<td>3</td>
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<td>0</td>
<td>47</td>
<td>47</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NT</td>
<td>18</td>
<td>91</td>
<td>55</td>
<td>468</td>
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<td>42</td>
<td>364</td>
<td>116</td>
<td>824</td>
<td>1,304</td>
</tr>
</tbody>
</table>

7.5. Innovative care services

Innovative care was originally established in 2001–02 to pilot new approaches to providing aged care. The current innovative care program is an extension of pilots established in 2003 to support people with aged care needs who lived in state or territory-funded supported accommodation homes, who were at risk of entering residential aged care.

At 30 June 2021, there were eight projects, delivered through three services in New South Wales, two in South Australia, and one each in Tasmania, Victoria and Western Australia. No new clients have been accepted into the program since 2006, so their number is gradually decreasing as people leave. At 30 June 2021, there were 29 operational innovative care places, compared to 36 at 30 June 2020.

Throughout 2020–21, the Australian Government provided $0.7 million for these services, in the form of a flexible care subsidy specific to each service.
Specialist advice, assistance and funding to eligible aged care providers to support Indigenous aged care services

An improved scheme for the viability supplement in residential care and home care

$17.5 million in hardship supplements
Support for People with Diverse Needs
8. Support for People with Diverse 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, and to ensure services are appropriate to the needs of all consumers, the Act makes provision to accommodate the needs of the following groups under section 11–3:

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

On 6 and 7 May 2021, the Aged Care Sector Committee’s Diversity Sub-group held a forum with key stakeholders from diverse groups and Department of Health and Aged Care Quality and Safety Commission representatives. The forum aimed to explore ways and inform the department about how diversity and inclusion for older people can be embedded into the aged care sector in a meaningful way following the final report of the Royal Commission into Aged Care Quality and Safety.

As part of the 2021–22 Budget, the Australian Government announced a range of reforms to ensure older people have equitable access to safe and inclusive aged care, including people from diverse backgrounds, characteristics and life experiences. In addition to the development of a new Aged Care Act, which will place older people at the centre of the reformed system, the new measures include funding to:

- increase access to translating and interpreting services
- certify providers where specific services to meet diverse needs are offered
- assist aged care providers to understand and respond to the diversity of their community and address barriers
- provide capital investment to improve access, with initial priority areas of First Nations peoples, homelessness providers and rural and remote areas
- expand the Serious Incident Response Scheme from residential care into home and community care to provide greater protections to consumers receiving home and community aged care services
A National Aged Care Data Strategy to identify, improve and better use aged care data to inform current and future service demand, workforce, health interface interaction, quality and safety and outcomes of care, including for people with diverse needs through better data collection and use of diversity identifiers.

- support First Nations older people to be informed about available services, and build capability and viability of Aboriginal and Torres Strait Islander organisations to deliver skilled and culturally safe care.

The 2021–22 Budget also included additional service delivery funding for National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) Services. This funding will assist NATSIFAC providers in meeting the costs of delivering high quality, culturally safe residential care services to Aboriginal and Torres Strait Islander people, including the costs of maintaining cultural connections. Funding has also been provided to assist Indigenous organisations with governance, business, training and leadership and build capacity to deliver aged care services.

**8.1. People from Aboriginal and Torres Strait Islander communities**

Broadly speaking, older Aboriginal and Torres Strait Islander people have proportionally higher representation in non-flexible home care services and proportionally lower representation in non-flexible residential care services, relative to the total aged care target population.

*Figure 8: Index of equity of access for non-flexible aged care services for older Australians from Aboriginal and Torres Strait Islander backgrounds, 30 June 2021*
In 2019, an action plan to address the specific needs of older Aboriginal and Torres Strait Islander people was developed under the Framework. The Provider Guide sets out what aged care providers can do to deliver inclusive care that is appropriate and sensitive to the needs of older Aboriginal and Torres Strait Islander people. The Consumer Guide helps older Aboriginal and Torres Strait Islander people to express their needs when speaking with aged care providers. It can also help people working in aged care to better understand the needs of Aboriginal and Torres Strait Islander people.

The National Advisory Group for Aboriginal and Torres Strait Islander Aged Care (NAGATSIAC) was established in early 2019 and is an Australian Government commitment under the Australian Government Diversity Action Plan. NAGATSIAC is an expert advisory group comprising academics and aged care providers funded to advise the Australian Government on the multiple social and cultural challenges faced by older Aboriginal and Torres Strait Islander people in attempting to access and navigate aged care services.

To improve equity of access and increase representation of older Aboriginal and Torres Strait Islander people in the aged care system, the Australian Government is implementing a new national support service. The new service will provide intensive face-to-face support for older Indigenous Australians and their families to help them access care, make sure that care meets their physical and cultural needs, and provide guidance to providers on cultural safety and working with Indigenous care-recipients. The new service is expected to start in early 2022 in a staged roll-out, and offer employment to around 250 Indigenous Australians nationally.

### 8.2. People from culturally and linguistically diverse backgrounds

Australia is one of the most culturally diverse nations in the world with an estimated one in five people aged 65 and over born in a non-English speaking country.\(^\text{15}\)

Broadly speaking, people from CALD backgrounds have proportionally higher representation in home care services and proportionally lower representation in residential care services.

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\(^{15}\) Australian Institute of Health and Welfare 2018. Older Australia at a glance. Cat. no. AGE 87. Canberra: AIHW.
The Australian Government funds the long-standing Partners in Culturally Appropriate Care (PICAC) program to support the sector in its care of people from CALD backgrounds. The PICAC Program provides guidance, resources and training to assist aged care providers respond to the needs of older CALD Australians.

Additionally, the Australian Government also funds the Federation of Ethnic Communities Councils of Australia (FECCA) to provide aged care policy advice to Government, contribute to the aged care sector reform agenda and promote the views and aspirations of the constituencies of aged care consumer peak bodies with respect to ageing and aged care. In addition, as outlined in Chapter 2.2, the department has also engaged FECCA to deliver the EnCOMPASS program to enable CALD consumers, their families and carers to understand and engage with the aged care system and access services that are appropriate to their needs.

The Australian Government offers interpreting support to people from CALD backgrounds via free access to the Translating and Interpreting Service (TIS National). TIS National’s interpreting services are available 24 hours a day, seven days a week, and can be accessed for free by telephone or in face-to-face sessions.

TIS National can be used to contact My Aged Care and for aged care assessments. The service also exists as a support mechanism for specific circumstances, for example to assist consumers to understand the services they are receiving, their care agreement, or their individualised budget and monthly statements.
8.3. People who live in rural or remote areas

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.

The Australian Government continues to support consumers in rural and remote areas to access aged care services, and strengthen the viability of locally-based services in several ways.

These include:

• the viability supplement scheme for small, remote and very remote residential care services as well as for eligible home care recipients. The residential care viability supplement was increased by 30 per cent from 20 March 2019

• an additional, temporary 30 per cent increase to the viability supplement applied from 1 March 2020 to 18 February 2021 as part of the Australian Government's COVID-19 specific support to the aged care sector. This increase has since been continued as part of the Government's response to the Royal Commission's Final Report, until October 2022 at which time the funding will be rolled into the new Australian National Aged Care Classification (AN-ACC) funding model on an ongoing basis

• a new COVID-19 support supplement, introduced in 2019–20. Two lump sum payments of this supplement were paid for residential and respite care recipients who received care during February 2020 and June 2020. This supplement was 50 per cent higher in non-metropolitan areas in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia

• a new Residential care support supplement, introduced in 2020–21. A lump sum payment of this supplement was paid for residential and respite care recipients who received care during February 2021. This supplement was 50 per cent higher in non-metropolitan areas in recognition of the additional costs experienced by approved providers of residential and flexible aged care in regional, rural and remote areas of Australia

• flexible aged care programs such as the Multi-Purpose Services Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (see Chapter 7)
• funds provided through the Dementia and Aged Care Services (DACS) Fund, including the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel program (see Chapter 9)
• Capital funding grants to improve infrastructure and service delivery, particularly targeted at rural and remote services, through the Rural, Regional and Other Special Needs Building Fund.

8.4. People who are financially or socially disadvantaged

Arrangements established under the Act mean that older Australians can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of accommodation supplement payable for a supported resident, a service must have a supported-resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra service places) of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

Financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying fees and/or accommodation costs. Applicants for financial hardship assistance may seek assistance with their contribution to their aged care costs. Hardship assistance is payable if the person can demonstrate to Services Australia that they are in financial hardship as a result of paying their aged care fees and essential expenses. The Australian Government provided $17.5 million in hardship supplements for residential care and home care during 2020–21.

8.5. Veterans

The Department of Veterans’ Affairs issues gold and white treatment cards to veterans, their war widows and widowers and dependents, and offers programs to ensure that veterans have access to health and other care services that promote and maintain self-sufficiency, well-being and quality of life.

There were 9,619 gold or white treatment card holders in residential care at 30 June 2021, a decrease of 1,386 from 30 June 2020.
8.6. People who are homeless or at risk of becoming homeless

For older Australians who are homeless, or at risk of becoming homeless, there are aged care services that can provide support and help deal with housing problems. These services were funded through the Commonwealth Home Support Programme (see Chapter 3) and residential aged care (see Chapter 6).

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. In addition, the homeless supplement is paid to support eligible aged care homes that specialise in caring for people with a history of, or who are at risk of, homelessness. From 20 March 2019, the rate of homeless supplement paid to eligible residential services was increased by 30 per cent. An additional, temporary, 30 per cent increase in the rate of homeless supplement (on top of the ongoing 30 per cent increase) applied from 1 March 2020 to 28 February 2021 as part of the Australian Government’s COVID-19-specific support to the aged care sector. This temporary additional 30 per cent increase has since been extended until October 2022 as part of the Government’s response to the Royal Commission’s Final Report, after which time the funding will be rolled into the new Australian National Aged Care Classification (AN-ACC) funding model on an ongoing basis.

8.7. Care-leavers

A Care Leaver is a person who spent time in institutional settings as a child (under the age of 18). Between the 1920s and 1980s, more than 500,000 children in Australia were placed in institutions (for example, orphanages) and out of home care arrangements, through no fault of their own. They may be known as Care Leavers, Forgotten Australians, Former Child Migrants or Stolen Generations. Approximately 440,000 were non-indigenous children called the Forgotten Australians; an estimated 50,000 were Indigenous children, some from the Stolen Generations; and up to 10,000 were former child migrants from Britain, Ireland and Malta.

Many in this group experienced social isolation, neglect, control, emotional, physical and sexual abuse, and had their basic rights taken from them, and as a result, many suffer lifelong consequences. Many are now reaching an age where they may require aged care services, and they may have significant anxieties about entering aged care.
The department funded Helping Hand Aged Care for a project aimed at building the capacity of Care Leavers/Forgotten Australians to better communicate and engage with aged care services, and assist aged care providers understand and respond appropriately to their needs. The project builds on an information package launched by the Australian Government in 2016 for aged care providers to help them understand and support Care Leavers caring for Forgotten Australians, Former Child Migrants and Stolen Generations.

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

The Australian Government provides funding to improve access to specialist support services for this group, in recognition of the traumatic experiences, health issues and socio-economic disadvantage that these parents are likely to face.

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

It is recognised that people who identify as LGBTI have specific needs, particularly as they age, stemming from decades of inequitable treatment and isolation because of stigma, prejudice, discrimination and social exclusion, which rendered them invisible.

Funding is provided to LGBTIQ+ Health Australia to undertake national co-ordination and support activities to promote the well-being of older LGBTI people and deliver national LGBTIQ+ aged care awareness training. Sponsorship was provided to LGBTIQ+ Health Australia for the 2021 National LGBTIQ+ Ageing and Aged Care Conference. Funding to better support services targeting older LGBTIQ+ people is also provided through the DACS fund (see Chapter 9).
Over 370,000 in the aged care workforce

$327.9 million allocated over 2020–2024 for the DACS fund

SBRTs provided long-term case management for 1,478 cases
Aged Care Workforce and Sector Support
9. Aged Care Workforce and Sector Support

On 11 May 2021, the Australian Government announced a once-in-a-generation, five year, five-pillar reform to aged care to deliver respect, care and dignity to older Australians. The aged care workforce will be central to this reform agenda, with a pillar specifically dedicated to growing a skilled and compassionate aged care workforce.

This reform, supported by the Government’s 2021–22 Budget announcement, takes material steps in addressing recommendations from the final report of the Royal Commission into Aged Care Quality and Safety, and will support workers and providers in providing high-quality, person-centred care to older Australians.

While the reform provides enhanced support and new requirements for aged care providers, they will continue to have obligations under the Act to ensure there are adequate numbers of appropriately skilled staff to meet individual care needs of residents. Volunteer workers also continue to make a significant contribution across the sector.

9.1. Aged care workforce and health workforce activities funded in 2020–21

The Aged Care Workforce Industry Council (ACWIC), was formally established in May 2019 as the industry body responsible for stewarding implementation of the strategic actions identified in A Matter of Care: Australia’s Aged Care Workforce Strategy (the Strategy).

In 2020–21, $9.4 million over three years was provided to the ACWIC for activities to support implementation of the Strategy. Key achievements by ACWIC include the development of an industry social campaign starting in March 2021, which aims to attract new workers to the sector. ACWIC also released a Voluntary Industry Code of Practice in October 2020. The design of the Aged Care Centre for Growth and Translational Research, recommended in the Strategy, was progressed in 2020–21 with an operational model and first year research priorities developed through stakeholder consultation. The Centre is scheduled to be established in the second half of 2021.

In 2020–21, $10.8 million over four years was provided to increase the skills and capabilities of the aged care workforce. This included the establishment of an Aged Care Transition to Practice Program; additional funding to expand the Australian College of Nursing scholarship program; and the establishment of a skills development program for nurses and personal-care workers in aged care.
Three suppliers were selected to run Aged Care Transition to Practice Programs which will support new aged care registered nurses by developing their knowledge, skills and competences in the delivery of quality aged care services. Participants will start in the program in 2021–22.

The Australian College of Nurses held a round of aged care nurse scholarships which opened in September 2020. A total of 324 scholarships were offered, of which eight were from applicants from an Aboriginal and Torres Strait Islander background.

Consultations occurred to help identify training topics, existing best-practice training, any gaps in available training and consider the format and approach to delivery of the skills development program.

In May 2021, the department published the results of a scoping study conducted in 2019–20 which considered the benefits of establishing a centralised worker-screening and/or registration scheme for aged care workers. Building on the outcomes of the scoping study, in December 2020, the department commissioned further analysis of the legislative and financial implications of implementing worker screening and code-of-conduct arrangements for aged care workers. This included consultation with the Departments of Social Services and Veterans’ Affairs, respectively, on options for achieving alignment of worker regulation arrangements across the broader care and support sector.

9.2. Dementia and Aged Care Services Fund

The Australian Government has allocated $327.9 million over the 2020–24 financial years for the Dementia and Aged Care Services fund (DACS). The DACS fund provides support for existing and emerging priorities in dementia care, special measures to support Aboriginal and Torres Strait Islander people, and initiatives to ensure people from diverse backgrounds receive the same quality of aged care as other older Australians.

Two key initiatives funded through DACS are the Dementia Training Program ($12.5 million in 2020–21) and the Dementia Behaviour Management Advisory Service ($20.7 million in 2020–21).

The Dementia Training Program

The Dementia Training Program (DTP) offers a national approach to accredited education, upskilling, and professional development in dementia care. In 2020–21, the DTP provided more than 34,804 occasions of targeted dementia training for staff in residential and in-home care, as well as in the acute and primary care health sectors.
The Dementia Behaviour Management Advisory Service

The role of the Dementia Behaviour Management Advisory Services (DBMAS) is to provide support and advice to service providers and individuals caring for people living with dementia where behavioural and psychological symptoms of dementia are affecting a person’s care or quality of life. They work to understand the causes and/or triggers of behaviours and develop strategies to optimise function, reduce pain or other unmet needs and improve engagement. In 2020–21, DBMAS provided support for 28,481 cases (a 28.4 per cent increase on the previous year).

9.3. Severe Behaviour Response Teams

Complementing the DBMAS, the Severe Behaviour Response Teams (SBRT) support residential aged care providers with residents experiencing more severe behavioural and psychological symptoms of dementia.

In 2020–21, the Australian Government provided $22.45 million for the SBRT and this service provided case management to 1,478 cases (a 9.7 per cent increase on the previous year). This involved a mobile workforce providing detailed clinical assessment and recommendations for intervention across multiple on-site visits.

Both DBMAS and the SBRT are delivered by Dementia Support Australia, which ensures close coordination between the programs. Feedback via surveys found 97.3 per cent of clients were satisfied with DBMAS and SBRT services. Approximately 72 per cent of referrals were from major cities and 28 per cent from regional and remote areas.

During the COVID-19 pandemic, DBMAS and SBRT remained open to support the aged care and health sectors and carers in the community. Dementia Support Australia has actively reached out to aged care providers with information and advice on caring for people living with dementia in lockdown situations.
9.4. Specialist Dementia Care Program

The Specialist Dementia Care Program (SDCP) is an Australian Government program that funds specialist dementia care units in residential aged care homes. The units provide specialised care to people with very severe behavioural and psychological symptoms of dementia, with the aim of reducing or stabilising symptoms so that people can move into less intensive care settings. Clinical in-reach to the units is facilitated through agreements with the state and territory governments.

Ten operational units have been established across Australia since 2019. The care setting for the SDCP is a dedicated dementia friendly environment, operating as a unit within a larger residential aged care facility, and operates under the Act.

The SBRT provide needs-based assessment of referrals to the program. From the start of the program in September 2019, to 30 June 2021, there have been 536 referrals.
Aged care regulatory functions transferred to the Aged Care Quality and Safety Commission

Service Compliance Rating for residential aged care services introduced

Serious Incident Response Scheme commenced 1 April 2021
Quality and Regulation
10. Quality and Regulation

10.1. Approved provider regulation

In order to receive Australian Government funding for the provision of aged care services, an organisation must be approved to provide that care; and residential and flexible aged care services must hold an allocation of places.

On 1 January 2020, legislative authority for the approval of approved providers of aged care, and compliance arrangements, transferred from the Secretary of the Department of Health to the Commissioner of the Aged Care Quality and Safety Commission (the Commission). More information is available from the Commission’s Annual Report. 16

10.2. The Aged Care Quality and Safety Commission

The Commission operates independently and objectively in performing its functions and exercising its powers, as set out in the Aged Care Quality and Safety Commission Act 2018 (ACQSC Act) and, the Aged Care Quality and Safety Commission Rules 2018 (the Rules).

The Commission’s roles

As the national regulator of Australian Government-subsidised aged care services, the Commission’s role is to:

• approve providers’ entry to the aged care system
• to accredit, assess and monitor aged care services against requirements
• to hold services to account for meeting their obligations.

The Commission seeks to resolve complaints about aged care services and to provide education and information about its functions. It also engages with consumers to understand their experiences, and to provide advice to providers about working with consumers in designing and delivering best-practice care.

The Commission delivers regulation that is proportionate, risk-based, responsive and intelligence-led. The Commission’s regulatory approach enables it to focus activities on the areas of greatest risk to the safety, health and well-being of aged care consumers, and on those providers providing care and services that fall short of legislated standards.

The Commission uses education, information and targeted communications to support its regulatory objectives, including publishing outcomes of regulatory activities to promote greater transparency and accountability, and highlighting best practice.

The Commission’s functions

The Commission’s functions are set out in the ACQSC Act and the Rules, and drives their priorities under this Corporate Plan. They are:

• protecting and enhancing the safety, health, well-being and quality of life of aged care consumers
• approving providers of aged care
• imposing sanctions on approved providers, and lifting sanctions
• ensuring compliance with the aged care responsibilities of approved providers
• promoting the provision of quality care and services by:
  - approved providers of aged care services; and
  - service providers of Australian Government-funded aged care services.
• developing, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and promoting those models to providers
• dealing with complaints made, or information given to the Commissioner in accordance with the Rules, about an approved provider’s responsibilities under the Act or funding agreement
• regulating aged care services according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services and registering quality assessors
• providing education and information about matters relating to one or more of the Commissioner’s functions to consumers and their representatives, providers of aged care services and the public.
10.3. National Aged Care Mandatory Quality Indicator Program

From 1 July 2019, the *Aged Care Legislation Amendment (Quality Indicator Program) Principles 2019* took effect, and the National Aged Care Mandatory Quality Indicator Program (QI Program) began. All government-subsidised residential aged care services must collect, and submit to the department, data against three quality indicators (from the previous voluntary program since 2016):

- pressure injuries
- use of physical restraint
- unplanned weight loss.

Quality indicators measure aspects of service provision which contribute to the quality of care and services given by the provider, and care recipients’ quality of life and experiences. They relate to care events where improvement in the quality of care can be made and measured. The objectives of the QI Program are for providers to have robust, valid data to measure and monitor their performance and support continuous quality improvement; and over time, to give consumers transparent, comparable information about quality in aged care to aid decision making. The QI Program de-identified data is published quarterly by provider, at a national, state and territory level on the GEN Aged Care Data website by the Australian Institute of Health and Welfare (AIHW).

As part of the implementation of the 2019–20 Budget measures, *More Choices for a Longer Life – reducing the misuse of medicines in residential aged care,* and, *More Choices for a Longer Life – mandatory national quality indicators,* the department worked in close consultation with a range of sector and technical experts to develop two new quality indicators – falls and fracture, and medication management, and to update the existing three. From 1 July 2021, all Australian Government-subsidised residential aged care services must collect, and submit to the Department of Health, data against five quality indicators.

10.4. Compliance

Approved providers of Australian Government-funded aged care services must comply with responsibilities specified in the Act, the associated Aged Care Principles, and the Aged Care Quality and Safety Commission Rules. These responsibilities encompass quality of care, user rights, accountability and allocation of places.

When non-compliance is identified, appropriate regulatory action is taken to bring providers back into compliance as quickly as possible. This action may include imposing sanctions or issuing various formal notices.
Access to compliance information

Information is available on the My Aged Care website in relation to compliance action taken against aged care providers of residential and home care services. This information is published so that consumers can make informed choices about their care needs and having these needs met.

Information about compliance action taken by the Commission in 2020–21 is available in its Annual Report.¹⁷

Service compliance ratings

On 1 July 2020, the Service Compliance Rating for residential aged care was released on the My Aged Care website. The rating reflects the current compliance status of each service, provides information on the most recent assessments against the Quality Standards, and, allows consumers to compare services on a regional basis.

10.5. Protecting residents’ safety

Reportable assaults

Approved providers of residential services must report suspicions or allegations of assaults to local police and the Commission within 24 hours of becoming aware or suspecting a reportable assault. This requirement ensures that those affected receive timely help and support. The police are responsible for substantiating the allegation. Providers are responsible for ensuring they have systems in place to help maintain a safe and secure environment for residents.

A reportable assault is an allegation, a witnessed incident, or suspicion of:

- 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.

A resident is considered missing when they are absent and the service is unaware of any reason for the absence. The Commission must also be informed within 24 hours by providers about missing residents in circumstances where:

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

**Serious Incident Response Scheme**

On 1 April 2021, the Serious Incident Response Scheme (SIRS) came into effect. The SIRS complements existing provider obligations under the Act and strengthens responsibilities for providers to prevent and manage incidents, focusing on the safety and wellbeing of consumers. It requires providers to use incident data to drive quality improvement, and to report serious incidents to the Commission.

Residential aged care providers are required to prevent incidents and manage those that do occur effectively. The requirements about reporting incidents to the Commission have increased from previous compulsory reporting arrangements. Reportable incidents now include:

- unreasonable use of force
- unlawful sexual contact or inappropriate sexual conduct
- psychological or emotional abuse
- unexpected death
- stealing or financial coercion by a staff member
- neglect
- inappropriate use of restrictive practices
- unexplained absence of a resident.

Information about the number of serious incidents reported to the Commission in 2020–21 is available in its annual report.18

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10.6. Prudential

Refundable Accommodation Deposits (RADs), (which include accommodation bonds and/or entry contributions) must comply with the prudential requirements stated in the Act and set out in the Fees and Payments Principles 2014 (No.2). The prudential requirements aim to protect RADs paid to providers by recipients of aged care services.

The four Prudential Standards (Liquidity, Records, Disclosure, and Governance) seek to reduce the risk of providers defaulting on their RAD balance refund obligations to care recipients, by requiring providers to:

- systematically assess their future obligations with RADs and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due
- establish and maintain a register that records information about RADs and the care recipients who pay them
- establish and document governance arrangements for the management and expenditure of RADs (only to be used for permitted uses)
- promote transparency of their financial management by disclosing information to care recipients, prospective care recipients and the department about their financial information and prudential compliance, and how they manage the RADs.

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements. In 2019–20, 863 providers were asked to complete and lodge an APCS by 31 October 2020.

Business Improvement Fund

The Business Improvement Fund (BIF) has been established to provide almost $50 million to support residential aged care providers experiencing financial difficulty, including prioritisation for small to medium sized providers in regional, rural and remote areas. The BIF targeted support will help each eligible residential aged care provider manage costs without compromising the care of residents. Grants were available through the BIF Residential Aged Care Grant Opportunity until the end of April 2021. From 2021–22, the BIF will be replaced by a new Structural Adjustment Program, which includes additional grants to support providers in financial difficulty.
Accommodation Payment Guarantee Scheme

The Accommodation Payment Guarantee Scheme (Guarantee Scheme) was established under the *Aged Care (Accommodation Payment Security) Act 2006*. When a provider becomes insolvent and defaults on its obligation to refund an accommodation lump sum payment balance, the Guarantee Scheme enables the Commonwealth to refund residential aged care residents (or their estate) an amount equal to each accommodation payment balance. The Guarantee Scheme is triggered when a provider is placed in bankruptcy or liquidation and there is at least one outstanding accommodation payment balance. The Secretary of the Department of Health must then make a default event declaration and a refund declaration in order to enable refund payments to be made. The rights of each resident to recover the amount from the provider are transferred to the Commonwealth so it can pursue recovery of the funds.

The Guarantee Scheme was not triggered in 2020–21. However, from trigger events in the preceding financial year, $3.3 million was refunded.

Validation of providers’ appraisals under the Aged Care Funding Instrument

Approved providers receive Australian Government funding for aged care service provision based on ACFI appraisals of their care recipients’ level of care need. To protect public expenditure, the department conducted 1,127 reviews of ACFI claims in 2020–21. Of these reviews, 431 (38.2 per cent) resulted in reductions in funding and two (0.2 per cent) resulted in increased funding.

If a provider is dissatisfied with the outcome of a review decision, they can request reconsideration. In 2020–21, providers requested reconsiderations of 54 review decisions. Of these, 41 requests were finalised in the financial year. The outcomes of these finalised reconsiderations were: 30 (73 per cent) confirmed the department’s review decision; nine (22 per cent) reinstated the provider’s original classification; two (5 per cent) resulted in a new decision that reduced the original classification.
Appendix A: Report against s63-2 of the Aged Care Act 1997

The Act specifies the following annual reporting requirement:

63-2 Annual report on the operation of the Act

(1) The Minister must, as soon as practicable after 30 June but before 30 November in each year, cause to be laid before each House of the Parliament a report on the operation of this Act during the year ending on 30 June of that year.

(2) A report under subsection (1) must include information about the following matters:

(a) the extent of unmet demand for places; and
(b) the adequacy of the Commonwealth subsidies provided to meet the care needs of residents; and
(c) the extent to which providers are complying with their responsibilities under this Act and the Aged Care (Transitional Provisions) Act 1997; and

(ca) the amounts of accommodation payments and accommodation contributions paid; and
(cb) the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments; and

(d) the amounts of accommodation bonds and accommodation charges charged; and

(e) the duration of waiting periods for entry to residential care; and

(f) the extent of building, upgrading and refurbishment of aged care facilities; but is not limited to information about those matters.

63-2 (2) (a) the extent of unmet demand for places

Data is not available which provides an accurate measure of any unmet demand for residential aged care places.

The Australian Government’s needs-based planning framework is designed to increase the supply of residential and home care places in line with the growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the Australian Bureau of Statistics and demographic data on previous years’ utilisation. This produces a national provision target.
For residential care, the places are allocated through an open, competitive round where aged care providers apply for the available places. This allocation process aims to ensure a sufficient supply of residential aged care places, and achieve equitable access to services between metropolitan, regional, rural and remote areas. There is strong demand among providers to supply these places. (See 1.2 Managing supply and demand)

To adjust for any market failures in this process, the Australian Government provides a range of subsidies to ensure that people living in regional/remote areas and those with diverse needs are adequately catered for.

This process is subject to review and is responsive to adjustment when required. While this does not guarantee that every individual will be able to immediately access the particular service of their choice, at a population level, it has been shown to be a robust and effective method for identifying and managing demand.

From June 2011 to June 2021, residential aged care occupancy in Australia has fallen from 93.1 per cent to 86.8 per cent.

Since 27 February 2017, there has been a consistent national approach to prioritising access to home care packages through the national prioritisation system. This allows for a more equitable and flexible distribution of home care packages based on the individual needs and circumstances of consumers, and the time they have been waiting for care, regardless of where they live. For the first time, the queue system allows the government to track demand for home care and adjust supply where required.

63-2 (2) (b) the adequacy of the Commonwealth subsidies provided to meet the care needs of residents

The average level of Australian Government payments for permanent residents in aged care in 2020–21 was $71,900 per resident, an increase of 4.1 per cent per resident from 2019–20.

Table 23: Average Australian Government payments (subsidies plus supplements) for each permanent aged care resident 2016-17 to 2020–21

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$65,500</td>
<td>$65,600</td>
<td>$69,100</td>
<td>$69,055</td>
<td>$71,900</td>
<td>$71,900</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Note: The arrangements for the calculation of the subsidy differ for continuing care recipients (pre-1 July 2014) and new residents (post-1 July 2014).
## Table 24: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2016–17 to 2020–21

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent</td>
<td>11,024.2</td>
<td>11,163.5</td>
<td>11,947.4</td>
<td>12,012.7</td>
<td>12,392.2</td>
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<tr>
<td>Respite</td>
<td>280.6</td>
<td>312.3</td>
<td>348.8</td>
<td>371.3</td>
<td>401.6</td>
</tr>
<tr>
<td>Primary Care Supplements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxygen</td>
<td>17.5</td>
<td>18.3</td>
<td>18.3</td>
<td>16.8</td>
<td>16.1</td>
</tr>
<tr>
<td>Enteral Feeding</td>
<td>5.9</td>
<td>5.9</td>
<td>5.2</td>
<td>5.0</td>
<td>4.5</td>
</tr>
<tr>
<td>Respite Incentive</td>
<td>30.1</td>
<td>34.6</td>
<td>40.6</td>
<td>46.8</td>
<td>51.9</td>
</tr>
<tr>
<td>Other Supplements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viability</td>
<td>43.2</td>
<td>55.8</td>
<td>62.0</td>
<td>82.3</td>
<td>99.7</td>
</tr>
<tr>
<td>Veterans’</td>
<td>1.1</td>
<td>1.6</td>
<td>1.7</td>
<td>1.5</td>
<td>1.3</td>
</tr>
<tr>
<td>Homeless</td>
<td>8.3</td>
<td>8.6</td>
<td>9.8</td>
<td>13.3</td>
<td>18.4</td>
</tr>
<tr>
<td>Hardship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardship</td>
<td>4.9</td>
<td>4.0</td>
<td>3.9</td>
<td>6.5</td>
<td>15.7</td>
</tr>
<tr>
<td>Hardship Accommodation</td>
<td>2.9</td>
<td>2.6</td>
<td>2.5</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Accommodation Supplements</td>
<td>Accommodation Supplement</td>
<td>907.5</td>
<td>1,029.6</td>
<td>1,134.2</td>
<td>1,225.1</td>
</tr>
<tr>
<td>Supplements subject to Grandfathering</td>
<td>Concessional</td>
<td>64.0</td>
<td>55.6</td>
<td>51.3</td>
<td>40.2</td>
</tr>
<tr>
<td>Transitional</td>
<td>6.0</td>
<td>4.8</td>
<td>3.8</td>
<td>2.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Accommodation Charge Top-up</td>
<td>2.1</td>
<td>1.4</td>
<td>1.0</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Charge Exempt</td>
<td>3.8</td>
<td>2.0</td>
<td>1.8</td>
<td>1.4</td>
<td>1.2</td>
</tr>
<tr>
<td>Pension</td>
<td>36.3</td>
<td>27.2</td>
<td>20.7</td>
<td>12.8</td>
<td>10.1</td>
</tr>
<tr>
<td>Basic Daily Fee</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Transitional Accommodation Supplement</td>
<td>15.5</td>
<td>10.7</td>
<td>7.6</td>
<td>5.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Reductions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Means Testing Reduction</td>
<td>-560.8</td>
<td>-564.0</td>
<td>-627.2</td>
<td>-648.2</td>
<td>-655.2</td>
</tr>
<tr>
<td>Other</td>
<td>31.5</td>
<td>42.0</td>
<td>-9.1</td>
<td>231.7</td>
<td>396.2</td>
</tr>
<tr>
<td><strong>Total ($million)</strong></td>
<td><strong>11,903.8</strong></td>
<td><strong>12,204.2</strong></td>
<td><strong>13,014.5</strong></td>
<td><strong>13,429.7</strong></td>
<td><strong>14,073.4</strong></td>
</tr>
</tbody>
</table>
### Table 25: Summary of Australian Government payments by subsidies and supplements for home care, 2016–17 to 2020–21

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home care subsidy</td>
<td>1,627.9</td>
<td>2,074.8</td>
<td>2,586.0</td>
<td>3,498.4</td>
<td>4,389.0</td>
</tr>
<tr>
<td>Supplements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oxygen</td>
<td>2.4</td>
<td>3.1</td>
<td>3.7</td>
<td>4.5</td>
<td>5.4</td>
</tr>
<tr>
<td>Enteral Feeding</td>
<td>0.7</td>
<td>0.9</td>
<td>0.9</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Dementia and Cognition</td>
<td>24.7</td>
<td>29.3</td>
<td>36.2</td>
<td>49.5</td>
<td>62.0</td>
</tr>
<tr>
<td>Veterans’</td>
<td>0.2</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Hardship</td>
<td>0.2</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Viability</td>
<td>11.4</td>
<td>16.0</td>
<td>18.1</td>
<td>25.1</td>
<td>33.3</td>
</tr>
<tr>
<td>Reductions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income testing reduction</td>
<td>-21.3</td>
<td>-36.2</td>
<td>-48.8</td>
<td>-65.9</td>
<td>-73.3</td>
</tr>
<tr>
<td>Other</td>
<td>-60.0</td>
<td>-56.2</td>
<td>-127.4</td>
<td>-163.1</td>
<td>-225.0</td>
</tr>
<tr>
<td><strong>Total ($million)</strong></td>
<td><strong>1,586.2</strong></td>
<td><strong>2,032.1</strong></td>
<td><strong>2,469.3</strong></td>
<td><strong>3,350.1</strong></td>
<td><strong>4,193.1</strong></td>
</tr>
</tbody>
</table>

63-2 (2) (c) the extent to which providers are complying with their responsibilities under this Act and the Aged Care (Transitional Provisions) Act 1997

Providers funded by the Australian Government to deliver aged care services must continue to meet legislative and funding agreement/contract responsibilities. If a provider is not meeting its obligations, the Commission may take regulatory action.

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months from the end of their financial year. In 2019–20, 863 providers were asked to complete and lodge an APCS by 31 October 2020.

The ACQSC is responsible for the regulation of approved providers in relation to their prudential responsibilities. Historical APCS outcomes for 2018–19 and earlier are reported in the relevant ROACA.
63-2 (2) (ca) the amounts of accommodation payments and accommodation contributions paid

The closing balance of RADS held by providers at 30 June 2020 was $32.3 billion. There was a $2.1 billion (6.9 per cent) increase in RADS held by aged care homes across the 2019–20 financial year.

63-2 (2) (cb) the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments\(^\text{\textsuperscript{19}}\)

In 2019–20, a total of $2.9 billion was paid to providers in accommodation payments and accommodation contributions.

A total of $851 million was received in Daily Accommodation Payments (DAPs)/Daily Accommodation Contributions, and approximately $2.1 billion was received in net RADs. The 836 providers who held RADs at 30 June 2020 reported through their APCS that they held a total of 96,609 RADs with a total value of approximately $32.3 billion. These figures include the RADs held by five providers who reported on an alternate financial year. This is an increase of almost 1,750 RADS. The average RAD holding per provider was 116 RADs valued at $38.6 million.

63-2 (2) (d) the amounts of accommodation bonds and accommodation charges charged

The average accommodation price agreed with a new non-supported resident in 2019–20 was a RAD of $449,000, equivalent to a DAP of $60.16 at 30 June 2020. 42 per cent of non-supported residents chose to pay by RAD, 31 per cent by DAP, and 27 per cent by combination of both.

63-2 (2) (e) the duration of waiting periods for entry to residential care

Table 26 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.

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

\(^\text{19} \text{ When available, 2020–21 data will be published on GEN, in ACFA’s reports, and in the 2021–22 ROACA.}\)
### Table 26: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment during 2020–21

<table>
<thead>
<tr>
<th></th>
<th>2 days or less</th>
<th>7 days or less</th>
<th>Less than 1 month</th>
<th>Less than 3 months</th>
<th>Less than 9 months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.6%</td>
<td>5.7%</td>
<td>19.2%</td>
<td>41.1%</td>
<td>57.0%</td>
</tr>
</tbody>
</table>

### 63-2 (2) (f) the extent of building, upgrading and refurbishment of aged care facilities

Estimated building works completed during 2019–20, or in progress at June 2020, exceeded $5.6 billion, up from $5.3 billion in 2018–19. When available, 2020–21 data will be published on GEN, in ACFA’s reports and in the 2021–22 ROACA.

### Table 27: Consolidated building activity report 2015–16 to 2019–20

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Estimated building works completed during the year or in progress at June ($m)</td>
<td>$4,535.9</td>
<td>$4,715.4</td>
<td>$4,912.0</td>
<td>$5,334.0</td>
<td>$5,661.3</td>
</tr>
<tr>
<td>Proportion of homes that completed any building work during the year</td>
<td>24.3%</td>
<td>20.8%</td>
<td>19.2%</td>
<td>19.4%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Proportion of homes with any building work in progress at the end of the year</td>
<td>17.8%</td>
<td>13.1%</td>
<td>13.9%</td>
<td>14.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>New building work</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of homes</td>
<td>2.0%</td>
<td>2.2%</td>
<td>2.6%</td>
<td>1.7%</td>
<td>1.5%</td>
</tr>
<tr>
<td>that completed new</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>building work during</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of homes</td>
<td>2.6%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>with new building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>work in progress at</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the end of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated new</td>
<td>$820.6</td>
<td>$1,198.5</td>
<td>$1,243.0</td>
<td>$1,721.2</td>
<td>$1,468.0</td>
</tr>
<tr>
<td>building work</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>completed during the</td>
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