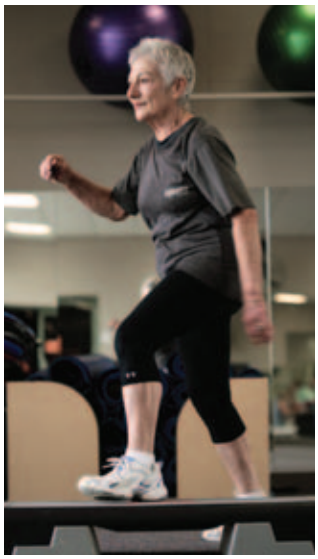
Australian Government

Department of Health and Ageing




Report on the Operation of the *Aged Care Act 1997*

1 July 2009 - 30 June 2010

Australian Government

Department of Health and Ageing

Report on the Operation of the *Aged Care Act 1997*

1 July 2009 – 30 June 2010

Report on the Operation of the *Aged Care Act 1997* – 1 July 2009 to 30 June 2010

Paper-based publications

ISBN: 978-1-74241-290-0

Internet sites

Online ISBN: 978-1-74241-291-7

Publications Approval Number: 6860

This report is available from
http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-reports-acarep-2010.htm

Foreword

By the Minister for Mental Health and Ageing,
The Hon Mark Butler MP

I am pleased to present the Report on the Operation of the *Aged Care Act 1997* for 2009-10.

During the first term of this Government, there were significant additional investments in aged care. The Government also agreed to comprehensive reforms across Australia's health and hospital systems. The benefits of increased support are already beginning to show and we can look forward to further improvements to aged care.

This report shows us that many older, frail Australians now prefer to remain living independently at home rather than moving prematurely into permanent residential care. Community care gives older, frail Australians this choice by offering them support in their own homes and communities. The Home and Community Care (HACC) program delivers affordable and accessible care to help meet the individual needs of older people, people with a disability and their carers. This year, the Government provided the HACC program funding of almost $1.2 billion, an increase of more than eight per cent over last year.

From 1 January 2010, the meaning of 'high care' was redefined under the Aged Care Funding Instrument. This change removed the requirement for residential aged care services to provide a higher level of nursing care than necessary, resulting in decreased costs to aged care services.

During the financial year, the number of all operational residential aged care places in Australia has increased by more than 4,500 – with more than half of them in high care – while the number of operational community care places increased by almost 4,100. This increase requires more infrastructure.

Round two of the Zero Real Interest Loans Initiative, conducted as part of the 2009-10 Aged Care Approvals Round, made available a minimum of $150 million in loans and 1,250 residential places to aged care providers to build in locations where they may not have previously been prepared to invest. The Government will double the size of this successful initiative over the next two years to help develop up to 2,500 places, as well as extending the repayment period from 12 to 22 years.

During 2009-10, more than 9,000 training places across aged care workforce programs were funded at a cost of more than $33 million. In addition to the vocational education opportunities available, 716 nursing scholarships were offered to encourage more people to enter or re-enter aged care nursing and to support enrolled nurses to upgrade their skills to registered nurse level. The Government targeted several of these training places to workers in financially less viable facilities in rural and remote Australia.

In December 2009, the Better Oral Health in Residential Aged Care training initiative commenced. This initiative aims to strengthen dental and oral care in aged care facilities. By the end of June 2010, more than 300 train-the-trainer workshops had been held, with 4,000 registered nurses and trainers receiving training. More than 2,000 aged care facilities took part in the training, which is expected to be completed by December 2010.

The Government also implemented the Continence Aids Payment Scheme, replacing the Continence Aids Assistance Scheme. This involved transitioning 75,000 existing clients to the new scheme and holding information sessions across Australia. The Government's National Continence Helpline fielded close to 19,000 calls regarding the new scheme.

In October 2009, the Government implemented a new *Charter of Rights and Responsibilities for Community Care*. The charter affirms the right of every person to freedom and respect and the right to be treated fairly by others.

In 2009-10, access to quality information about aged care services was improved to help consumers, providers, carers and others make decisions about aged care, and so that service providers could find funding and industry information.

The Government supported an independent review of the Aged Care Complaints Investigation Scheme to identify options for improvement. The recommendations of the review and subsequent funding will see changes to the scheme which will improve the experience of its clients, including aged care recipients.

In December 2009, the Government amended the *Aged Care Act 1997* to include care leavers as a special needs group. This allows aged care places to be specifically allocated for care leavers in future Aged Care Approvals Rounds. The experiences of care leavers while in institutional or out-of-home care may affect their ongoing well being and have an impact on those who need to access aged care services or enter an aged care facility later in life.

In addition, the Government commenced publishing additional information on its website and the Aged Care Australia website about compliance action taken against aged care services and/or the Approved Provider identified as not meeting their responsibilities under the *Aged Care Act 1997*. This information aims to assist older Australians and their families in making more informed choices about aged care services.

As a nation, and as human beings, we owe no greater debt than to those who have built this nation, the fruits of whose labour we now enjoy.

While this report gives us an opportunity to reflect on the achievements in aged care over the past year, the Government has also confirmed its commitment to our older generation by undertaking a reform of the aged care sector to create a comprehensive national system for the future.

Over the next four years to 2013-14, funding for aged and community care will reach more than $48 billion, with more than $33 billion of that in residential aged care.

The Government recognises that there are challenges facing the aged care sector and that reform is essential to build a more sustainable system that older Australians can rely on, providing high quality, affordable care into the future. These reforms have already commenced with the decision by the Council of Australian Governments last year that the Australian Government would take full policy and funding responsibility for aged care, to build a national system covering basic care at home through to high level residential care.

The Government also recognises the need to ensure that older Australians have access to better health and hospital services, and that these services be better integrated with the aged care sector. A strong economy and decisive action by the Government during the global financial crisis has enabled an investment of $7.4 billion to deliver better health, hospitals and aged care services for older Australians. This means more doctors, more nurses, more hospital beds and more aged care places. Through Local Hospital Networks, aged care will be better integrated with other parts of the health system. These reforms will help to end the fragmentation, blame-shifting and cost-shifting that have plagued the aged care system. This will build the foundation of a modern aged care system.

In the 2010-11 Budget, the Government announced that it will invest more than $900 million over the next four years to support the development of a national aged care system. This funding will deliver more qualified staff, more aged care places, improved access to GPs and primary health care services for older Australians, support for older patients in hospital, greater consumer input into care and greater protections for older Australians receiving care.

The Australian Government is also investing in more transition care and subacute care places to assist older Australians regain their independence following a hospital stay, allowing them to return to their own homes and communities. Funding for these new services started to flow from 1 July 2010, building on the Government's previous investments.

The reforms the Government are introducing are the first step. The Prime Minister, the Hon Julia Gillard MP, has identified continued reform of the aged care system as a second term priority for the Government. This is why it asked the Productivity Commission to examine all aspects of Australia's aged care system, and to develop detailed options to ensure it can meet the challenges facing it in coming decades.

I look forward to this exciting opportunity for reform, and to work with aged care service providers and their staff, to rebuild the aged care system to even better meet the needs of our ageing population.

Mark Butler

Contents

Executive Summary

The Report on the Operation of the *Aged Care Act 1997* meets the requirement of section 63-2 of the Act that the Minister present to Parliament a report on the operation of the Act for each financial year. This report describes the operation of the Act during 2009-10 and includes additional information to aid understanding of aged care programs and policies.

Overview

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

Overall Australian Government expenditure for ageing and aged care during 2009-10 totalled $9.956 billion, compared with $9.101 billion in 2008-09 – an increase of 9.4 per cent. This includes aged care support and assistance provided both under and outside the *Aged Care Act 1997*. The largest single component of expenditure outside the Act was $1.187 billion for the Home and Community Care (HACC) program, which is funded jointly by the Australian Government and state and territory governments. This compares with $1.094 billion in 2008-09. In 2009-10, around 893,200 individuals received HACC services – around 69 per cent of these people were aged 70 years or older.

In 2009-10, through aged care programs under the Act, a total of 214,418 people received permanent residential care in aged care homes and 44,160 received short-term respite care in aged care homes. In addition, 69,456 people who would otherwise be eligible for residential care, chose to receive a package of community care and support at home, and a further 14,976 people, on discharge from hospital, received transition care to optimise rehabilitation and allow more time for them to consider long term support arrangements.

Some people received care through more than one aged care program during 2009-10.

The total number of operational aged care places across the aged care system at 30 June 2010 was 237,164 – an increase of 3.8 per cent over the previous year. This included 182,936 residential care places, 51,530 community care places and 2,698 transition care places.

Aged care planning

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

The 2009-10 ACAR was advertised on 30 January 2010, with applications closing on 15 March 2010. A total of 12,218 new aged care places have been made available for allocation – comprising 8,140 residential care places and 4,078 community care packages.

The Zero Real Interest Loans initiative was introduced in the 2008-09 Budget to provide zero real interest loans to residential care providers to build or expand residential and respite facilities in areas of high need. Round two of the Zero Real Interest Loans was incorporated into the 2009-10 ACAR, and targeted areas of high need for residential care, as well as areas where there is a need for services for Aboriginal and Torres Strait Islander communities and for people from culturally and linguistically diverse backgrounds. The results of the 2009-10 ACAR are expected to be announced in late 2010.

Information, assessment and community support

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

The Australian Government provides a wide range of information products and services, including information lines, brochures and fact sheets, internet websites, and the Commonwealth Respite and Carelink Centres (CRCC) network. CRCCs provide carers with information, coordinate respite services, help carers access these services, and arrange individual respite when needed. In 2009-10, a total of 103,341 calls were made to the Aged Care Information Line and more than 7.9 million individual information products, including more than 597,000 items on dementia, were distributed to consumers.

Australian Government expenditure in 2009-10 for the Aged Care Assessment Program was $76.4 million, which included recurrent funding for Aged Care Assessment Teams (or ACATs). In 2009-10, 112 Aged Care Assessment Teams operated nationally to comprehensively assess the care needs of frail older people and help them to find the services most appropriate to meet their care needs. A person must generally be assessed by an ACAT before they can access aged care services provided under the Act.

In addition to mainstream aged care services, the Australian Government provides a range of specialised support for those living in the community who are dealing with some of the more common effects of ageing, such as dementia, incontinence and eyesight problems.

The Australian Government also provides support services for carers, particularly through respite care. Respite is provided in aged care homes (under the Act) and through programs that operate outside the Act. In 2009-10, there were around 59,602 admissions to residential respite care, and care recipients used more than 1.34 million resident days at a cost of more than $161 million – an increase of almost 10 per cent over 2008-09. The National Respite for Carers Program (NRCP) provided a further 5.1 million hours of respite through more than 650 respite services across Australia in 2009-10.

Aged care services

There are three main service streams that make up the Australian Government's aged care system – community care, residential care and flexible care services.

Community care

Community care, funded by the Australian Government, provides home-based care that can improve the quality of life for frail older people and help them to remain active and connected to their own communities. Throughout 2009-10, the Australian Government continued to progress reforms to community care aimed at strengthening and improving the community care system.

The largest part of the Australian Government's support for community care is provided outside of the Act, through the joint Australian Government and state and territory government funded HACC program, which delivers high quality, affordable and accessible services in the community. While the Australian Government provides 60 per cent of funding and maintains a broad strategic policy role, the HACC program is managed on a day-to-day basis by the state and territory governments. Total combined Australian Government and state and territory government funding for 2009-10 was $1.944 billion – an increase of $151.8 million over the previous year's total.

Under the Act, the Australian Government provides packages of community care of varying levels of assistance, depending on the care needs of the client. As at 30 June 2010, there were 42,634 Community Aged Care Packages (CACPs) being provided for frail older people who prefer to live at home, are able to remain living at home with support, and would otherwise be eligible to receive at least a low level of residential care. There were also 8,170 Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages for people with complex needs requiring high level care who have expressed a preference to live at home and are able to do so with some assistance.

In 2009-10, the Australian Government spent $508.7 million on CACPs and a total of $305.5 million on EACH and EACHD packages.

Residential Care

Residential care is a combination of care and accommodation for frail older people who have been assessed and approved as aged care recipients. Assessments take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs. Aged care residents receive either low level care or high level care, according to their need.

As at 30 June 2010, there were 2,773 aged care homes across Australia delivering residential care, and around 63 per cent of all operational residential care places were being used to provide high level care. On average, 92.4 per cent of all residential care places were occupied during 2009-10.

The Australian Government subsidises the provision of residential care to those approved to receive it. The payment for each resident consists of a basic subsidy plus those supplements that the resident is entitled to. Australian Government funding for residential care subsidies and supplements, paid to aged care providers for providing care, was $7.097 billion in 2009-10, compared with $6.474 billion in 2008-09 – an increase of 9.6 per cent.

Aged care residents also contribute to the cost of their care. The Australian Government does not set the level of fees that residents in aged care homes are asked to pay but it does set the maximum level of the fees that providers of care may ask residents to pay. From 20 September 2009, the maximum basic daily fee for all permanent residents who entered an aged care home after 20 March 2008 was 84 per cent of the single basic age pension.

In addition, new entrants from 20 September 2009 who do not benefit from full pension increases will have special transitional arrangements for a period of three years. These new residents initially paid a fee of approximately 77 per cent of the single basic age pension. Over the next three years, their fees will gradually increase until they are paying 84 per cent of the base pension.

A range of other payments are available to providers of residential care. The Conditional Adjustment Payment continued at 8.75 per cent of the basic subsidy in 2009-10 and is expected to continue at this level over the next three years. This amount is paid to residential care providers, on top of the basic subsidy, to assist them to become more efficient and more able to continue to provide high quality care to residents.

In 2009-10, an estimated 73.9 per cent of aged care homes received income from accommodation charges, and about 83.9 per cent held accommodation bonds at 30 June 2010. The average accommodation charge for new residents was an estimated $22.51 per day. The average accommodation bond agreed with a new resident in 2009-10 was an estimated $232,276 and the median new bond amount was an estimated $220,000.

Flexible Care

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

As at 30 June 2010:

- the Australian Government had allocated a total of 3,349 flexible care places for transition care under the Act in all states and territories, with 2,698 places becoming operational;
- there were 129 operational Multi-Purpose Services, with a total of 3,120 flexible care places; and
- there were 140 innovative care places operational nationally.

Support for people with special needs

Through the aged care planning framework, the Australian Government may specify a proportion of places that must be provided for certain specified target groups. In 2009, the Australian Government amended the *Aged Care Act 1997* to include 'care leavers' as a 'special needs' group. A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century. This enables aged care places to be specifically allocated for care leavers in future Aged Care Approvals Rounds.

Quality

In the residential care setting, the Encouraging Best Practice in Residential Aged Care (EBPRAC) program continues to support the uptake of existing evidence-based guidelines by funding organisations to translate this evidence into practice for staff to use in everyday practice.

Progress has been made on better practice in community care, including on development work in the priority area of care planning.

The Australian Government funds workforce training programs to ensure that aged care workers are offered training opportunities to develop the necessary skills to pursue a career in the aged care industry, and to implement their learning in the delivery of quality care. Support is provided for training in certificate courses which can build to and include, gaining enrolled nurse qualifications. In 2009-10, more than 9,000 training places across aged care workforce programs were funded at a cost of more than $33 million. In addition to the vocational education opportunities available, 716 nursing scholarships were offered to encourage more people to enter or re-enter aged care nursing and to support enrolled nurses to upgrade their skills to registered nursing level.

Regulation and compliance

The Aged Care Standards and Accreditation Agency accredits all Australian Government funded aged care homes, with 92.0 per cent of homes accredited for at least three years. During 2009-10, the Agency identified 186 homes as being non-compliant with one or more of the 44 expected outcomes of the Aged Care Accreditation Standards (the Accreditation Standards). At 30 June 2010, 2.1 per cent of homes (58 homes) were identified as not meeting one or more of the expected outcomes of the Accreditation Standards.

During 2009-10, the Department progressed reviews of the Accreditation Standards and the accreditation process for residential care homes. The reviews seek to strengthen current accreditation and monitoring processes and support quality improvements to ensure that recipients of Australian Government funded residential care receive the best possible levels of care.

The quality assurance system is reinforced by a program of audits and unannounced visits for residential care, and follow-up action as appropriate for all aged care services. Where providers are found not to be meeting their responsibilities under the Act and fail to remedy the situation, there is the possibility of regulatory action by the Department, such as the imposition of sanctions. In 2009-10, the Department issued seven Notices of Decision to Impose Sanctions to seven Approved Providers. At 30 June 2010, three of the sanctions remained in place. The Department also issued 134 Notices of Non-Compliance against aged care services in relation to quality of care, and an additional 16 Notices of Non-Compliance against Approved Providers in relation to prudential matters.

In 2009-10, the Agency conducted 6,119 visits to homes, which represents an average of 2.2 visits per home. All homes received at least one unannounced visit from the Agency during the year.

During 2009-10, the Department continued the second three-year cycle for the Quality Reporting Program for community care services. Enhancements include police checks and assessment of Quality Reporting Improvement plans from the first cycle. Thirty eight per cent of community care services participated in Quality Reporting in 2009-10.

Common Standards for all community care programs have been finalised prior to implementation, together with common reporting processes.

On 1 October 2009, the *Charter of Rights and Responsibilities for Community Care* (the Charter) was introduced for older Australians receiving community care packages such as CACP, EACH and EACHD. The Charter explains the rights and responsibilities of people receiving aged care services in the community.

During 2009-10, the Accommodation Bond Guarantee Scheme has been activated twice. The Government has refunded the outstanding accommodation bond balances, including interest, to affected residents.

Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (CIS) commenced operation on 1 May 2007, and was established through changes to the *Aged Care Act 1997* and the introduction of regulations under the Act – the *Investigation Principles 2007*. The CIS covers both residential and community care services subsidised under the Act, and its aim is to provide an accessible and responsive complaints system that strives to improve the experience of individual care recipients and continuously improve the delivery of aged care in Australia.

Between 1 July 2009 and 30 June 2010, the CIS:

- received 13,166 contacts;
- considered 61.2 per cent (8,055) to be 'in-scope' and subsequently investigated;
- made 1,642 referrals to external agencies better placed to deal with the matters raised;
- conducted 3,197 site visits during the course of investigating cases;
- identified 931 cases where an Approved Provider had breached their responsibilities under the Act; and
- issued 236 Notices of Required Action where Approved Providers were found in breach of their responsibilities under the Act, and had not already taken action to address the breach.

In response to a review conducted in 2009-10 by Associate Professor Merrilyn Walton, the CIS will be implementing a package of reforms from 2010-11 to improve the operation and transparency of the scheme and deliver quality outcomes for involved parties.

Reforms include better risk assessment; increased options to resolve concerns, including early resolution; intensive and ongoing training and support for CIS staff; improved consumer and stakeholder communication; and better access to seek an independent review of a CIS decision.

Glossary

ABS	Australian Bureau of Statistics
ACAT	Aged Care Assessment Team
ACFI	Aged Care Funding Instrument
ACPAC	Aged Care Planning Advisory Committee
ACPR	Aged Care Planning Region
Act, the	the *Aged Care Act 1997*
Agency, the	the Aged Care Standards and Accreditation Agency Ltd
Approved Provider	A person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation).
CACP	Community Aged Care Package
CAP	Conditional Adjustment Payment
CIS	Complaints Investigation Scheme
COAG	Council of Australian Governments
Department, the	Department of Health and Ageing
EACH	Extended Aged Care at Home
EACHD	Extended Aged Care at Home Dementia
Extra service	Extra service status allows aged care homes to offer a 'significantly higher' than average standard of accommodation, services and food in return for additional payment under certain conditions.
HACC	Home and Community Care

High care	High care includes: ■ personal care services – for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and ■ nursing services and equipment – for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen.
Low care	Low care includes: ■ personal care services – for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments.
Minister, the	the Hon Mark Butler MP, Minister for Mental Health and Ageing
MPS	Multi-Purpose Service
NRA	Notice of Required Action
Office, the	the Office of Aged Care Quality and Compliance
Principles, the	the Aged Care Principles, which are subordinate legislation made by the Minister under subsection 96-1(1) of the *Aged Care Act 1997*
RCS	Resident Classification Scale
Residential care	Residential care includes accommodation related services – for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance
Secretary	Secretary to the Department of Health and Ageing

1 Introduction

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

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

Purpose of this report

This report details the operation of Australia's aged care system during the 2009-10 financial year and is the twelfth in the series. It is delivered to Parliament and the Australian community by the Minister in accordance with section 63-2 of the Act, which requires that the report include information about:

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

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

Structure of the report

Chapter 2 provides an overview of the Government's commitment to encouraging healthy active ageing and of its support for the provision of aged care services. It also provides a more detailed discussion of the Government's needs-based planning arrangements.

Chapter 3 outlines the Australian Government's support services for older people on the threshold of aged care, and their carers, including information, assessment of care needs, and specialised services such as incontinence assistance and respite for carers.

Chapters 4, 5 and 6 outline the operation of the three principal service streams that make up the aged care system – community, residential and flexible care services.

This is followed by a discussion of the additional support arrangements that the Australian Government has put in place for people with special needs in Chapter 7.

Chapters 8 and 9 focus on measures to support quality and safety in aged care, including regulation and compliance arrangements, while the final chapter (Chapter 10) reports activity under the Complaints Investigation Scheme.

Appendix A provides further detail on the aged care legislative context and Appendix B lists the legislative amendments that were made during 2009-10.

Appendix C provides detail on the responsibilities of Approved Providers under the *Aged Care Act 1997* and Appendix D lists the sanctions that were imposed on Approved Providers for breaching their responsibilities between 1 July 2009 and 30 June 2010.

Sources

Information for this report was collected primarily from Departmental information systems and records. Information has also been obtained from the Aged Care Standards and Accreditation Agency, the Aged Care Commissioner and Aged Care Assessment Teams. The data in relation to the Aged Care Commissioner examinable decisions and process reviews were confirmed with the Commissioner.

Information for the report was also obtained through a survey of aged care providers, which was conducted by Taverner Research Company. Overall, 95.2 per cent of aged care homes responded to the 2010 survey.

2 Overview of the Australian Aged Care System

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

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

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

The Australian Government's programs and services are discussed in detail in the following chapters. This chapter provides an overview of the Government's commitment to encouraging healthy active ageing and of its support for the provision of aged care services. It also provides a more detailed discussion of the Government's needs-based planning arrangements.

2.1 Encouraging healthy active ageing

As part of its commitment to positive ageing and to promoting respect for older people in the community the Australian Government appointed Ms Noeline Brown as the first Ambassador for Ageing in April 2008. The Ambassador is involved in a range of activities and events across Australia promoting positive and active ageing and encouraging recognition and respect for the ongoing contributions made by older people. Since her appointment, the Ambassador has been involved in a wide range of activities including media interviews (many with rural and regional media outlets); television appearances (ANZAC Day); health promotion events (flu vaccination for the elderly, falls prevention); community events, such as positive ageing expos; conferences on community care and water safety; and meetings (for example, with the Older People's Commissioner for Wales).

The Australian Government also actively participates in the Council of Australian Government's Ministerial Conference on Ageing. The Conference met once in 2009-10 and was supported by a Ministerial Advisory Council on Ageing, consisting of senior officials from Commonwealth and state and territory departments, which met three times in 2009-10.

The Australian Government also supports organisations such as National Seniors Australia and COTA Australia to facilitate their participation, as peak bodies representing consumers, in the policy development processes of government.

These organisations provide a channel for seniors' views to be represented to government through, for example, contributing to Commonwealth consultation processes; participating in government advisory fora; providing input to emerging policy issues; and promoting positive images of healthy ageing and the value of older people to their communities.

The Australian Government also provides funding for the National Seniors Productive Ageing Centre, which was established by National Seniors Australia, to advance the knowledge and understanding of productive ageing to improve the quality of life of people aged 50 and over. The Centre provides advice on productive ageing matters; undertakes consumer-orientated research and education; promotes and informs productive ageing; and supports productive ageing decisions by seniors.

The Australian Government also supports the Australian Association of Gerontology, through the funding of an Executive Officer, to expand knowledge of ageing, with the purpose of improving the experience of ageing. The Association is Australia's largest multidisciplinary professional association of people who work in, or have an interest in, ageing.

2.2 Support for aged care services

The Australian Government funds and regulates the provision of residential, community and flexible care to those approved to receive it, and provides grants to assist in the establishment of services and the construction and upgrading of aged care homes. It also has in place quality assurance and consumer protection programs.

The services and regulatory framework that operate under the *Aged Care Act 1997* provide the foundation of Australia's aged care system and are based on the set of objectives outlined in the Act, namely to:

- promote a high quality of care and accommodation;
- protect the health and well-being of residents;
- help residents enjoy the same rights as all other people in Australia;
- ensure that care is accessible and affordable for all residents;
- plan effectively for the delivery of aged care services;
- ensure that aged care services and funding are targeted towards people and areas with the greatest needs;
- encourage services that are diverse, flexible and responsive to individual needs;

- provide funding that takes account of the quality, type and level of care;
- provide respite for families and others who care for older people; and
- promote 'ageing in place' – that is, help older people stay where they want to live, by linking care and support services.

Australian Government expenditure for ageing and aged care during 2009-10, including aged care support and assistance provided under and outside the Act, totalled $9.956 billion, compared with $9.101 billion in 2008-09 – an increase of 9.4 per cent.

In 2009-10, for Australian Government programs provided under the Act:

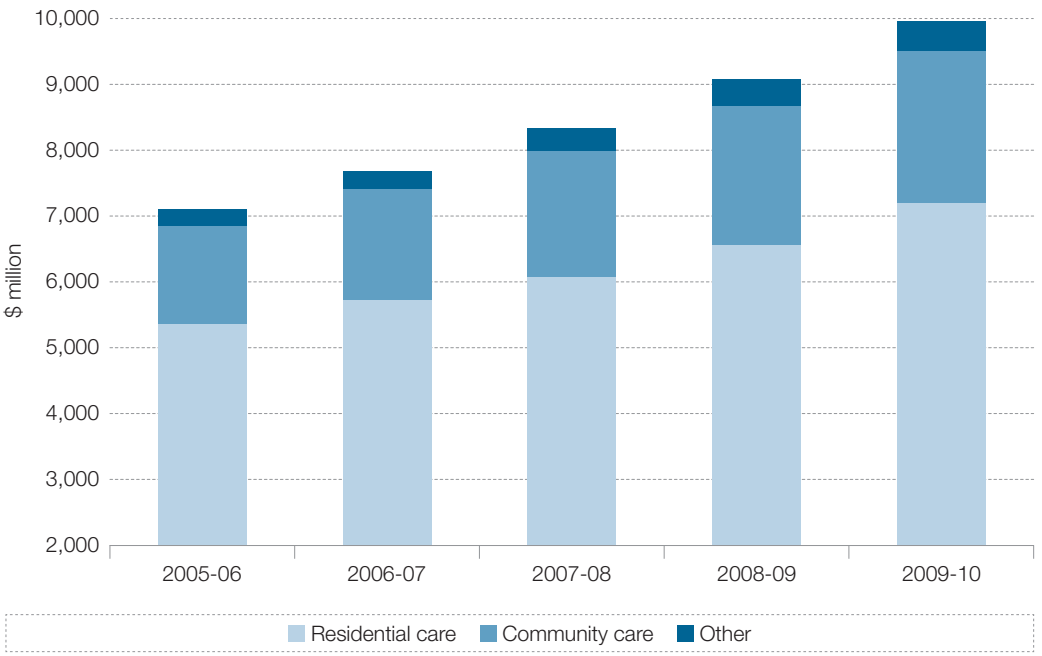
- expenditure on residential care subsidies and supplements was $7.097 billion, compared with $6.474 billion in 2008-09 – an increase of 9.6 per cent;
- expenditure on Community Aged Care Packages was $508.7 million, compared with $479.7 million in 2008-09 – an increase of 6.0 per cent;
- expenditure on Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages was $305.5 million, compared with $256.3 million in 2008-09 – an increase of 19.2 per cent; and
- expenditure on flexible care programs[1], (other than EACH and EACHD packages), was $215.2 million, compared with $174.8 million in 2008-09 – an increase of 23.1 per cent.

The largest single component of Australian Government expenditure outside the Act was $1.187 billion for the Home and Community Care (HACC) program, up from $1.094 billion in 2008-09. The states and territories also contribute to the HACC program. Their contribution in 2009-10 was $757.7 million.

The Australian Government also provided $200.0 million in 2009-10 to support carers through the National Respite for Carers Program.

[1] Flexible care programs (other than EACH and EACHD packages) include Multi-Purpose Services, Innovative Pool and transition care places.

Figure 1: Australian Government outlays for aged care, 2005-06 to 2009-10[2]



Over one million older people currently receive some form of aged care each year, with more than 1 in 10 people aged 70 or over receiving permanent residential care. In 2009-10, through aged care programs administered by the Australian Government under the *Aged Care Act 1997*:

- 214,418 people received permanent residential care – equivalent to 10.5 per cent of people aged 70 years or over (estimated population as at 30 June 2009[3]);
- 69,456 people received care through a community care package (either a Community Aged Care Package, an Extended Aged Care at Home package or Extended Aged Care at Home Dementia package) – equivalent to 3.4 per cent of people aged 70 years or over (estimated population as at 30 June 2009);

[2] 'Residential aged care' includes: residential care subsidies (including those paid on behalf of the Department of Veterans' Affairs); Rural and Regional Building Fund; Aged Care Accreditation Agency; Aged Care Bond Security; Targeted Capital Assistance; Zero Real Interest Loans; and Capital Infrastructure and Support.

'Community care' includes: community care subsidies (CACP); EACH; EACHD; Home & Community Care (HACC) program; carer respite, information and support programs; and continence support programs.

'Other' includes: aged care assessment; aged care workforce; ageing information and support; culturally appropriate aged care; dementia; and flexible aged care (excluding EACH and EACHD).

[3] Australian Bureau of Statistics, *Australian Demographic Statistics*, ABS Cat. No. 3101.0, March 2010

- 44,160 people received residential respite care – equivalent to 2.2 per cent of people aged 70 years or over (estimated population as at 30 June 2009) – of whom 21,360 were later admitted to permanent care; and
- 14,976 people received care under the Transition Care Program – an increase of 18.5 per cent over the previous year.

Many older Australians receive assistance through the joint Australian and state and territory government HACC program. In 2009-10 approximately 893,200 individual clients received HACC services; of these around 69 per cent were aged 70 years and over[4]. In addition, some 143,387 carers were provided with assistance through the National Respite for Carers Program (NRCP).

Some people received care through more than one of these programs during 2009-10.

2.3 The needs-based planning framework

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

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

The provision ratio was first set in 1985, increased from 100 places to 108 places in 2004-05, and further increased in February 2007 to 113 operational places per 1,000 people aged 70 years and over (to be achieved by 2011). The proportion of different types of care places offered was also adjusted in 2007, from: 40 to 44 places for high level residential care; 48 to 44 places for low level residential care; and 20 to 25 places for community care (with 4 for high level community care and 21 for low level community care) for every 1,000 people aged 70 years and over.

In 2010, the target for high level community care was temporarily increased from 4 to 5 places, while the target for high level residential care was temporarily adjusted to 43 places per 1,000 people aged 70 or over. This was to ensure that the overall target ratio is achieved in 2011, together with the balance of 48 high care and 65 low care places.

[4] Preliminary estimate for 2009-10.

The process for allocating aged care places set out in the *Aged Care Act 1997* provides for open and clear planning, that identifies community needs and allocates places in a way that best meets the identified needs of the community. Each year, the planning arrangements determine the types and regional distribution of aged care places that are to be made available. These arrangements may specify a proportion of places that must be provided to certain groups of people specified in the Act, such as those with special needs, particular care requirements, or in need of respite.

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

Aged care places are allocated to planning areas, known as Aged Care Planning Regions, in each state and territory. The allocation of places to Aged Care Planning Regions within each state and territory is then determined by the Secretary, acting on the advice of Aged Care Planning Advisory Committees. These committees are established under the Act to provide advice on comparative aged care needs in the Aged Care Planning Regions, including consideration of people from the prescribed special needs groups. Committee members in each state and territory are appointed by the Secretary and comprise people from government and the community with experience and/or interest in aged care. Members are not appointed to represent a particular body or group. They are chosen because of their ability to contribute to the planning of aged care and to give effective advice to the Secretary.

Following the Secretary's distribution of places across each state and territory, an annual Aged Care Approvals Round is conducted as an open competitive process. This process invites applications for an allocation of aged care places and/or capital grants. Places are allocated to applicants that demonstrate that they can best meet the aged care needs within a particular planning region. Successful applicants who receive an allocation of aged care places may deliver the specified type/s of care to the community through one or more aged care services. Capital grants are provided to support Approved Providers to acquire land to build new premises, erect, alter or extend premises or acquire furniture, fittings or equipment for those premises. Establishment grants are also available for Approved Providers of community care packages.

The time required for building approval and construction means that providers have two years to make aged care places operational, however this may be extended in certain circumstances. Once providers have been allocated new residential care places they must make quarterly progress reports on when the places are expected to become operational. The capacity of applicants to bring places into operation as quickly as practicable is a consideration in the Aged Care Approvals Round's assessment process. CACP and EACH packages generally become operational soon after allocation.

Delays in bringing residential care places into operation are often due to planning difficulties at the state, territory or local level. The Australian Government is currently looking at ways to ensure the time between the allocation of new places and when they become operational is reduced to a minimum.

Current provision

The total number of operational aged care places rose this year, from 228,038 at 30 June 2009 to 237,164 at 30 June 2010 – an increase of 9,126 places, or 3.8 per cent, on the previous year. This included 182,936 residential care places, 51,530 community care places and 2,698 transition care places. The number of allocated and operational aged care places per 1,000 people as at 30 June 2010 is detailed in Table 1.

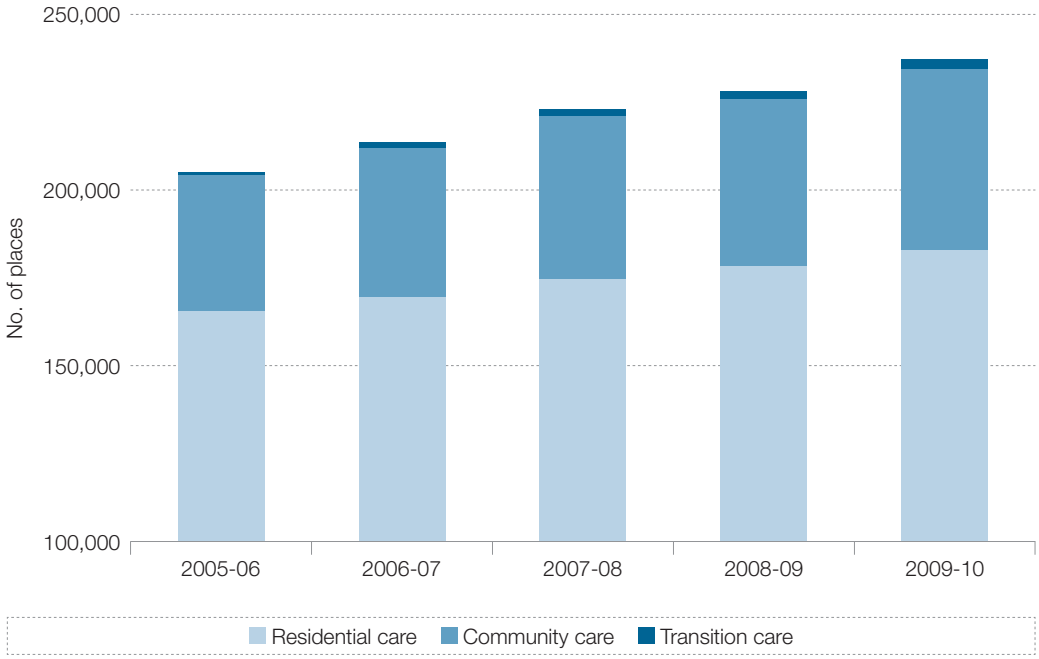
Table 1: Allocated and operational residential, community and transition care places per 1,000 people aged 70 years or older, at 30 June 2010, by state and territory

	Residential Care			Community Care			Transition Care	Total Places
	High	Low	Total	High	Low	Total		
Allocated Places								
NSW	50.5	47.7	98.2	3.5	20.0	23.5	1.6	123.3
VIC	46.6	50.1	96.7	3.6	19.8	23.4	1.6	121.7
QLD	46.3	49.4	95.6	3.9	20.8	24.7	1.6	121.9
WA	45.0	47.7	92.7	5.4	22.1	27.6	1.5	121.8
SA	52.1	45.2	97.3	3.2	19.8	23.0	1.6	121.9
TAS	47.7	45.1	92.7	4.3	21.2	25.5	1.8	120.0
ACT	45.0	52.7	97.7	7.8	24.0	31.8	1.9	131.5
NT	55.6	45.1	100.7	20.3	105.1	125.4	4.3	230.4
Aust.	**48.2**	**48.4**	**96.6**	**3.9**	**20.6**	**24.5**	**1.6**	**122.7**
Operational Places								
NSW	45.0	42.5	87.5	3.5	20.0	23.5	1.3	112.3
VIC	41.6	46.3	87.9	3.6	19.8	23.4	1.3	112.6
QLD	40.2	44.6	84.8	3.9	20.6	24.5	1.2	110.5
WA	37.6	43.4	81.1	5.4	22.1	27.5	1.2	109.7
SA	49.0	43.4	92.4	3.2	19.8	23.0	1.2	116.6
TAS	45.0	39.6	84.5	4.3	21.2	25.5	1.5	111.6
ACT	34.5	45.9	80.3	7.8	24.0	31.8	1.6	113.8
NT	50.7	40.4	91.1	20.3	104.2	124.5	4.3	219.9
Aust.	**42.8**	**44.0**	**86.8**	**3.9**	**20.6**	**24.5**	**1.3**	**112.5**

Note: The place numbers include flexible care places. EACH and EACHD places are attributed as high level community care while Multi-Purpose Services places, permanently allocated Innovative Care places and flexible care places under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program are attributed as either high level residential care, low level residential care or low level community care as appropriate.

Over the five years from 30 June 2006 to 30 June 2010, there was a steady increase in the total number of operational aged care places nationally of 32,295 places, or 16 per cent (see Figure 2 below).

Figure 2: Operational aged care places at 30 June each year, 2005-06 to 2009-10



New places made available in 2009-10

The 2009-10 Aged Care Approvals Round was advertised on 30 January 2010, with applications closing on 15 March 2010. A total of 12,218 new aged care places were made available for allocation – comprising 8,140 residential care places and 4,078 community care places. The community care places were made up of:

- 1,582 Community Aged Care Packages that provide support services for older people with care needs living at home. They are designed as an alternative to low care residential care;
- 1,541 Extended Aged Care at Home (EACH) packages which deliver care in people's own homes equivalent to high care residential care, including the provision of nursing care; and
- 955 Extended Aged Care at Home Dementia (EACHD) packages for people who experience behaviours of concern and psychological symptoms associated with dementia.

The results of the 2009-10 Aged Care Approvals Round are expected to be announced in late 2010.

Table 2 (below) provides a breakdown of these places made available by state and territory.

Table 2: New residential care places and community care (CACP and EACH) packages made available in the 2009-10 Aged Care Approvals Round, by state and territory

	Residential care places	CACP packages	EACH[1] packages	Total places
NSW	2,244	517	172	2,933
VIC	1,490	428	548	2,466
QLD	2,003	337	928	3,268
WA	1,564	107	634	2,305
SA	237	135	27	399
TAS	245	28	20	293
ACT	286	10	146	442
NT	71	20	21	112
Aust.	**8,140**	**1,582**	**2,496**	**12,218**

1. Includes EACHD packages

The places made available in the 2009-10 Aged Care Approvals Round will ensure that the overall target ratio of 113 aged care places per 1,000 people aged 70 or over will be achieved in 2011 and that the balance of 48 high care and 65 low care places is also achieved in 2011. This has been done through allowing greater flexibility in the balance between community and residential care places. In particular, the target level for the provision of high level community care provision has been increased from 4 to 5 places, with the target level for high residential care in 2011 to be 43 places per 1,000 people aged 70 or over.

In a separate process to the Aged Care Approvals Round, an Invitation to Apply for Consumer Directed Care (CDC) places was advertised nationally on 1 May 2010 in major metropolitan and regional newspapers. Consumer (or self) directed care will give older people and their carers a greater say and more control over the design and delivery of community care services provided to them. Applications closed on 31 May 2010.

On 23 July 2010, it was announced that 500 CDC Package Care places had been allocated nationally, consisting of 300 CDC Low Care places, 128 CDC High Care places, and 72 CDC High Care Dementia places. A further 500 CDC Packaged Care places are to be released in 2011-12.

In addition, 200 Consumer Directed Respite Care packages have been allocated nationally to provide carers an individualised respite budget, to be expended on respite services of their choice.

Addressing gaps in service provision

As noted above, ACPACs in every state and territory provide advice on the distribution of aged care places. This advice is incorporated in the Regional Distribution of Aged Care Places, which is published in conjunction with the Invitation to Apply for Places in the Aged Care Approvals Round.

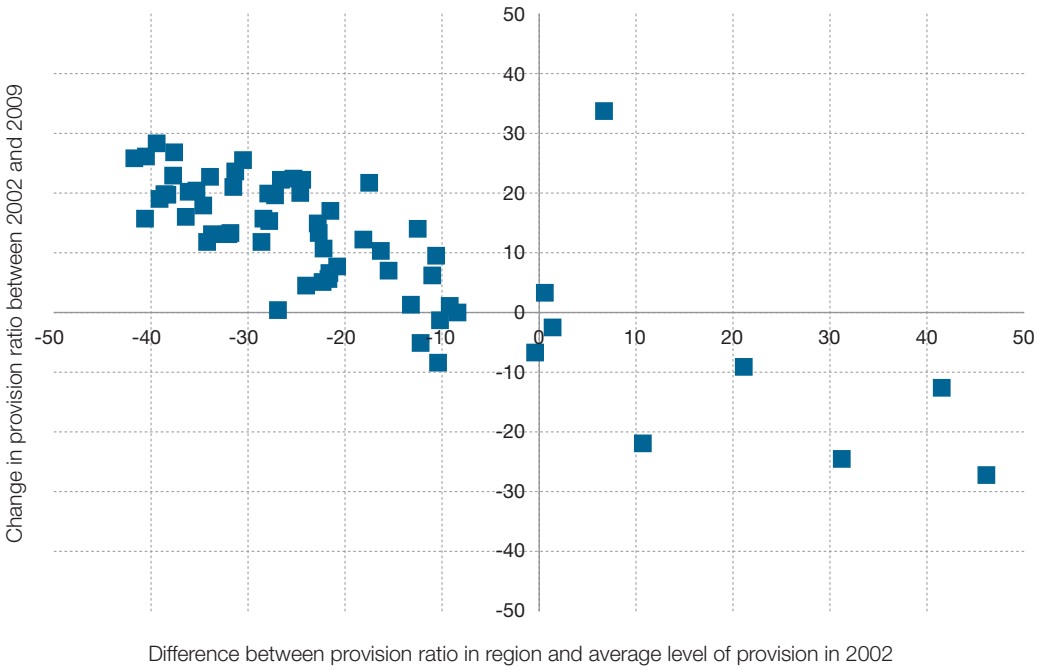
The Regional Distribution of Aged Care Places may list, by Aged Care Planning Region, geographic location/s, special needs group/s and/or key issue/s identified by the respective state and territory ACPACs as having a particular focus in the relevant Approvals Round.

While the published number of places and/or identified issues represents the Department's intentions in relation to the places for the region, the Department cannot guarantee that the exact number of places with the exact same focus will be allocated to the region. The final allocation of places is dependent upon the quantity and quality of the applications received, and will reflect the best use of all the available places, having regard to the need to obtain, as far as possible, a balanced outcome for each region.

The success of these arrangements in ensuring, over time, an equitable distribution of aged care places can be seen from Figure 3 below, which plots for each aged care planning region the change in the provision ratio (operational aged care places per 1,000 people aged 70 or over) between June 2002 and June 2009 against the level of provision in the region in June 2009 (measured as the difference from the average provision level).

Most regions fall into the upper left quadrant, which represents regions which had a below average provision level in 2002 and which have improved their provision ratio between 2002 and 2009. The second most numerous quadrant is the lower right quadrant, which represents regions which had an above average provision level in 2002 and which have a lower provision ratio in 2009 than they had in 2002.

Figure 3: Impact of planning arrangements on distribution of aged care places between regions[5]



[5] A small number of planning regions have been excluded from the chart as they have very high provision levels, because of the high number of Indigenous people aged between 50 and 69 in those regions. Although the overall number of places in Australia is determined by the population aged 70 or over, the distribution of places between regions also takes into account the population of Indigenous people aged between 50 and 69.

3 Information, Needs Assessment and Community Support

The Australian Government provides a variety of support and assistance to older people and their carers in the community, both under and outside the *Aged Care Act 1997*, to ensure people are fully informed and their needs are properly assessed. This support recognises that good information and comprehensive, needs-based assessment services are essential to ensure that older people on the threshold of aged care, and their carers, know about the support services available to meet their needs and how to access them. It enables older people and their carers to make informed decisions about their care.

As well as information services, carers are also assisted through the Australian Government support for the provision of respite care. Specialised support is also provided in the community to assist people who are dealing with some of the more common affects of ageing such as dementia, incontinence and eyesight problems.

3.1 Enabling older people to make informed choices

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

The Department has operated a public Aged Care Information Line (Freecall 1800 500 853) since 1997. It provides information and publications on fees, charges, programs, and procedures for Australian Government funded residential and community care options. There were 103,341 calls to the information line in 2009-10, compared to 102,624 calls in 2008-09.

Table 3: Calls to the information line by main category of caller and main reason for call, 2009-10

Caller Type	Number of calls	Percentage of all calls*
Main category of caller:		
Friend or family member	63,773	61.8%
Providers of residential care	12,228	11.8%
Self or general public	10,547	10.2%
Spouse	3,163	3.1%
Main issue or reason for call:		
Asset assessment	33,420	32.3%
Accommodation bond/charge	27,774	26.8%
Income test/means test	25,406	24.5%
Health and ageing publications	19,779	19.1%

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

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

Over 7.9 million individual information products were distributed to consumers during 2009-10, including:

- 5.1 million items from the Department's stock of information products, such as the *5 Steps to Entry into Residential Aged Care and Aged Care* Information Sheets;
- 2 million continence information products such as *Continence Aids Assistance Scheme Application Guidelines*;
- 1 million carer information products, such as fact sheets on legal arrangements, managing money, and services available to consumers;
- 720,000 Commonwealth Respite and Carelink Centres products;
- 597,000 dementia products (including items transferred to Alzheimer's Australia); and
- 26,000 copies of the 2010 edition of the *Australian Government Directory of Services for Older Australians*.

There were also 87 emails, 83 faxes and 36 mail-outs of information circulars sent to service providers and major stakeholders during 2009-10, advising of amendments to policy and procedures; changes to fees and charges; and reminders of best practice education and training through the Aged Care Standards and Accreditation Agency Ltd.

More than 300 information resources are available to people affected by incontinence, and their families and carers, including fact sheets and brochures on incontinence and bladder and bowel management. Resources include the

Solving Common Bowel Problems for People with Spinal Cord Injury and *Improving Bowel Function After Surgery* booklets, and the National Toilet Map.

The Department's website (http://www.health.gov.au) offers information on aged care services provided by the Australian Government and access to a range of publications and information sheets. Amendments and updates distributed throughout the year to aged care service providers are also published on the website. Major reports and publications from and by the Department are easily accessed through the publications listing.

To assist people to make informed decisions for themselves or for family members, the Aged Care Australia website (http://www.agedcareaustralia.gov.au) includes an aged care home finder and community care service finder function for locating services. This site has been active since 30 November 2006, and averaged 21,519 Homefinder searches per month and 3,220 Community Care searches per month in 2009-10.

Information and support for carers is also provided through the Commonwealth Respite and Carelink Centres. These Centres provide information and link older people to a wide range of community, aged care and support services available locally or anywhere in Australia.

In 2009-10, 54 centres across Australia provided more than 209,000 clients with information about community, residential and other aged care services. Clients included general practitioners, other health professionals, service providers, individuals and their carers. Commonwealth Respite and Carelink Centres may be contacted through a national Freecall number, 1800 052 222. For emergency respite support outside standard business hours these Centres can be contacted on the Freecall number 1800 059 059. Information can also be accessed through their website (http://www.commcarelink.health.gov.au).

In addition, the Carer Information and Support Program funds the development and distribution of carer information products, including education programs for carers and information about government programs that support carers. The Carer Information and Support Program distributed an estimated 374,700 items in 2009-10.

3.2 Assessments for subsidised care

The Australian Government funds state and territory governments to manage and administer the Aged Care Assessment Program (ACAP). This funding is provided through new national partnership payment arrangements under the Intergovernmental Agreement on Federal Financial Relations. State and territory governments are responsible for the day-to-day administration of the program, including the employment of assessment staff for Aged Care Assessment Teams (ACATs) and the delivery of assessment services in each state or territory.

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

A person must generally be assessed and approved by an Aged Care Assessment Team before they can access Australian Government subsidised care. Requirements for the approval of care recipients are outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 1997*.

To ensure services are accessible for all frail older people, as at 30 June 2010, 112 ACATs operate across all regions in each state and territory and are based in hospitals or in the local community. Assessments are conducted in accordance with the aged care legislation and Commonwealth guidelines for the program.

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

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

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

The Australian Government is committed to ensuring older people who need aged care services can have their care needs assessed in a timely manner.

The *Aged Care Amendment (2008 Measures No.2) Act 2008* was passed by Parliament on 4 December 2008 to remove the automatic 12 month lapsing date for approvals for some types of Australian Government subsidised care. An older person can continue to be re-assessed at any time, if their care needs change.

There is early evidence that these changes have significantly improved the efficiency of ACATs by ensuring that ACAT reassessments are conducted only for the people who genuinely need them. The number of completed assessments increased by only one per cent between 2007-08 and 2008-09 in comparison to an increase of 5.7 per cent the previous year (see Table 4 below).

Table 4: Number of completed ACAT assessments, 2004-05 to 2008-09, by state and territory

	2004-05	2005-06	2006-07	2007-08	2008-09[1]
NSW	62,895	63,260	66,860	70,858	71,894
VIC	47,041	47,674	50,029	53,000	52,573
QLD	28,482	27,351	30,030	31,716	31,968
WA	16,293	16,699	17,910	19,170	19,638
SA	13,943	15,840	15,642	16,210	16,654
TAS	4,525	4,894	5,215	5,593	5,630
ACT	2,867	2,774	2,282	2,067	2,284
NT	831	862	999	1,080	968
Aust.	**176,877**	**179,354**	**188,967**	**199,694**	**201,609**

1. The data was extracted from the Department of Health and Ageing Aged Care Data Warehouse in August 2010. Future extracts of this data may change and thus alter final numbers.

In February 2006, COAG agreed to improve access to care services for the elderly, people with disabilities and people leaving hospital[6]. As a result, state and territory governments, in consultation with the Commonwealth, identified national priority areas to improve and strengthen the Aged Care Assessment Program. Activities implemented in 2009-10 include:

- implementation of the ACAP National Training Strategy activities:
  - endorsement of the ACAP National Minimum Training Standards applicable to all ACAT staff;
  - review and update of the ACAP National Orientation Training Package for ACAT Managers, Assessors and generic staff;
  - a national workshop for ACAT Education Officers held to improve their training skills and program knowledge; and
  - the National Aged Care Assessment Program Conference 2010.
- engagement of an Expert Clinical Reference Group to advise on a set of validated assessment tools for the ACAP.

In 2009-10, state and territory governments were also funded to undertake specific projects that the Department agreed contributed to the strengthening

[6] See COAG Meeting, 10 February 2006. *Communiqué*. Attachment D – Better health for all Australians: action plan.

and improvement of the ACAP. Activities being progressed at the state and territory level include: provision of information and training to enhance understanding of dementia; further rapid response initiatives to address extended waiting times in areas of high demand; development of processes to address evidence of elder abuse; implementation of improved management structures and processes; jurisdictional reviews of the operation of the ACAT Education Officer role and of the process of care coordination following an ACAT assessment; and further data management and information technology infrastructure improvements.

Australian Government funding for each ACAT is determined using a 'needs-adjusted', population-based model (the target group being people aged 70 years and over and Indigenous Australians aged 50 years and over), with weightings for age, remoteness, Indigenous status, culturally and linguistically diverse populations and socio-economic factors. The funding model aims to assist in the equitable allocation of available Australian Government funding to ACATs across the country.

Australian Government expenditure in 2009-10 for the ACAP was $76.4 million, which included recurrent funding for ACATs; Evaluation Units, ACAT training; community care assessments; the Dementia Support for Assessment Program; and the COAG reform initiative projects.

3.3 Support for carers – respite

The Australian Government recognises that carers play a vital role in sustaining Australia's current system of community-based, person-centred care. In 2003, an estimated 475,000 Australians were primary carers[7], helping older Australians, people with chronic illness or younger people with disabilities to live at home.

Respite care in residential or community care settings is one of the key supports for carers funded by the Australian Government. It gives carers a break from their usual care arrangements, and by doing so, assists people with care needs to remain living in their community of choice. The Australian Government provides for respite care in aged care homes under the Act as well as through a range of programs outside the Act. The main programs providing respite for older Australians outside the Act are the National Respite for Carers Program and the Home and Community Care program. The Australian Government also provides additional funding for Multi-Purpose Services to provide respite care in rural areas.

[7] Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers* 2003, ABS Cat No. 4430.0

National Respite for Carers Program

The National Respite for Carers Program (NRCP) provides support for carers of frail older Australians and people with disabilities. Australian Government support for the NRCP complements support provided to carers through residential respite care.

In 2009-10, 143,387 carers were provided with assistance through the NRCP. This figure includes 37,076 carers assisted with respite through respite services; 100,273 carers assisted to receive respite through Commonwealth Respite and Carelink Centres (see also Section 3.1); and 6,038 carers who received counselling services.

The Australian Government provided $200.0 million in 2009-10 to support the delivery of these services. Respite services funded under the NRCP provided approximately 5.1 million hours of respite in 2009-10. This was delivered through over 650 respite services in a variety of settings, and includes funding for day respite care delivered in residential care facilities.

Nationwide, 54 Commonwealth Respite and Carelink Centres provide carers with information, coordinate respite services, help carers access these services, and arrange individual respite when needed.

The National Carers Counselling Program sits within the NRCP and provides carers with specialist advice, resources, and professional counselling. The program is delivered through Carer Associations in each state and territory.

Residential respite

Residential respite provides short term care in aged care homes to people who have been assessed and approved by an ACAT to receive residential respite care. It may be used on a planned or emergency basis. In 2009-10, there were 59,602 admissions to residential respite care, and the number of residential respite days used increased from an estimated 1.27 million days in 2008-09 to more than 1.34 million days in 2009-10. On average, each client received 1.4 episodes of residential respite care during 2009-10, and their average length of stay per episode was 22.9 days.

Table 5: Respite care resident days by level of care, 2009-10, by state and territory

	High care	Low care	Total
NSW	301,269	291,833	593,102
VIC	91,443	213,401	304,844
QLD	86,544	88,154	174,698
WA	31,152	52,989	84,141
SA	75,207	57,899	133,106
TAS	15,018	13,422	28,440
ACT	7,627	10,327	17,954
NT	5,407	2,632	8,039
Aust.	**613,667**	**730,657**	**1,344,324**

The Australian Government continues to increase spending on respite care. Expenditure on residential respite care was more than $161 million in 2009-10, compared with $147 million in 2008-09 – an increase of almost 10 per cent.

Table 6: Australian Government annual expenditure for residential respite care, 2005-06 to 2009-10, by state and territory

	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Change: 2008-09 to 2009-10
NSW	49.1	57.3	59.5	69.8	74.5	6.8%
VIC	20.9	23.8	25.3	28.2	31.7	12.3%
QLD	12.9	15.0	15.3	17.7	21.6	21.9%
WA	5.9	6.5	7.0	8.5	9.4	10.7%
SA	11.4	13.5	13.9	15.9	17.6	10.2%
TAS	3.0	3.3	3.4	3.7	3.6	-2.4%
ACT	1.5	1.6	1.7	2.1	2.2	0.6%
NT	1.1	1.5	1.2	1.3	1.2	-9.6%
Aust.	**105.8**	**122.5**	**127.3**	**147.2**	**161.7**	**9.8%**

The Australian Government provides incentives to residential care providers to increase the provision of high care residential respite care. The incentive is currently paid as a supplement for high care respite payable to aged care providers who dedicate at least 70 per cent of their respite allocation for respite care. In 2009-10, around $11.7 million was paid to residential care providers through this supplement.

3.4 Support for people with dementia

The Australian Government's Dementia Initiative provides more than $135 million a year for dementia research, early intervention and improved care initiatives and training for aged and community care workers and Extended Aged Care at Home Dementia (EACHD) packages.

As part of the Dementia Initiative, approximately $10 million was provided for Dementia Behaviour Management Advisory Services (DBMAS), which provide support and education for care workers in residential and community care programs and for family carers. They consist of multi-disciplinary teams that may include, but are not limited to, psychologists, registered nurses and allied health professionals.

The DBMAS program aims to build staff capacity in aged care services so that they gain increased knowledge and confidence in understanding the needs of people with dementia, and in managing care recipients presenting with behavioural and psychological symptoms of dementia. Its functions include the provision of education and tailored information workshops; clinical supervision and mentoring; and modelling of behaviour management techniques.

In addition, DBMAS provides a telephone support service, 24 hours a day, on 1800 699 799 and received 8,757 calls between 1 July 2009 and 30 June 2010.

Older people with complex care needs and dementia, who experience difficulties in their daily lives as a result, can receive assistance through the EACHD program (see Chapter 4).

3.5 Support for people with incontinence

In 2009-10, there were two key programs that provide support for the estimated four million Australians with incontinence: the National Continence Management Strategy and the Continence Aids Assistance Scheme (CAAS). From 1 July 2010, the Continence Aids Payment Scheme replaced the current CAAS.

The National Continence Management Strategy has four main action areas: Awareness Raising; Information and Evidence; Workforce Support; and Intervention and Management. Since the strategy commenced in 1998, a wide range of projects have been undertaken to support people affected by incontinence; their carers; family and friends; health professionals; and service providers. Phase three of the strategy was completed in June 2010.

A number of key activities will continue through to December 2010. These include: support for Continence Awareness Week and the 19th National Conference on Incontinence; funding for the National Public Toilet Map and Bladder Bowel websites; and the National Continence Helpline, which is managed by the Continence Foundation of Australia. The Helpline provides free clinical continence information and advice to people with incontinence, their carers, family, health professionals and the general public.

The Continence Aids Assistance Scheme (now the Continence Aids Payment Scheme) assists eligible people who have permanent and severe incontinence to meet some of the costs of continence products. The assistance is available to

people five years of age and over with permanent and severe incontinence where it is caused by an eligible neurological condition.

People eligible for the Continence Aids Assistance Scheme accessed a subsidy, which was indexed annually, for continence products ordered through a sole Government Provider. Under the Continence Aids Payment Scheme, a direct payment is made to clients by Medicare Australia so they can purchase continence products from a supplier.

3.6 Eye health care

The National Framework for Action to Promote Eye Health and Prevent Avoidable Blindness and Vision Loss, endorsed by the Australian Health Ministers' Conference in November 2005, has a focus on the promotion of eye health and the prevention of eye disease and injury.

The National Eye Health Initiative aims to improve quality, safety and access to eye health care, and supports projects that respond to the Framework, including:

- eye health promotion activities to encourage Australians to look after their eyes;
- the development of clinical practice guidelines;
- a demonstration grants program aimed at trialling and evaluating different eye health care service delivery models;
- formative, attitudinal, evaluation and health services research; and
- support for Vision 2020 Australia.

4 Community Care

The Australian Government recognises that most older Australians want to remain independent and living at home for as long as possible, while also having the option of entering residential care. Community care gives older Australians that choice, providing home-based care that can improve their quality of life and help them to remain active and connected to their own communities.

The Australian Government provides community care support through and outside the *Aged Care Act 1997*.

4.1 What is provided?

Home and Community Care

The largest part of the Australian Government's support for community care is provided outside of the Act, through the Home and Community Care (HACC) program. The HACC program is a joint Australian Government and state and territory government initiative administered under the *Home and Community Care Act 1985*. The Australian Government provides 60 per cent of funding and maintains a broad strategic policy role with day-to-day management provided by state and territory governments.

The program provides services such as domestic assistance, personal care, professional allied health care, nursing services and home modification, in order to support these people to be more independent at home and in the community, and to reduce the potential or inappropriate need for admission to residential care.

The HACC Review Agreement is a bilateral funding agreement between the Australian Government and state and territory governments, and took effect on 1 July 2007 (replacing the 1999 HACC Amending Agreement). It is the legal basis on which funds are provided by the Australian Government and state and territory governments for the operation of the HACC program.

Community Aged Care Packages

Community Aged Care Packages (CACPs) provide a community alternative for frail older people who have complex care needs but are able to live at home with assistance. CACPs are individually tailored packages of low level care and can provide a range of services which may include personal care, assistance with meals, domestic assistance and transport.

CACPs are provided under the community care arrangements of the *Aged Care Act 1997* and are complemented by the Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages, which

provide high level care. The EACH and EACHD programs are provided under the flexible care arrangements of the Act.

Table 7 shows the number of CACPs allocated to service providers as at 30 June each year over the five years from 2006 to 2010, and the percentage increase in available packages, by state and territory. The 2009-10 Aged Care Approvals Round was still being assessed at 30 June 2010; therefore it has not been possible to take CACP growth stemming from this process into account in the number allocated in 2009-10.

Table 7: Number of allocated CACPs at 30 June each year, 2006 to 2010, by state and territory

	2006	2007	2008	2009	2010	Increase: 2009 to 2010
NSW	12,021	12,613	13,487	14,204	14,212	0.1%
VIC	9,113	9,562	10,135	10,582	10,582	0.0%
QLD	6,000	6,525	6,972	7,935	7,941	0.1%
WA	3,192	3,230	3,456	4,062	4,082	0.5%
SA	3,184	3,292	3,464	3,565	3,565	0.0%
TAS	983	970	1,021	1,101	1101	0.0%
ACT	456	489	514	604	604	0.0%
NT	625	569	587	641	641	0.0%
Aust.	**35,574**	**37,250**	**39,636**	**42,694**	**42,728**	**0.1%**

Extended Aged Care at Home and Extended Aged Care at Home Dementia

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

The EACH program provides coordinated and managed packages of care, tailored to meet the needs of the individual. Packages are flexible in content but generally include qualified nursing input, particularly in the design and ongoing management of the package. Services available through an EACH package may include clinical care; personal assistance; meal preparation; continence management; assistance to access leisure activities; emotional support; therapy services; and home safety and modification.

The EACHD program provides individually tailored packages of care for older people with dementia who: have complex care needs; have been assessed and approved by an ACAT as requiring high level care; and wish to remain living at home, and are able to do so with the assistance of an EACHD package. An EACHD package provides similar support as an EACH package but also offers additional levels of service to meet the specific needs of care recipients who experience behaviours of concern and psychological symptoms associated with dementia.

The Australian Government also provides a range of services under the Dementia Initiative that directly benefit people with dementia and their carers, and operate outside the scope of the Act.

Table 8: Number of allocated EACH and EACHD packages at 30 June each year, 2006 to 2010, by state and territory

	2006	2007	2008	2009	2010	Increase: 2009 to 2010
EACH						
NSW	874	1,083	1,415	1,700	1,723	1.4%
VIC	718	882	1,106	1,356	1,366	0.7%
QLD	439	532	691	973	992	2.0%
WA	235	299	406	689	719	4.4%
SA	230	286	355	399	399	0.0%
TAS	75	90	119	152	152	0.0%
ACT	70	87	111	146	146	0.0%
NT	60	70	83	100	100	0.0%
Aust.	**2,701**	**3,329**	**4,286**	**5,515**	**5,597**	**1.5%**
EACH Dementia						
NSW	225	450	675	787	792	0.6%
VIC	166	331	497	569	569	0.0%
QLD	115	231	351	523	533	1.9%
WA	58	116	174	321	321	0.0%
SA	58	116	179	194	194	0.0%
TAS	20	40	60	86	86	0.0%
ACT	15	30	45	50	50	0.0%
NT	10	20	30	38	38	0.0%
Aust.	**667**	**1,334**	**2,011**	**2,568**	**2,583**	**0.6%**

The 2009-10 Aged Care Approvals Round was still being assessed at 30 June 2010; therefore it has not been possible to take EACH and EACHD growth stemming from this process into account in the number allocated in 2009-10 (refer to Table 8).

Community care reforms

Throughout 2009-10, the Australian Government continued to progress reforms to community care. The reforms aimed at strengthening and improving the community care system, including the HACC, CACP, EACH and EACHD programs. It built on the current strengths of the community care system and outlined a number of ways to improve the system to reduce complexity and achieve greater consistency, as well as simplifying and creating a fairer system for people requiring care to stay at home.

In consultation with state and territory governments, progress continued in a number of areas during 2009-10, including:

- further development of nationally consistent approaches for assessment and identification of needs of clients and carers;
- the confirmation of Access Point Demonstration Projects nationally;
- piloting and finalisation of draft common standards for community care programs and related expected outcomes, together with further development of a self assessment reporting tool and guidelines for service providers and assessors; and
- ongoing communication with the sector, keeping them up to date with progress and highlighting opportunities for involvement.

Work undertaken through these activities is informing the key reform directions being developed by COAG for the future of community and residential care.

4.2 Who provides care?

Determining who provides care services through the Home and Community Care (HACC) program is the responsibility of individual state and territory governments. All HACC service providers must provide services in accordance with the HACC National Service Standards and the *National Program Guidelines for the Home and Community Care Program 2007*.

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

Australian Government community care is primarily provided by religious, charitable and community-based providers (84 per cent of providers) with the remaining 16 per cent of places provided by private-for-profit organisations, and state and local governments.

The following tables provide details, by state and territory, of the types of providers delivering services in each of the Australian Government community care programs.

Table 9: Operational community care (CACP) places by provider type, at 30 June 2010, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	5,113	4,251	3,210	643	382	610	14,209
VIC	3,832	2,446	1,545	345	1,313	1,101	10,582
QLD	3,579	1,854	1,551	527	121	234	7,866
WA	1,100	1,875	218	535	92	252	4,072
SA	1,037	1,600	412	120	305	91	3,565
TAS	403	219	335	57	60	27	1,101
ACT	142	358	59	45	0	0	604
NT	192	30	143	68	0	202	635
Aust.	**15,398**	**12,633**	**7,473**	**2,340**	**2,273**	**2,517**	**42,634**
% of Total	36.1%	29.6%	17.5%	5.5%	5.3%	5.9%	

Table 10: Operational community care (EACH) places by provider type, at 30 June 2010, by state and territory

	Religious	Charitable	Community Based	For profit	State Govt.	Local Govt.	Total
NSW	514	812	205	173	0	19	1,723
VIC	832	177	96	32	194	35	1,366
QLD	517	281	142	28	10	4	982
WA	282	297	10	97	0	33	719
SA	72	243	61	16	0	7	399
TAS	42	73	10	23	4	0	152
ACT	18	103	25	0	0	0	146
NT	30	38	0	32	0	0	100
Aust.	**2,307**	**2,024**	**549**	**401**	**208**	**98**	**5,587**
% of Total	41.3%	36.2%	9.8%	7.2%	3.7%	1.8%	

Table 11: Operational community care (EACHD) places by provider type, at 30 June 2010, by state and territory

	Religious	Charitable	Community Based	For profit	State Govt.	Local Govt.	Total
NSW	264	371	72	72	0	13	792
VIC	320	126	60	5	45	13	569
QLD	233	166	104	30	0	0	533
WA	218	47	0	56	0	0	321
SA	5	158	21	5	0	5	194
TAS	52	10	4	13	7	0	86
ACT	5	36	9	0	0	0	50
NT	15	5	0	18	0	0	38
Aust.	**1,112**	**919**	**270**	**199**	**52**	**31**	**2,583**
% of Total	43.1%	35.6%	10.5%	7.7%	2.0%	1.2%	

4.3 Who receives care?

Community care services across Australia help many older people to remain independent, in their own homes and in their communities, instead of moving prematurely into aged care homes.

The Home and Community Care (HACC) program delivers high quality, affordable and accessible services in the community that are essential to the well-being of older Australians, younger people with a disability and their carers. The target group includes people with moderate, severe or profound disabilities of any age. In 2009-10, around 893,200 people received services through the HACC program, of whom around 69 per cent were frail older people and around 31 per cent were younger people with a disability.

Community care provided under the *Aged Care Act 1997* delivers support and assistance to older people at home in their own communities. Packages are available in all states and territories, including rural and remote locations.

Table 12: Number of community care recipients, by Australian Government program, by area of remoteness, at 30 June 2010

Remoteness Area	CACPs	EACH	EACHD	Total
Major Cities of Australia	27,203	3,441	1,566	32,210
Inner Regional Australia	8,812	1,315	516	10,643
Outer Regional Australia	3,153	437	195	3,785
Remote Australia	533	49	14	596
Very Remote Australia	422	6	0	428
Aust.	**40,123**	**5,248**	**2,291**	**47,662**

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

Packaged care provides varying levels of assistance depending on the care needs of the client.

Community Aged Care Packages (CACPs) are suitable for older people who prefer to live at home, would otherwise be assessed as eligible to receive at least low level residential care, and are able to remain living at home with support. In 2009-10, a total of 57,742 people received support in the community through a CACP.

Frail older people with complex care needs who are assessed and approved by an ACAT as requiring high level care, have expressed a preference to live at home, and are able to do so with some assistance, can receive coordinated packages of community care through the Extended Aged Care at Home (EACH) program. Individually designed Extended Aged Care at Home Dementia (EACHD) packages are also available for people who experience behaviours of concern and psychological symptoms associated with dementia which impact on their ability

to live independently in the community. In 2009-10, 7,995 people received care through an EACH package and 3,847 people received care through an EACHD package.

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

4.4 How is community care funded?

Home and Community Care

The Home and Community Care (HACC) program is jointly funded by the Australian Government and state and territory governments. The Australian Government contributes approximately 60 per cent of HACC program funding nationally and maintains a broad strategic role. State and territory governments contribute approximately 40 per cent of program funding and manage the program on a day-to-day basis.

Australian Government funding for HACC in 2009-10 totalled $1.187 billion – an increase of 8.5 per cent over total funding provided in 2008-09. Total combined Australian Government and state and territory government funding for 2009-10 was $1.944 billion – an increase of $151.8 million over the previous year.

The Australian Government funding included $1.77 million in extra, one-off, unmatched funding to states and territories in 2009-10 to build on and extend the work previously agreed by COAG for improved, nationally consistent arrangements for access, assessment and referral for HACC. The extra funding recognises costs associated with implementing these changes and will be available only to those states and territories that implement agreed community care reforms.

Community care packages

Australian Government financial assistance for community care programs (CACP, EACH and EACHD) provided under the *Aged Care Act 1997* is paid to service providers as a contribution to the cost of providing care. The Minister determines the rates for community care subsidies and supplements, to apply from 1 July of each year. The current rates of payment can be found on the Department's internet site.[8]

Community care recipients also contribute to the cost of their care. While the Australian Government does not set the fees that CACP, EACH and EACHD recipients are asked to pay, it does set a maximum level for the daily fees that

[8] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

Approved Providers may ask care recipients to pay. Care recipients can be asked to pay a daily fee of up to 17.5 per cent of the single basic pension ($8.05 per day on 30 June 2010). People on higher incomes may be asked to pay additional fees (limited to 50 per cent of any income above the basic rate of single pension). Fees must be negotiated and agreed upon by both the care recipient and the Approved Provider and no one may be denied a service because they cannot afford to pay.

The Australian Government's recurrent expenditure on CACPs increased from $479.7 million in 2008-09 to $508.7 million in 2009-10 – an increase of 6.0 per cent nationally.

Table 13: Australian Government expenditure for Community Aged Care Packages, from 2005-06 to 2009-10, by state and territory

	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Increase: 2008-09 to 2009-10
NSW	124.1	140.1	153.1	165.7	175.2	5.7%
VIC	94.3	106.5	118.0	125.8	131.8	4.8%
QLD	54.7	63.3	71.9	77.7	83.9	7.9%
WA	29.0	34.4	37.9	40.2	44.2	10.0%
SA	33.1	37.2	41.1	43.2	45.0	4.1%
TAS	10.1	11.1	12.1	12.8	13.5	5.5%
ACT	5.0	5.7	6.0	6.5	6.8	6.0%
NT	6.3	6.6	7.7	7.9	8.4	6.5%
Aust.	**356.6**	**404.9**	**447.8**	**479.7**	**508.7**	**6.0%**

Australian Government recurrent expenditure on EACH and EACHD packages of care increased to a combined total of $305.5 million in 2009-10. Expenditure on EACH packages increased by almost 19.3 per cent nationally, to reach $206.0 million in 2009-10 (see table below).

Table 14: Australian Government expenditure for Extended Aged Care at Home packages, from 2005-06 to 2009-10, by state and territory

	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Increase: 2008-09 to 2009-10
NSW	19.9	31.8	45.4	57.7	67.2	16.3%
VIC	19.5	29.7	39.9	46.3	53.4	15.3%
QLD	9.9	17.1	21.7	26.3	32.5	23.4%
WA	4.8	8.1	11.6	15.9	21.8	37.1%
SA	5.9	9.6	12.6	14.6	16.3	11.7%
TAS	1.9	2.7	3.5	4.5	5.9	29.0%
ACT	1.9	2.8	3.8	4.5	5.4	20.8%
NT	1.5	2.1	2.6	2.9	3.6	27.0%
Aust.	**65.3**	**103.9**	**141.1**	**172.7**	**206.0**	**19.3%**

Expenditure on EACHD packages continued to increase significantly, reaching a total of $99.6 million in 2009-10 – an increase of 19 per cent (see following table).

Table 15: Australian Government expenditure for Extended Aged Care at Home Dementia packages, from 2006-07 to 2009-10, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Increase: 2008-10 to 2009-10
NSW	7.3	18.7	28.2	33.3	17.8%
VIC	7.4	16.1	22.1	24.7	11.9%
QLD	4.5	9.3	13.3	16.0	20.0%
WA	1.9	4.2	6.9	10.2	48.0%
SA	2.2	5.2	7.7	8.5	10.6%
TAS	0.7	1.9	2.5	3.5	41.8%
ACT	0.7	1.3	2.0	2.1	5.8%
NT	0.5	0.9	0.9	1.2	28.5%
Aust.	**25.1**	**57.7**	**83.6**	**99.6**	**19.0%**

Community care viability supplement

The Act provides for a viability supplement to assist providers of community care and flexible care programs in rural and remote areas. This is available to eligible providers of CACPs, EACH and EACHD packages, Multi-Purpose Services providing community care and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The supplement recognises the higher costs and recruitment difficulties faced by these services.

The Australian Government also provides a viability supplement to residential care services in rural and remote areas of Australia (see Section 5.4).

Community Care and Flexible Care Grants

Community Care and Flexible Care Grants (also known as 'establishment grants') assist organisations that may be disadvantaged in meeting the cost of establishing viable services. Those receiving grants include organisations without an established service infrastructure, those servicing remote or isolated communities where there are limited resources, and services with only small numbers of community care places. Individual grants may be up to $65,000 (GST exclusive) for Community Care Grants and $100,000 (GST exclusive) for Flexible Care Grants, depending on the circumstances of the organisation. One hundred and thirty Community Care and Flexible Care Grants were made in 2009-10, totalling close to $5.3 million in value.

In February 2008, the Australian Government agreed to expand the eligibility of the current community care grants program to make it more accessible to providers, especially those delivering services to special needs groups. The Australian Government also agreed to the introduction of a flexible care grant that will be made available to providers of the EACH and EACHD packages.

Table 16: Value of community care and flexible care establishment grants allocated during 2009-10, by state and territory

	Number of grants made	Total value ($'000)
NSW	26	1,090
VIC	25	798
QLD	26	1,219
WA	25	924
SA	9	317
TAS	8	261
ACT	3	154
NT	8	513
Aust.	**130**	**5,276**

5 Residential Care

Australian Government subsidised residential care is governed by the *Aged Care Act 1997* and the *Aged Care Principles* and is administered by the Department of Health and Ageing.

Government subsidised residential care provides a range of supported accommodation services for older people who are unable to continue living independently in their own home.

At 30 June 2010, there were 2,773 aged care homes delivering residential care under these arrangements, with an occupancy rate of 92.4 per cent over 2009-10. This compares to 92.9 per cent in 2008-09 and 93.8 per cent in 2007-08.

5.1 What is provided?

There are two main types of residential care in Australia; low level care and high level care. While some aged care homes specialise in low or high level care, many homes now offer the full continuum of care, which allows residents to stay in the same home as their care needs increase ('ageing in place').

Low level care focuses on personal care services (help with the activities of daily living such as dressing, eating and bathing); accommodation; support services (cleaning, laundry and meals); and some allied health services, such as physiotherapy. Nursing care can be given when required. Many low level aged care homes have nurses on staff, or at least have ready access to them.

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

Residential care is provided on a permanent or respite basis. Residential respite provides short term care on a planned or emergency basis in aged care homes to people who have been assessed and approved to receive it (see Section 3.3).

Ageing in place

For the continuing benefit of care recipients, the Act allows places allocated to an aged care home for low level care to be used for high level care. This allows care recipients to remain in the same aged care home while receiving a higher level of care, enabling residents to age in place. Table 17 gives information on the utilisation of residential care places for low level care and high level care.

Table 17: Utilisation of operational residential care places, at 30 June 2010, by state and territory

	Proportion of all operational residential care places utilised for high care	Proportion of operational residential care places allocated as low care and utilised for high care
NSW	63.7%	36.8%
VIC	60.7%	36.0%
QLD	60.1%	38.5%
WA	61.0%	36.6%
SA	69.8%	46.2%
TAS	61.1%	32.6%
ACT	60.0%	41.3%
NT	67.3%	33.9%
Aust.	**62.5%**	**37.6%**

Extra Service

Some aged care facilities may be approved under the Act to offer Extra Service to recipients of residential care. This involves a significantly higher than average standard of accommodation, services and food. Approval may be for the whole of a residential facility or for a distinct part. Extra Service does not affect the care provided to care recipients, as all residential care providers are required to meet designated care standards for all care recipients. Aged care facilities approved for Extra Service may charge care recipients an additional Extra Service daily amount. They may also charge accommodation bonds for recipients of both high care and low care. Extra Service places attract a reduced residential care subsidy from the Australian Government.

Extra Service increases diversity in the aged care sector by allowing care recipients to choose whether to pay the additional amounts for these additional services. When considering an application from an Approved Provider for Extra Service status, the Department must be satisfied that there will be significant benefits to current and future care recipients in the region if the application is approved – including increased diversity of choice and better access to continuity of care. However, approval of Extra Service status must not be granted if it would result in an unreasonable reduction of access for supported, concessional or assisted care recipients or persons aged at least 70 years who would have difficulty affording an Extra Service amount. Not more than 15 per cent of places in each state or territory may be approved to be offered as Extra Service.

At 30 June 2010, there were 17,628 residential care places approved for Extra Service status, of which 13,483 were operational. The total number of places approved for Extra Service represented 8.8 per cent of all allocated mainstream residential care places and comprised 14,307 high care places and 3,321 low care places.

5.2 Who provides care?

Aged care is delivered to older Australians by service providers who have been approved under the Act. Approval may be granted for all types of aged care, or may be limited to specified service types and/or specified aged care services. Regardless of what type of aged care is to be provided, the service provider must be approved before they can be paid for providing aged care.

Matters considered in approving service providers include the applicants' suitability to provide aged care, which encompasses aspects such as suitability and experience of key personnel; previous experience in providing aged care; record of financial management; and ability to meet standards for the provision of aged care.

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

The amount of aged care that an aged care provider can deliver depends on the number of aged care places allocated to it under Part 2.2 of the Act. Under these arrangements an Approved Provider can only receive payment for care (subsidies) for the specified number and type of aged care places allocated through the Australian Government's allocation process.

In general, residential care in Australia is delivered by providers from the religious and charitable, community, private for profit and government sectors. In 2009-10, the not-for-profit group (comprising religious, charitable and community-based providers) were responsible for almost 59 per cent of residential care places while private-for-profit providers increased their share of residential care places by a further one per cent to 35 per cent.

Table 18: Operational residential care places, other than flexible care places, by provider type, at 30 June 2010, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	17,857	13,196	9,475	19,950	776	655	61,909
VIC	7,091	3,496	6,581	23,090	5,939	732	46,929
QLD	12,703	5,264	3,433	9,421	1,501	205	32,527
WA	4,936	2,210	1,868	5,482	66	327	14,889
SA	4,570	4,610	2,044	3,965	832	429	16,450
TAS	1,935	970	1,007	531	87	16	4,546
ACT	832	543	223	421	0	0	2,019
NT	279	135	66	0	0	0	480
Aust.	**50,203**	**30,424**	**24,697**	**62,860**	**9,201**	**2,364**	**179,749**
% of Total	27.9%	16.9%	13.7%	35.0%	5.1%	1.3%	

The proportion of residential care places operated by the not-for-profit sector has remained relatively constant since 1996-97, while the proportion of places operated by state and local government has decreased and the proportion operated by the private sector has continued to increase.

5.3 Who receives care?

The Australian Government funds residential care for people who are frail or disabled, require at least a low level of continuing personal care and are incapable of living in the community without support. During 2009-10, a total of 214,418 people received permanent residential care in Australia's aged care homes. The following table gives an indication of the distribution of residents in aged care homes across Australia on 30 June 2010.

Table 19: Number of permanent residents, at 30 June 2010, by state and territory, by level of care

Care level	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust.
High	39,129	29,302	19,935	9,446	11,721	2,773	1,199	298	113,803
Low	16,535	12,800	9,494	4,186	3,698	1,421	560	114	48,808
Total	**55,664**	**42,102**	**29,429**	**13,632**	**15,419**	**4,194**	**1,759**	**412**	**162,611**

Note: The number of residential care recipients is less than the overall number of places available because a small proportion of places are vacant at any one time and around 2 per cent of places are used for respite at any one time.

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

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

Table 20 (below) shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT, by level of care.

This entry period measure is not a proxy for waiting time for admission to an aged care home as the ACAT recommendation is simply an option for that person. Many people who receive a recommendation for residential care may also receive and take up a recommendation for a CACP place instead, or simply choose not to take up residential care at that time. The increased availability of

community care and respite care has a significant effect in delaying entry into permanent care.[9]

Table 20: Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry, during 2009-10

	2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 9 months
High care	10.8%	24.9%	50.9%	76.4%	92.3%
Low care	5.2%	12.0%	32.0%	63.3%	91.0%
All residents	**8.3%**	**19.0%**	**42.3%**	**70.4%**	**91.7%**

5.4 How is residential care funded?

The *Aged Care Act 1997* provides for a combination of public and private financing of aged care services.

Approximately 70 per cent of the total funding for residential care is provided by the Australian Government. Subsidy and supplement payments are paid directly to providers of aged care services on behalf of the residents in those services. Residents who can afford to do so also contribute to the cost of their care and accommodation.

Subsidies and payments can be grouped into two main categories:

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

[9] Australian Institute of Health and Welfare, *Entry period for Residential Aged Care*. Canberra, AIHW, 2002. (Aged Care Series, no. 7) The analysis showed that the supply of services in any particular region has a negligible effect on the entry period. The strongest determinants of entry period for residential aged care are whether or not the resident has used a community aged care package or residential respite prior to admission (these were associated with a longer entry period), and whether the resident was assessed by an ACAT while he or she was in hospital (this was associated with a shorter entry period).

What the Government pays

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

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

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI and, for respite residents, by the ACAT's approval of the resident for care;
- plus an additional Conditional Adjustment Payment which is an additional percentage of the basic subsidies paid to eligible providers of residential care (for more information see Care Payments, below);
- plus any primary supplements for new supported residents or former concessional residents, transitional residents, respite residents, oxygen, enteral feeding and payroll tax;
- less any reductions in subsidy resulting from the provision of Extra Service, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment[10];
- less any reduction resulting from the income testing of residents who entered residential care on or after 1 March 1998; and
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (the last of which reduces fees for residents who would otherwise experience financial hardship).

The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time as the Australian Government's pension changes). The current rates of payment are available on the Department's internet site[11], in the Aged Care Essentials newsletter and from the Aged Care Information Line.

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

[11] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

Australian Government funding for residential care subsidies and supplements has risen from $6.474 billion in 2008-09 to $7.097 billion in 2009-10 (see Table 21). This includes funding appropriated through the Health and Ageing portfolio as well as funding for veterans in residential care through the Department of Veterans' Affairs. These combined appropriations are paid as subsidies and supplements to aged care homes through payment systems managed by Medicare Australia.

Table 21: Australian Government recurrent residential care funding, from 2005-06 to 2009-10, by state and territory

	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Increase: 2008-09 to 2009-10
NSW	1,849.7	1,959.8	2,084.2	2,248.1	2,429.6	8.1%
VIC	1,317.0	1,396.4	1,495.4	1,626.8	1,801.4	10.7%
QLD	953.7	1,005.0	1,058.8	1,127.9	1,268.6	12.5%
WA	441.1	465.2	495.5	536.7	594.2	10.7%
SA	550.3	590.8	632.1	680.2	736.1	8.2%
TAS	147.2	153.3	161.5	167.7	177.8	6.0%
ACT	51.6	54.2	57.7	61.3	68.9	12.3%
NT	17.7	17.3	17.9	18.6	20.5	10.0%
Aust.	**5,339.0**	**5,655.5**	**6,002.9**	**6,474.0**	**7,097.1**	**9.6%**

Note: Totals may not sum exactly, due to rounding. Aust. totals also include amounts that cannot be attributed to individual states or territories. Table includes funding through the Department of Veterans' Affairs.

The following table shows recurrent residential care funding broken down by different types of subsidies and supplements. Principal subsidies and supplements are outlined below. Full details can be found in the *Residential Care Manual 2009*[12].

[12] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-manuals-rcm-rcmindx1.htm

Table 22: Summary of Australian Government payments by subsidy and supplements, from 2005-06 to 2009-10

Type of payment	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m
Basic Subsidy					
Permanent	4,516.0	4,762.7	5,006.4	5,325.4	5,843.8
Respite (includes respite supplement)	92.3	101.5	106.6	128.2	140.0
Conditional Adjustment Payment	159.3	250.0	353.8	471.0	518.0
Primary care Supplements[1]					
Oxygen	7.7	8.4	9.2	10.2	11.9
Enteral Feeding	11.6	11.0	10.8	10.2	10.0
Payroll Tax	88.5	94.4	99.3	104.1	111.5
Respite Incentive	3.5	8.5	8.4	10.1	11.7
Hardship					
Hardship	5.6	5.6	5.9	5.0	4.4
Hardship (Accommodation)	0.0	0.0	0.0	0.4	1.2
Accommodation Supplements					
Accommodation Supplement	0.0	0.0	4.7	104.1	216.0
Interim Accommodation Supplement	0.0	0.0	95.8	0.0	0.0
Transitional accommodation supplement	0.0	0.0	1.6	28.8	59.3
Viability	15.1	15.7	15.1	14.8	15.9
Supplements relating to grandparenting					
Concessional	302.5	308.1	307.0	267.5	219.3
Transitional	60.6	46.4	36.2	28.1	21.8
Charge Exempt	3.4	3.0	2.7	2.2	2.1
Pension	293.9	297.6	300.6	247.0	188.7
Income testing reduction	-183.6	-213.5	-251.1	-242.9	-233.7
Other reductions	-53.0	-57.1	-57.1	-61.8	-57.5
Other	10.1	13.3	-52.8	21.3	12.8
Total	**5,333.6**	**5,655.5**	**6,002.9**	**6,474.0**	**7,097.1**

1. Respite supplement is included in the basic subsidy payment for respite residents.

The resulting average levels of Australian Government payments for residents in aged care are shown below.

Table 23: Average Australian Government payments (subsidy plus supplements) for each permanent residential care recipient, from 2005-06 to 2009-10

	2005-06	2006-07	2007-08	2008-09	2009-10	Increase: 2008-09 to 2009-10
High care residents	$44,100	$45,100	$46,350	$48,500	$51,550	6.3%
Low care residents	$15,900	$16,300	$16,750	$17,700	$20,150	13.8%
All residents	**$34,700**	**$35,950**	**$37,350**	**$40,000**	**$43,050**	**7.6%**

Care Payments

The basic care subsidy is based on the appraised care needs of a resident by applying the ACFI. The ACFI instrument consists of 12 care-need questions, some of which are supported by specified assessment tools. The resident's care needs are rated by the aged care home on a scale of A, B, C or D for each of the 12 questions and these scores are used to determine the actual ACFI rating.

The ACFI has three funding categories or domains: Activities of Daily Living (ADL), Behaviour (BEH) and Complex Health Care (CHC). Funding in each of these domains is provided at four levels, namely high, medium, low or nil. The defined funding rates are set out in Table 24. The subsidy paid for a resident is made up of the sum of the amounts payable for the three care domains (ADL + BEH + CHC) but, as at 30 June 2010, was capped at $150.54. The capping of maximum ACFI subsidy levels was part of the transitional arrangements that were put in place when the new funding arrangements were introduced. These transitional arrangements end on 30 June 2011.

Table 24: Daily ACFI subsidy rates as at 30 June 2010

Level	Activities of daily living (ADL)	Behaviour Supplement (BEH)	Complex Health Care Supplement (CHC)
Nil	$0.00	$0.00	$0.00
Low	$29.78	$6.81	$13.40
Medium	$64.86	$14.11	$38.17
High	$89.85	$29.72	$55.12

Quarterly reports of the proportion of residents in each of the ACFI categories are provided at: http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-acfi-30june.htm

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

Receipt of CAP funding by individual Approved Providers is voluntary and conditional on compliance with requirements set out in the *Residential Care Subsidy Principles 1997*[13]. Only four Approved Providers have chosen not to participate in the CAP. Participating Approved Providers have met the CAP requirements by:

- participating in the 2007 aged care workforce census;
- satisfying the CAP staff training requirements for the 2009 calendar year; and
- satisfying the CAP audited financial reporting requirements, by lodging a written notice in respect to the 2008-09 financial year.

The CAP payment is calculated as a percentage of the basic subsidy payable in respect of each resident and has increased each year from the initial rate of 1.75 per cent in 2004-05 to reach a level of 8.75 per cent of the basic subsidy in 2008-09. The CAP continued at this level of 8.75 per cent of the basic subsidy in 2009-10 and is expected to continue at this level over the next three years.

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

Primary care supplements include the following:

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

Supplements are payable for some residents where the Secretary has made a determination that the imposition of care or accommodation payments would cause financial hardship for the particular resident, for example, a hardship supplement and/or accommodation supplement may be payable. Care recipients can seek financial hardship assistance with their daily care fees, the income tested fee, accommodation charge or bond (see section 7.5).

[13] Division 4, Part 10 *Residential Care Subsidy Principles 1997*

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

Accommodation Payments

The **accommodation supplement** (which replaces the concessional resident supplement and pensioner supplement from 20 March 2008) is paid to providers on behalf of residents who cannot meet their own accommodation costs. The accommodation supplement is only payable for eligible permanent residents who entered an aged care service from 20 March 2008.

The supplement provides a maximum of $26.88 per day for eligible residents to ensure that providers receive the equivalent of the maximum accommodation charge for all residents either from the resident or the Government or from a combination of both.

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

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

Table 25 shows the estimated increase in the maximum daily rate of the accommodation supplement to 19 March 2012.

Table 25: Movement in the estimated maximum rate of accommodation supplement

	Estimated Maximum Supplement
1 July 2009 to 19 September 2010	$26.88
20 September 2010 to 19 March 2011	$28.72
20 March 2011 to 19 September 2011	$30.55
20 September 2011 to 19 March 2012	$32.38

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

An **accommodation charge top-up supplement** was payable for some pensioner high care residents who entered aged care from 20 March 2008 to 19 March 2010 to compensate providers for the lower cap on the maximum

accommodation charge that applied to pensioners until 20 March 2010. It ensures that providers can receive the equivalent of the highest legislated maximum accommodation charge (for self-funded retirees) in respect of all residents, either from the resident or the Government or both.

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

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

The Australian Government also provides a viability supplement to provide additional practical support to eligible Multi-Purpose Services, services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care program and community care services in rural and remote areas (see Section 4.4).

Table 26: Australian Government expenditure for residential viability supplement, and the number of aged care homes receiving residential viability supplement, during 2009-10, by state and territory

	Mainstream Residential Care Services		National Aboriginal and Torres Strait Islander Flexible Aged Care Program		Multi-Purpose Services[1]	
	Services	$'000	Services	$'000	Services	$'000
NSW	109	3,493.3	2	99.5	47	2,316.7
VIC	95	2,530.3	0	0.0	7	332.9
QLD	100	4,462.3	3	282.1	26	1,744.8
WA	31	2,017.1	1	139.3	30	2,087.2
SA	49	1,602.6	4	492.7	13	1,780.4
TAS	23	727.7	0	0.0	3	159.8
ACT	0	0.0	0	0.0	0	0.0
NT	11	1,071.0	9	1,442.0	1	57.3
Aust.	**418**	**15,904.3**	**19**	**2,455.6**	**127**	**8,479.1**

1. Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement. At 30 June 2010, there were 129 operational MPS, 127 of which received the viability supplement.

Grand-parented payments

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

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

In addition there are five classes of people for whom a hardship supplement is automatically paid, including self-funded retirees, who entered care prior to 20 March 2008, whose income is just above the pension cut-off and who may be disadvantaged by paying a higher (non-pensioner) rate of the basic daily fee. Further details of financial hardship arrangements are set out in section 21-37 of the *Residential Care Subsidy Principles 1997*.

What residents pay

The Australian Government does not set the level of fees that residents in aged care homes are asked to pay; however, it does set the maximum level of the fees that providers of care may ask residents to pay. The new arrangements introduced by the *Aged Care Amendment (2008 Measures No. 1) Act 2008* significantly improved the equity of the user fees arrangements.

When a person enters residential care, an Approved Provider must offer the person a resident agreement that both the provider and the resident sign, which sets out the policies and practices the provider will follow in setting fees for the resident and the resident's date of permanent entry to the aged care service.

Fees for residents fall into five categories; namely, basic daily fees, income tested fees, asset tested accommodation payments, Extra Service fees, and additional service fees. Not all residents pay all types of fees.

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

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

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

Daily Fees

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

From 20 September 2009, the maximum basic daily fee for all permanent residents who enter an aged care home on or after 20 March 2008 was 84 per cent of the annual single basic age pension. The maximum basic daily fee was $541.10 per fortnight on 30 June 2010[14]. Before that date, the maximum basic daily fee was set at a higher level for non-pensioners. The maximum basic daily fee is increased in March and September each year at the same time as changes to the age pension.

As part of the Australian Government's Secure and Sustainable Pension Reforms in the 2009-10 Budget, single pensioners received increases of up to $35.41 a week in their pension payments (including indexation) on 20 September 2009. The Government's decision was framed so that residential care providers and pensioners in their care would share the rise in the base pension, to recognise that care providers also needed additional funding to contribute to the costs of services.

Aged care residents who were in care on 19 September 2009, and who are self-funded retirees or part pensioners, whose pension, on 20 September 2009, did not increase by more than the corresponding increase in the basic daily fee, are protected from paying higher fees. These residents will remain on their existing contribution rate (subject to six-monthly indexation) until they leave care.

[14] Residents in designated remote areas may be asked to pay an additional $14.84 per fortnight. This amount is equal to 85 per cent of the Remote Area Allowance (less the GST compensation component of that allowance) that is paid to pensioners in those areas.

Phased residents are those aged care residents who enter care from 20 September 2009 to 19 March 2013 inclusive, who are self-funded retirees or part pensioners, whose pension did not increase by more than the corresponding increase in the basic daily fee.

Phased residents can be asked to pay a basic daily fee at the phased resident contribution rate. From 20 September 2009, the phased resident contribution for the first six months was the same rate as the protected resident contribution (which is about 78 per cent of the single basic pension). For the period 20 March 2010 to 19 March 2013, the phased resident contribution will increase every 6 months until it equals 84 per cent of the single basic age pension (as shown in Table 27).

Table 27: Phased resident contribution rate over time

If the particular day is in the period ...	the relevant percentage is
20 March 2010 to 19 September 2010 (inclusive)	78%
20 September 2010 to 19 March 2011 (inclusive)	79%
20 March 2011 to 19 September 2011 (inclusive)	80%
20 September 2011 to 19 March 2012 (inclusive)	81%
20 March 2012 to 19 September 2012 (inclusive)	82%
20 September 2012 to 19 March 2013 (inclusive)	83%

The resident contribution top-up supplement is in place to supplement the amount that providers receive from these phased residents (for the period up to 19 March 2013) so that providers receive the same amount for all residents who enter care on or after 20 September 2009.

The **income tested fee** is paid by those residents who are assessed as having sufficient income to contribute to the cost of their care and is used to make the cost of aged care more sustainable for taxpayers. Each resident is subject to an income test and the Government reduces the amount of payment going to the provider (called the income test reduction amount) based on the amount that the resident's income exceeds the threshold amount. The provider can increase the amount of fee charged to the resident up to or equal to the income test reduction amount. That is, payment of the fee reduces government expenditure rather than accruing to aged care providers.

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

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

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

Accommodation payments

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

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

The Australian Government assists those residents who do not have sufficient means, in the payment of their accommodation payments.

An **accommodation charge** is payable by all high care residents who can afford to pay. The changes implemented in 2008 increased the amount providers received for accommodation by increasing both the amount that residents (who can afford it) could be charged and also the amount that the Australian Government paid for those who cannot meet the costs themselves. Fees paid by existing residents were not affected by the changes.

Under these arrangements, in 2009-10, providers receive $26.88 per day in accommodation payments for all new residents entering high care, either as a Government supplement or a resident contribution, or a mixture of the two, depending on the value of the new resident's assets. The accommodation supplement is paid by the Australian Government for all new residents entering high or low care who have less than $36,000 (indexed) in assets. For those with more assets, the Government supplement reduces, with the supplement cutting out altogether for those with more than $91,910 (indexed) in assets. This system replaced a number of previous accommodation payments paid for pensioners, and people with low assets.

In 2009-10, an estimated 73.9 per cent of homes collected accommodation charges, compared with 71.2 per cent in 2008-09. The average daily charge to new residents was $22.51, compared with $19.82 in 2008-09.

Table 28: Accommodation charges, 2005-06 to 2009-10

	2005-06	2006-07	2007-08	2008-09	2009-10
Homes collecting charges	60.0%	65.5%	68.3%	71.2%	73.9%
Average daily accommodation charge for new residents	$15.54	$16.02	$17.19	$19.82	$22.51

An **accommodation bond** is payable by all low care residents who can afford to pay at the time of their entry to aged care. Residents who enter permanent high level care in an Extra Service facility can also be asked to pay an accommodation bond. Residents who have previously paid an accommodation bond and who are moving to high care may elect to roll over their accommodation bond.

Residents can choose to pay an accommodation bond as a lump sum, a regular periodic payment or a combination of both (see Table 29). The bond amount and the payment arrangements are negotiated between an Approved Provider and a resident.

The payment of the bond typically requires a significant rearrangement of the financial affairs of the resident, including sale or rental of the person's home, unless that asset is protected under the *Aged Care Act 1997*. This financial vehicle is more consistent with a longer term accommodation change than a short, health-related transition. In recognition of this, the Act gives up to six months for the bond to be paid.

Providers derive income from the accommodation bonds by extracting a retention amount each year, an agreed amount for any other services and by retaining any earnings accruing from the investment of that bond. Providers must use the income from accommodation bonds and retention amounts to meet capital work costs or retire debt related to residential care, or to improve the quality and range of aged care services.

There are strict prudential requirements related to the accounting and handling of bonds collected by aged care providers. The Department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers' prudential arrangements (see section 9.6).

An estimated 83.9 per cent of aged care homes held accommodation bonds at 30 June 2010, compared with 82.5 per cent at 30 June 2009. The average accommodation bond agreed with a new resident in 2009-10 was $232,276 compared with $212,950 in 2008-09. The median bond amount in 2009-10 was $220,000 compared with $200,000 in 2008-09[15].

In about 11.7 per cent of the aged care homes that received new bonds in 2009-10, the average new bond amount agreed for the home was $100,000 or less. In an estimated further 20.9 per cent of such homes, the average amount for new bonds was in the range $100,001 to $150,000.

As shown in Table 29, the method of payment of bonds most frequently used was payment by lump sum.

[15] Accommodation bond and charge data for 2009-10 are based on preliminary results of the 2010 Survey of Aged Care Homes and are subject to further refinement following detailed analysis of the survey results.

Table 29: Method of payment of accommodation bonds, as percentage of all bond-paying new residents, 2005-06 to 2009-10

	2005-06	2006-07	2007-08	2008-09	2009-10
Lump sum	91.2%	91.1%	91.0%	89.3%	89.6%
Periodic payments	3.8%	3.6%	3.1%	3.5%	4.1%
Combination of lump sum and periodic payments	5.0%	5.3%	5.9%	7.4%	6.3%

The size of individual bonds has increased substantially over recent years. As a bond can represent a significant proportion of a resident's life savings, the Australian Government has taken measures to strengthen the protection of residents' bonds. (See Section 9.6 for more information.)

Further information on residential care fees and charges can be found on the Department of Health and Ageing website at http://www.health.gov.au or by calling the Aged Care Information Line on Freecall 1800 500 853.

The **Extra Service amount** is the maximum additional amount a provider can charge a resident for receiving Extra Service in a residential care service with Extra Service status. Extra service status is granted for services, or distinct part of services, where residents are provided with significantly higher standards of accommodation and food (see section 5.1).

A provider cannot charge any fees above the approved Extra Service fee amount, for any of the accommodation, services or food specified in the conditions of grant of Extra Service status. If a resident is occupying an Extra Service status place, the residential care subsidy for that resident is reduced by 25 per cent of the approved Extra Service fee for that place.

As at 30 June 2010, there were 9,738 residents receiving care in an Extra Service status bed, and 16,297 individual residents received care in an Extra Service status bed throughout the year.

Building activity

Through accommodation payments, residential care providers have access to funding to upgrade and maintain buildings. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Table 30 sets out details[16].

An estimated total of $1.453 billion of new building, refurbishment and upgrading work was completed during 2009-10, involving about 13.3 per cent of all homes. An estimated further $902 million of work was in progress at 30 June 2010, involving about 7.3 per cent of all homes. At June 2010, an estimated 10.5 per cent of homes were planning building work.

[16] Building activity data for 2009-10 are preliminary and are subject to further refinement following detailed analysis of the survey results.

Table 30: Estimated building work expenditure by residential care services, 2005-06 to 2009-10[17]

	2005-06	2006-07	2007-08	2008-09	2009-10
Building Work					
Estimated total building work completed during the year or in progress at 30 June ($m)	$2,241	$2,988	$3,381	$3,005	$2,355
Proportion of homes that completed any building work during the year	16.7%	15.2%	13.4%	16.9%	13.3%
Proportion of homes with any building work in progress at the end of the year	11.3%	12.3%	9.8%	10.0%	7.3%
New building work[1]					
Proportion of homes that completed new building work during the year	3.1%	2.7%	3.1%	3.1%	2.7%
Proportion of homes with new building work in progress at the end of the year	2.9%	3.2%	2.7%	2.4%	1.5%
Estimated new building work completed during the year ($m)	$756	$629	$873	$968	$1,040
Estimated new building work in progress at the end of the year ($m)	$542	$801	$854	$731	$442
Proportion of homes that were planning new building work	6.9%	4.6%	3.4%	3.2%	3.1%
Rebuilding work[2]					
Proportion of homes that completed rebuilding work during the year	0.4%	0.7%	0.81%	0.78%	0.98%
Proportion of homes with rebuilding work in progress at the end of the year	1.1%	1.7%	1.31%	1.19%	0.64%
Estimated rebuilding work completed during the year ($m)	$60	$97	$184	$280	$158
Estimated rebuilding work in progress at the end of the year ($m)	$256	$556	$546	$342	$218
Proportion of homes that were planning rebuilding work	2.5%	2.7%	1.5%	1.5%	1.6%
Upgrading work[3]					
Proportion of homes that completed upgrading work during the year	13.2%	11.8%	9.9%	13.2%	10.0%
Proportion of homes with upgrading work in progress at the end of the year	7.4%	7.4%	6.0%	6.7%	5.3%
Estimated upgrading work completed during the year ($m)	$300	$307	$394	$322	$255
Estimated upgrading work in progress at the end of the year ($m)	$328	$497	$530	$362	$242
Proportion of homes that were planning upgrading work	9.6%	7.9%	7.2%	7.2%	6.5%

1. New building is defined as work relating to a new building to accommodate new or transferred aged care places.
2. Rebuilding work is defined as the complete demolition and reconstruction of an approved service on the same site.
3. Upgrading work is defined as renovation or refurbishment of an existing service including extensions.

[17] Source: Surveys of Aged Care Homes, 2006, 2007, 2008, 2009 and 2010. Building data for 2009-10 are preliminary and are subject to further refinement following detailed analysis of the 2010 survey results.

Capital assistance

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

In the 2009-10 Aged Care Approvals Round, $41.6 million in capital grants were offered to prospective applicants to enable new or existing services to undertake necessary capital works programs.

In addition, the Zero Real Interest Loans initiative (see Section 2.3), introduced by the Australian Government in the 2008-09 Budget, provides up to $300 million in zero real interest loans to residential care providers to build or expand residential and respite care facilities in areas of high need. The objective is to get proven providers of residential care, through the provision of low cost finance, to establish residential care services in areas where they were previously less likely to invest.

In the first round of the initiative, $150 million was offered to providers to build a total of 1,348 new residential care beds in areas of need. The second round of the initiative has been run in conjunction with the 2009-10 Aged Care Approvals Round.

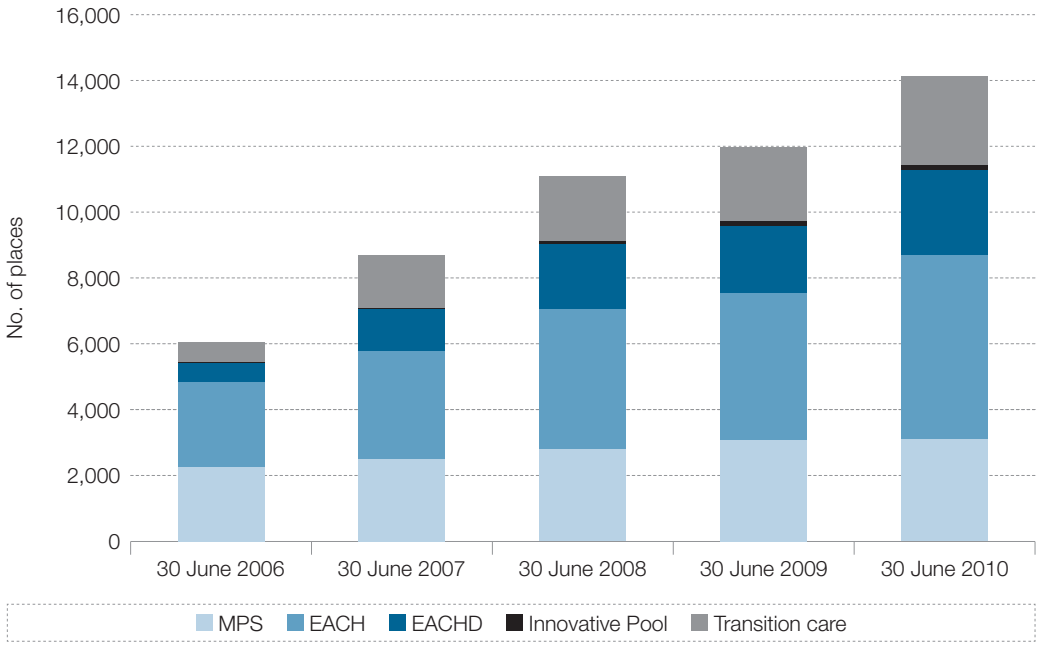
6 Flexible Care

Flexible care addresses the needs of care recipients, in either a residential or community care setting, in ways other than the care provided through mainstream residential and community care. Five types of flexible care are now provided for under the Act – Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages, transition care, Multi-Purpose Service (MPS) places, and Innovative Care. Arrangements for the various types of flexible care are set out in the *Flexible Care Subsidy Principles 1997*.

Because of their nature EACH and EACHD services provided under flexible care arrangements have been discussed in more detail in Chapter 4 – Community Care.

Figure 4 shows the total number of operational flexible care places funded under the Act, as at 30 June each year, over the five year period to 30 June 2010.

Figure 4: Operational flexible care places, from 30 June 2006 to 30 June 2010



In addition, flexible models of care are provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The services funded under this program provide culturally appropriate aged care, close to community and country of older Indigenous people, and mainly in rural and remote areas. Services delivered under this program are funded, and operate outside, the regulatory framework of the Act.

6.1 Transition care

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

The program provides time-limited, goal-oriented and therapy-focused packages of services to older people after a hospital stay, including low intensity therapy (such as physiotherapy, occupational therapy and social work), case management, and nursing support or personal care. Transition care is designed to improve older people's independence and confidence after a hospital stay. It allows them to return home rather than prematurely enter residential care, and gives older people and their families and carers time to consider long-term care arrangements. To be eligible for admission to a transition care service an older person must have been assessed by an Aged Care Assessment Team as being eligible for resident care and for transition care. A person may only enter transition care directly after discharge from hospital.

Commencing in 2005, the Australian Government provided a total of 2,000 transition care places to the states and territories as the Approved Providers of transition care. The distribution of these places between the states and territories was broadly based on the distribution of the population of non-Indigenous people aged 70 or over and Indigenous people aged 50 or over. In 2007-08, the Australian Government announced that an additional 2,000 transition care places would be provided in four releases by 2011-12. Three releases of 228, 470 and 651 places were allocated in June 2008, March 2009 and March 2010 respectively. A further release of 651 places is planned for 2010-11.

As at 30 June 2010, the Australian Government had allocated a total of 3,349 flexible care places for transition care under the Act, and 2,698 of these places were operational.

Transition care can be provided for up to 12 weeks (with a possible extension of another six weeks) in either a home-like residential setting or in the community. In 2009-10, the average length of stay for completed episodes of transition care was 60 days.

As at 30 June 2010, 2,271 people were receiving transition care and 14,976 people received transition care in 2009-10 (see Table 31). When fully established, the program will assist up to 30,000 older people each year.

Table 31: Number of transition care recipients by area of remoteness

Remoteness Area	Number of clients at 30 June 2010	Number of people who received care during 2009-10
Major Cities of Australia	1,577	10,558
Inner Regional Australia	545	3,475
Outer Regional Australia	141	940
Remote Australia	8	39
Very Remote Australia	0	0
Australia	**2,271**	**14,976**[1]

1. One recipient can receive multiple episodes of transition care in different areas of Australia throughout a year, and thus may be double-counted between remoteness areas. This total figure is for the total unique transition care recipients assisted in the 2009-10 financial year and is therefore less than the sum of the remoteness area totals.

The Transition Care Program is jointly funded by the Australian Government and the states and territories. Australian Government funding for the program is provided in the form of a flexible care subsidy for each person receiving transition care. Initially the recurrent costs of the program were shared equally by the Australian Government and the states and territories. In 2009-10, the Australian Government met, on average, 56 per cent of the recurrent costs of the program with this share varying between 61 per cent in New South Wales and the Northern territory and 46 per cent in Tasmania. In 2011-12, the Australian Government will be meeting 75 per cent of the recurrent costs of transition care in all states and territories.

Table 32: Expenditure on transition care, in 2009-10, by state and territory

	NSW $m	VIC $m	QLD $m	WA $m	SA $m	TAS $m	ACT $m	NT $m	Total $m
Australian Government	35.8	28.3	19.5	8.6	10.4	2.5	1.6	0.8	107.5
States and territories	22.5	25.8	17.3	7.2	7.1	2.9	1.3	0.4	84.6
Total	**58.3**	**54.1**	**36.8**	**15.8**	**17.5**	**5.4**	**2.9**	**1.3**	**192.2**

6.2 Multi-Purpose Services

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

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

At 30 June 2010, there were 129 operational Multi-Purpose Services, with a total of 3,120 flexible care places (with some of the Multi-Purpose Services serving more than one location). During 2009-10, three new Multi-Purpose Services were established and the number of operational aged care places in Multi-Purpose Services increased by nearly 1.4 per cent.

Table 33: Multi-Purpose Services and operational places, at 30 June 2010, by state and territory

	Multi-Purpose Services with operational places	Operational High Care Residential Care Places	Operational Low Care Residential Care Places	Operational Community Care Places	Total Operational Places
NSW	48	583	227	96	906
VIC	7	205	124	14	343
QLD	26	204	133	115	452
WA	30	308	311	159	778
SA	14	311	210	14	535
TAS	3	60	27	13	100
ACT	0	0	0	0	0
NT	1	4	0	2	6
Aust.	**129**	**1,675**	**1,032**	**413**	**3,120**

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

There was continued growth in Australian Government expenditure for the Multi-Purpose Services program, from $95.0 million in 2008-09 to $104.5 million in 2009-10.

Table 34: Australian Government expenditure for Multi-Purpose Services, from 2005-06 to 2009-10, by state and territory

	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	Increase: 2008-09 to 2009-10
NSW	18.9	20.9	24.2	30.8	32.9	6.8%
VIC	8.3	8.6	9.2	9.8	12.8	30.5%
QLD	8.8	10.1	12.0	12.7	13.8	8.7%
WA	16.6	19.9	20.7	21.6	22.2	2.8%
SA	6.6	7.0	9.0	16.5	19.1	15.7%
TAS	3.1	2.7	3.0	3.3	3.4	2.3%
ACT	0.0	0.0	0.0	0.0	0.0	n/a
NT	0.0	0.0	0.2	0.3	0.3	11.5%
Aust.	**62.3**	**69.2**	**78.3**	**95.0**	**104.5**	**10.0%**

6.3 Innovative Care services

Innovative care arrangements established under the Act support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group. The Aged Care Innovative Pool program provides opportunities to use flexible care places to test new approaches to providing care for specific target groups.

For example, the Transition Care Program (above) is built on the lessons learned from two pilot programs developed through the Innovative Pool – the Innovative Care Rehabilitation Services and the Intermittent Care Services pilots – both of which addressed the interface between aged care and hospital care.

Pilot projects that are approved under the Innovative Pool have clear client eligibility criteria, are time limited and have controlled methods of service delivery. The Innovative Pool is not intended to provide ongoing aged care services. Evaluation is an integral element of all projects.

At 30 June 2010, there were 10 operational services with a total of 140 operational innovative care places. These services were operated by Approved Providers from the community care sector across six states.

Innovative Pool programs support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group.

The Australian Government spent a total of $3.2 million nationally on projects funded from the Innovative Pool program in 2009-10.

7 Support for People with Special Needs

One of the objectives of the *Aged Care Act 1997* is to facilitate access to aged care services by those who need them, regardless of race, culture, language, gender, economic circumstance or geographic location. To give effect to this objective, the Act and the Aged Care Principles, among other things, designate certain people as 'people with special needs' – namely, people from Aboriginal and Torres Strait Islander communities; people from non-English speaking (culturally and linguistically diverse) backgrounds; people who live in rural or remote areas; people who are financially or socially disadvantaged; people who are veterans (including spouses, widows and widowers of veterans); and people who are homeless or at risk of becoming homeless. On 1 December 2009, the Allocation Principles made under the Act were amended to include 'care leavers' as a special needs group. A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century.

In accordance with the Act's objectives, the Secretary may decide, under section 12-5 of the Act, that a number of aged care places will be made available to focus on the care of particular groups of people. People from special needs groups also have access to places allocated to serve the needs of the general population. The Act requires Approved Providers to demonstrate their understanding of the particular care needs of people with special needs when applying for new places, or the transfer of places, that have been made available to focus on the care of people with special needs.

These provisions are consistent with the aims of the Australian Government's Social Inclusion Agenda which, in part, aims to provide a pathway to inclusion and a continuum of care.

7.1 Aboriginal and Torres Strait Islander people

Conditions associated with ageing generally affect Aboriginal and Torres Strait Islander people substantially earlier than other Australians. Planning for aged care services provided under the *Aged Care Act 1997* is therefore based on the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 70 years or older for other Australians.

As well as accessing aged care services funded under the Act, Aboriginal and Torres Strait Islander people can also access services funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. These services are funded, and operate outside, the regulatory framework of the Act. At 30 June 2010, there were 29 aged care services funded through this program, with funding to deliver over 650 aged care places. The program is able to provide tailored culturally appropriate care close to the homes and

communities of older Aboriginal and Torres Strait Islander people. It delivers a mix of residential and community care services in accordance with the needs of the community.

The Australian Government's Indigenous Aged Care Plan was announced on 22 September 2008 and totals $46 million over five years. The Plan aims to improve the long-term quality of aged care for Aboriginal and Torres Strait Islander people wishing to remain in their communities. The Plan includes the Remote and Indigenous Service Support Program and the development of an independent quality framework with a set of culturally appropriate standards for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Remote and Indigenous Service Support (RISS) Program

Providers of aged care services for difficult-to-service populations face particular challenges in service provision. These challenges can include issues around operating small services which may be remote from professional assistance and support, higher infrastructure and supply costs and difficulties in attracting and retaining staff.

The RISS Program assists aged care services operating in remote areas, and those providing care for Aboriginal and Torres Strait Islander Australians, by making available a range of professional and capital support.

The program includes a panel of organisations chosen to provide capacity building, professional assistance and guidance (including emergency assistance). Panel expertise covers care delivery, including quality of care, governance and management, financial management and locum relief. In 2009-10, funds of over $1 million were provided under the support program, along with $2.2 million in emergency support.

The program also provides capital works support for residential and community-based aged care providers in remote areas, and to those providing care to Aboriginal and Torres Strait Islander people anywhere in Australia. The RISS Capital Infrastructure and Support program assists services to maintain and build infrastructure, including staff accommodation, to facilitate the provision of quality aged care. In 2009-10, $2.4 million was provided for the construction or purchase of staff accommodation, and the provision of essential maintenance, repairs and upgrades.

Progress on the National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework

An external consultant was engaged to develop the Quality Framework. The framework includes standards for health and personal care; safety and physical environment; culturally appropriate lifestyle; and effective management and governance.

Extensive consultation has been required with Indigenous services and aged care providers to ensure that the framework is both applicable and usable in the cultural context within which Indigenous services operate.

During August and September 2009, community consultations took place enabling the communities to meet and share their views. Following these meetings, a Consultation Package outlining the draft Quality Framework was developed. In July 2010, all the flexible services received a copy of the draft Quality Framework for consideration and comment.

National education sessions and pilot testing of the Quality Framework are occurring in the second half of 2010. It is anticipated that all services will have had an initial assessment against the framework in 2010-11.

7.2 People from culturally and linguistically diverse backgrounds

Older people from culturally and linguistically diverse backgrounds can access and benefit from the same funding and services as other older people in the community. There are also some additional initiatives intended to address their special needs.

The Partners in Culturally Appropriate Care initiative supports aged care service providers in the provision of culturally appropriate care to people from non-English speaking (culturally and linguistically diverse) backgrounds. In 2009-10, the Australian Government provided over $1.36 million to continue the initiative.

The Community Partners Program assists older people from culturally and linguistically diverse communities to gain access to aged care information and services. In 2009-10, the Australian Government provided over $5 million to continue the program.

7.3 Veterans

Veterans, including spouses, widows and widowers of veterans, are designated as 'people with special needs' under the Act[18]. The care needs of 'people with special needs' are taken into account in the planning and allocation of aged care places.

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

[18] *Allocation Principles 1997*, section 4.4B, made under section 11-3 of the *Aged Care Act 1997*.

There were 25,273 gold or white treatment card holders in residential care at June 2010, a decrease from 25,405 at June 2009.

Table 35: Number of gold or white treatment card holders in residential care, at June 2010, by state and territory

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust.
8,793	6,211	5,045	1,853	2,304	779	267	21	**25,273**

7.4 People who live in rural and remote areas

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

In addition, the Multi-Purpose Services program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community, and to allow change as the community's needs change. Nationally, the number of Multi-Purpose Services increased from 126 services in June 2009 to 129 services in June 2010. Some Multi-Purpose Services provide services at more than one location. (For further information on Multi-Purpose Services, see Chapter 6.)

Aged care providers delivering aged care services to remote and very remote locations can also receive support under the Remote and Indigenous Service Support Program. This program assists Aboriginal and Torres Strait Islander owned or operated organisations anywhere in Australia, and services located in remote and very remote locations that are providing community and/or residential care.

Some aged care services in rural and remote areas receive a viability supplement in recognition of the higher costs of providing care in those regions. The viability supplement aims to improve the capacity of small, rural aged care services to offer quality care to older people. Providers do not need to apply for the viability supplement. The supplement is paid automatically, every month, to eligible providers.

In 2009-10, the Australian Government provided viability supplement funding for mainstream residential care ($15.9 million), community care ($4.1 million), Multi-Purpose Services ($8.5 million), and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program ($2.5 million).

In the 2009-10 Budget, the Australian Government announced $14.8 million over two years to increase the viability supplement paid to eligible aged care providers in regional, rural and remote areas. This increase will enable efficient providers in these areas to earn returns on investment more in line with those

achieved by efficient providers in metropolitan areas and major cities. Under this measure, increased viability supplements will be paid to eligible aged care providers who provide residential care, Multi-Purpose Services and services under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

7.5 People who are financially or socially disadvantaged

Frail older people who are financially or socially vulnerable are protected from disadvantage in accessing aged care services. There are special arrangements under the Act for supported residents, assisted residents and concessional residents in residential care and hardship provisions for care recipients in residential and community care. Support is also provided for people in insecure housing arrangements.

Supported, concessional and assisted residents

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

Supported residents are those who:

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

Concessional residents are those who:

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

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

Concessional residents and some supported residents do not pay accommodation bonds or charges. The Australian Government pays an accommodation

supplement in respect of these residents equal to the maximum level of the accommodation charge. Assisted residents and some supported residents pay a reduced amount of accommodation bond or charge. The Australian Government also pays an accommodation supplement in respect of these residents but at a lower rate than in respect of fully supported residents because these residents also contribute to the cost of their accommodation.

For each Aged Care Planning Region, there is a minimum target ratio for supported and concessional residents, based on regional socio-economic indices. The lowest regional target ratio is 16 per cent and the highest is 40 per cent. The supported resident ratio includes supported, concessional and assisted residents, and certain residents approved under the hardship provisions.

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

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

The maximum accommodation supplement in 2009-10 was $26.88 per day.

Of the 166,395 people receiving residential care as at 30 June 2010, financial support with accommodation costs was being provided for 30,465 supported residents, 29,106 concessional residents and 3,647 assisted residents. In 2009-10, a total of $515.4 million was paid to Approved Providers as supplements for accommodation costs for residents who were unable to meet the full cost of their accommodation.

Hardship provisions

Financial hardship assistance provisions under the Act cater for the minority of residents who have difficulty paying care fees and accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily fees, the income tested fee, accommodation charge, or accommodation bond. Where assistance is granted, an additional supplement may be payable by the Australian Government so that the aged care provider is not disadvantaged (see Section 5.4).

During 2009-10, the Department processed 1,096 applications for financial hardship assistance. Of these, 52 per cent were approved and 7 per cent were rejected as ineligible. Following advice from the Department, the remaining 41 per cent of applications were withdrawn when, for example, the Department

was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the *Residential Care Subsidy Principles 1997*.

The Australian Government provided $5.6 million in hardship supplements during 2009-10.

7.6 Homelessness

In comparison to other older people, older people experiencing homelessness have more complex health and support needs, face lower life expectancy and often do not have family support.

The Australian Government has expanded the support it provides for care recipients with special needs to include homeless older people.

The Australian Government has:

- amended the *Aged Care Act 1997* to include homeless older people as a 'special needs' group to formally recognise their unique requirements. This will better allow the needs of homeless older people to be specifically taken into account during the annual allocation of new residential care places and community care packages; and
- provided capital funds for at least one new specialist facility for homeless older people a year for the four years to 2012.

These measures respond to the White Paper on Homelessness, *The Road Home*, released in December 2008. The White Paper builds on other Government activities such as the Australian Government's Assistance for Care and Housing for the Aged program to support older homeless people.

The Assistance for Care and Housing for the Aged program, which operates outside the Act, provides support for frail, low income, older people who are renting, in insecure housing arrangements, or who are homeless. The program helps them to remain in the community by facilitating access to housing that is linked to community care. Because their housing arrangements are insecure, some frail older people whose care needs could be met by a community care package are at risk of premature admission to residential care. Through the program, the Australian Government contributes recurrent funds to organisations that provide support through paid workers and volunteers, linking people to mainstream housing and care services.

During 2009-10, a total of $4.4 million was paid to 42 providers through the Assistance for Care and Housing for the Aged program to assist older people

obtain access to permanent housing and other community support. This included a funding boost of 25 per cent to 42 existing providers.

Through the Homeless Delivery Review Board, relevant Australian Government portfolios, including health, employment, education, housing and income support, are working strategically and collaboratively to develop integrated ways of addressing homelessness.

In the context of the Review of the Aged Care Funding Instrument (ACFI), the Department examined the impact of the ACFI on special needs groups, including older Australians who are homeless or at high risk of homelessness. Drawing from submissions, consultations and analysis of available evidence, a key issue for consideration in the Review is to examine whether the ACFI is providing better support for residents with complex and high care needs, as intended, and whether it appropriately recognises the relative care costs of certain classes of residents, including special needs groups.

7.7 Care leavers

A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century. This includes the Forgotten Australians and former child migrants who received a government apology on 16 November 2009[19].

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

The Australian Government has expanded the support it provides for care recipients with special needs to include care leavers. The Government has:

- amended the *Allocation Principles 1997* with effect from 1 December 2009 to include care leavers as a 'special needs' group to formally recognise their unique needs. This will ensure the needs of care leavers are considered in the planning and allocation of aged care places, by requiring applicants in the Aged Care Approvals Rounds to demonstrate how they will tailor their service delivery to meet the particular care needs of care leavers and facilitate provision of culturally appropriate care; and
- provided $1 million to develop a national education package for service providers in 2010-11. The education package will include specific educational material to support aged care service providers to better identify and meet the needs of care leavers, by providing the knowledge and tools to deliver quality services in a way that is appropriate and sensitive to the needs of care leavers.

[19] http://www.fahcsia.gov.au/sa/families/progserv/apology_forgotten_aus/Pages/default.aspx

Providers would need to have regard to the particular physical, psychological, social, spiritual, environmental and other health related care needs of individual care recipients and also be aware of the diversity that can exist within a community and/or region. Establishing and maintaining links with representatives of relevant community groups and other support agencies and organisations is regarded as an integral part of providing appropriate levels of care.

These initiatives are in response to the 2003-04 Senate Community Affairs References Committee inquiry, *Children in Institutional Care*, and the subsequent Senate Community Affairs References Committee *Report on the progress with the implementation of the recommendations of the Lost Innocents and Forgotten Australians Reports* in June 2009.

8 Quality in Aged Care

The Australian Government is committed to supporting and encouraging improvements in the delivery of aged care and ensuring the best possible care for frail older Australians. Strategies that support the provision of quality services include:

- assistance to develop and maintain a sufficient and skilled aged care workforce;
- strategies to improve clinical care; and
- support for consumers of aged care services.

8.1 Workforce programs

An adequate and well-qualified workforce is fundamental to the delivery of quality aged care. The Australian Government supports a range of workforce initiatives designed to provide additional training opportunities for existing staff and to create better career paths for all care workers. These initiatives assist providers to meet their responsibilities under the Act and to develop a well trained aged care workforce.

More aged care nurses

The Aged Care Nursing Scholarships Scheme encourages more nurses to enter or re-enter aged care and to increase the skills of nurses working in the aged care sector, particularly in rural and regional areas.

The scholarship scheme is administered by the Royal College of Nursing Australia.

Both undergraduate and postgraduate scholarships are available. Scholarship applicants are ranked according to their demonstrated commitment to aged care, and the recency and longevity of their regional, rural and remote experience.

Undergraduate scholarships are valued at $10,000 per year, to a maximum of $30,000. Postgraduate scholarships are valued at up to $15,000. From 1 July 2009 to 30 June 2010, 354 undergraduate and 87 postgraduate scholarships have been awarded.

Support for aged care workers

The Support for Aged Care Training Program funds accredited education and training for personal care workers, including up-skilling to enrolled nursing, in smaller aged care homes and homes in rural and remote locations in Australia.

In 2009-10, 4,037 short course training places were funded at a cost of $2.6 million. The program also funded 74 enrolled nurse and medication management training places at a cost of $1.6 million.

Better Skills Better Care

The Better Skills for Better Care program initiative aims to enhance the skills and qualifications of personal care workers in residential care homes.

In 2009-10, the Better Skills for Better Care program funded 2,184 accredited Certificate training places at a cost of $10 million. A further 873 enrolled nurse and medication management training places were funded at a cost of $11.6 million.

Bringing nurses back into the workforce

The Bringing Nurses Back into the Workforce program provided cash bonuses to nurses who had been out of the workforce for more than 12 months and who returned to employment in aged care. In 2009-10, 83 nurses had returned to aged care work and been assessed as eligible to receive the cash bonus. In May 2009, funding under the Bringing Nurses Back into the Workforce was redirected to new measures aimed at ensuring the retention of the existing nursing workforce and increase recruitment into the aged care sector.

Dementia care skills for aged care workforce

The Dementia Care Essentials Program provides accredited training in vital aspects of good dementia care, including care planning, communications, and managing challenging behaviour to residential and community care workers. In 2009-10, 5,425 residential and community care workers across Australia received training at a total cost of $4.9 million.

Community aged care workforce development

The Community Aged Care Workforce Development Program provides Certificate level III and IV training for community care workers who deliver direct care to recipients of Australian Government subsidised Community Aged Care Packages, Extended Aged Care at Home and Extended Aged Care at Home Dementia packages. In 2009-10, 1,860 training places were made available for community care workers.

The program also funds the Post-Graduate Community Aged Care Nurses Scholarship Scheme. The scholarship scheme is administered by the Royal College of Nursing Australia. In 2009-10, 275 scholarships were offered under the scheme.

Aboriginal and Torres Strait Islander community care

The aged care sector's rollout of the Australian Government's workforce initiatives, including changes to the Community Development Employment Projects Program, has to the end of June 2010, resulted in the creation of more than 700 permanent, part-time positions in aged care services throughout Australia for Aboriginal and Torres Strait Islander people.

These employment and workforce development initiatives complement the Indigenous Aged Care Plan, which was announced in September 2008. Improving opportunities for Aboriginal and Torres Strait Islander people to secure employment in their local aged care services will assist in improving quality and culturally appropriate aged care services for Aboriginal and Torres Strait Islander people.

8.2 Quality improvement

Encouraging Best Practice in Residential Aged Care program

The Encouraging Best Practice in Residential Aged Care (EBPRAC) program aims to improve the quality of clinical care for residents in aged care homes.

The Program supports the uptake of existing evidence-based guidelines by funding organisations to translate the best available evidence into effective approaches for staff to use in their everyday practice. While there are a number of existing evidence-based guidelines to assist aged care staff in providing appropriate care for residents, it is recognised that there is a need to establish strategies to translate the evidence into everyday practice. This could include training programs, improved communication procedures, assessment tools or management policies and protocols.

Funded applicants are required to establish consortia that include residential care homes, researchers and educators to implement up-to-date, evidence-based clinical care in a specific area of clinical care for residents of aged care homes. In 2008-09, eight projects were funded under Round 2 of EBPRAC, and include the clinical areas of palliative care, behaviour management, wound management and infection control. These projects will be completed in December 2010.

In the 2010 Budget, it was announced that the EBPRAC Program would be expanded to cover the community care setting.

Resources and strategies developed under a Round 1 EBPRAC project that focused on better practice in oral health for residents in aged care homes, are currently being rolled out across all jurisdictions. The Better Oral Health in Residential Care training is designed to strengthen dental and oral care in aged care homes. The training, which is being offered to all aged care homes, Multi-Purpose Services and Indigenous flexible care services, commenced in December 2009 and will continue throughout 2010.

Community care better practice

Better practice strategies are being developed to assist the community care sector to improve quality of care and service provision for older Australians receiving community care.

During 2009-10, in consultation with key stakeholders, work has been undertaken on the development of care planning principles to assist the sector in this priority area. Further work in this area will be carried out under the expansion of the EBPRAC program, which from 2010-11 will incorporate the community care setting to support the use of evidence-based practice in daily care delivery.

8.3 Advocacy and support

National Aged Care Advocacy Program

The Department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program. Advocacy services provide independent advocacy and information to recipients or potential recipients (or their representatives) of aged care. The services also perform an educative role for aged care recipients and Approved Providers on the rights and responsibilities of care recipients.

In 2009-10, services under the National Aged Care Advocacy Program undertook over 4,100 advocacy cases, handled over 5,300 general enquiries and provided over 1,600 face-to-face education sessions.

Community Visitors Scheme

The Community Visitors Scheme provides one-on-one volunteer visitors to residents of Australian Government subsidised aged care homes who are socially or culturally isolated, and whose quality of life would be improved by friendship and companionship. The scheme is available to any resident of an Australian Government subsidised aged care home who is identified by their aged care home as at risk of isolation or loneliness, whether for social or cultural reasons or because of disability. The scheme has wide acceptance in the community and the aged care sector.

9 Regulation and Compliance

Australians expect high standards of care and accommodation in aged care services. The government's approach to quality and regulation, including the accreditation system for residential care and the quality reporting system for community care, emphasises providers accepting responsibility for providing, maintaining and improving service.

9.1 Approved Provider regulation

To receive Australian Government subsidies for providing aged care, an aged care service must be operated by an organisation that has been approved under the provisions of the *Aged Care Act 1997*, and hold an allocation of places in respect of care recipients occupying those places in a service. In 2009-10, the Department received 176 applications by entities seeking approval as providers; of these 46 have been approved; 83 are still being considered; 27 were not approved; and 20 were withdrawn.

An Approved Provider, and associated key personnel, must continue to be suitable under the legislative provisions. One of the obligations of an Approved Provider is to notify any changes in key personnel within 28 days. In 2009-10, Approved Providers notified 4,858[20] changes; ceasing 2,189 and commencing 2,669 key personnel.

Approved Providers of Australian Government funded aged care must comply with the legislative obligations as set out in the Act and the Aged Care Principles. The Department monitors compliance by Approved Providers with their responsibilities, and should the Approved Provider cease to be suitable, the Department is required to revoke Approved Provider status under the provisions set out in the Act. In 2009-10, one Approved Provider was found to be no longer suitable and had their approval revoked.

9.2 Community care Quality Reporting

The Australian Government is committed to ensuring people receiving community care services are provided with high quality care and services. As part of this, the *Charter of Rights and Responsibilities for Community Care* was introduced, on 1 October 2009, for older people receiving community care packages such as Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH), and EACH Dementia (EACHD). The Charter explains the rights and responsibilities of people receiving aged care services in the community, and has been translated into 17 community languages.

[20] Data from the National Approved Provider System as at 11 August 2010.

'Quality Reporting' is the Australian Government's process to promote ongoing improvement of the quality of community care service delivery. It is a Government requirement that applies to providers funded for CACPs, EACH and EACHD packages, and the National Respite for Carers Program (NRCP). Providers of these services are required to appraise their performance against program standards and complete a Quality Report at least once during a three year cycle. In 2009-10, 38 per cent of community care services participated in Quality Reporting.

A number of strategies were progressed during 2009-10 to strengthen the quality assurance framework for community care packages and the NRCP.

As part of the development of the Community Care Common Standards and reporting processes across community care programs, more information is being included under the Common Standards. The Common Standards will apply to packaged care programs, the NRCP and aged care services under the Home and Community Care program.

Draft Common Standards and their associated Expected Outcomes were piloted nationally from late April to the end of July 2009. Based on the outcomes of the pilot, the Common Standards and reporting processes, including joint reviews (to be conducted where possible), were revised. The Common Standards framework was endorsed by the Minister and most state and territory ministers for ageing during the first half of 2010. A full guide to the Common Standards was also drafted during this time. Following communication with the community care sector, planned for late 2010, it is expected that the Common Standards will be fully implemented in early 2011.

9.3 Residential care accreditation

The Act provides for an accreditation-based quality assurance system. Aged care homes must be accredited in order to receive Australian Government subsidies. 'There is broad industry support for accreditation and a general acknowledgment that it has substantially improved standards of care across the industry.'[21] The accreditation process assesses the performance of homes against the 44 expected outcomes of the four Accreditation Standards:

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

[21] *Review of Pricing Arrangements in Residential Aged Care – Summary of the Report*. Canberra, 2004, pp. 38-39.

The Aged Care Standards and Accreditation Agency manages the accreditation of aged care homes in accordance with the *Accreditation Grant Principles 1999*. It is a wholly owned Australian Government company limited by guarantee, and subject to Corporations Law and the *Commonwealth Authorities and Companies Act 1997*. The Agency's functions include:

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

During 2009-10, the Agency conducted education and information sharing activities including:

- Better Practice events attended by a total of 1,126 delegates;
- a series of one-day seminars attended by 617 participants, and covering continuous improvement, evidence-based practice, managing risk and achieving compliance in expected outcome 1.8 Information systems;
- a course in assessing for accreditation used to develop quality aged care assessors attended by 86 participants;
- Quality Education on the Standards (*QUEST*) sessions delivered to 3,846 staff of residential care homes;
- a four-day course to assist industry understand the accreditation and audit process attended by 347 participants; and
- a one-day Understanding Accreditation course attended by 188 participants.

Aged care homes must remain accredited to continue receiving Australian Government funding. During 2009-10, the Agency conducted the following visits to assess and monitor Australian Government funded aged care homes against the Accreditation Standards:

- 993 accreditation site audits;
- 60 review audits, of which 33 were unannounced; and
- 5,066 support contacts, of which 3,537 were unannounced.

This means that the Agency conducted a total of 6,119 visits to homes during 2009-10 – an average of 2.2 visits per home. All homes received at least one unannounced visit during the year.

In respect of the 60 review audits that were conducted, 58 decisions were made:

- 19 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 38 homes were the subject of a decision to vary accreditation; and
- one home was subject to a decision to revoke accreditation.

During 2009-10, the Agency identified 186 homes as being non-compliant with one or more of the 44 expected outcomes of the Accreditation Standards. Homes found to be non-compliant with the Accreditation Standards are placed on a timetable for improvement, providing them with an opportunity to correct the non-compliance.

As at 30 June 2010, 2,779 homes were accredited. Of these homes:

- 92 per cent (2,557 homes) were accredited for three years; and
- 2.1 per cent (58 homes) were identified as having some non-compliance in respect of one or more of the 44 expected outcomes of the Accreditation Standards.

Information about a home's accreditation status, including copies of the most recent accreditation and review audit reports, is published on the Agency's website. The Agency also publishes an annual report, which gives details about the operation of accreditation. Further information is available on the Agency's website at http://www.accreditation.org.au

Accreditation reform

During 2009-10, the Department, in consultation with the Agency, progressed reviews of the Aged Care Accreditation Standards (the Standards) and the accreditation process for residential care homes. The reviews seek to strengthen current accreditation and monitoring processes and support quality improvements to ensure that recipients of Australian Government funded residential care receive the best possible levels of care.

A Technical Reference Group (TRG) was established to advise the Department on aspects of the Standards review. A draft set of Standards was developed in early 2010 based on guiding principles developed by the TRG. The draft Standards seek to maintain an open and transparent system, provide quality assurance and strengthen the mechanism by which performance is measured.

Following public consultation held with the sector in May 2009, a number of potential enhancements to the accreditation process were identified. The proposed changes seek to reduce the regulatory burden on industry; enhance consumer engagement or address consumer concerns; and provide greater clarity and consistency in administrative processes.

Further consultation with the aged care sector, industry and consumer representatives on both reviews is being undertaken prior to further work being progressed in 2010-11.

9.4 Residential care certification

Certification focuses on the building quality of aged care homes. A home must be certified to be able to receive accommodation payments and Extra Service charges. Residents expect high quality and safe accommodation in return for their direct and indirect contributions. Therefore all aged care homes are required to meet fire safety and privacy and space targets to be eligible to receive the maximum level of the accommodation supplement available from March 2008.

While certification is not time limited, it is based on the principle of continuous improvement and an agreed 10-year plan, introduced in 1999, which provides homes with a clear framework for improving safety, privacy and space standards. Every aged care home that was constructed prior to July 1999 is required to have no more than four residents accommodated in any room; no more than six residents sharing each toilet; and no more than seven residents sharing each shower or bath.

Under the privacy and space requirements, all new buildings constructed since July 1999 are required to have an average, for the whole aged care home, of no more than 1.5 residents per room. No room may accommodate more than two residents. There is also a mandatory standard of no more than three residents per toilet, including those off common areas, and no more than four residents per shower or bath.

Table 36 shows the summary of services that have met the privacy and space and fire safety requirements as at 30 June 2010.

Table 36: Services that have met the privacy and space and fire safety requirements, at 30 June 2010, by state and territory

	Total Number of Services	Number of Compliant Services	Percentage of Services that are Compliant Services
NSW	886	880	99.3%
VIC	774	774	100.0%
QLD	480	474	99.8%
WA	244	243	99.6%
SA	267	267	100.0%
TAS	82	82	100.0%
ACT	26	26	100.0%
NT	14	14	100.0%
Aust.	**2,773**	**2,760**	**99.5%**

The requirements of the 1999 Certification Assessment Instrument do not override the building and fire safety regulations within each state and territory. Through the Building Code of Australia, the state and territory building regulations set the minimum community standard for safety, health and amenity of buildings.

Nationally, all residential aged care services, excluding one, have met the fire and safety regulations within each state and territory. The one residential aged care facility with non-compliance is currently under the supervision of the local council.

The Department is implementing the Government's response to the Productivity Commission's Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Services, relating to fire safety and privacy and space. Approved Providers are now only required to report on an exception basis to confirm their compliance with Fire Safety requirements. The Department is also consulting with key industry groups about incorporating privacy and space requirements into the Building Code of Australia.

9.5 Compliance/sanctions

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

Australians expect high standards of care in aged care services. The accreditation system for residential care and the quality reporting system for community care emphasise providers accepting responsibility for providing, maintaining and improving service. The regulatory processes give Approved Providers every opportunity to address non-compliance.

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

Protecting residents' safety

Reportable assaults

All Australian Government subsidised aged care homes must report incidents or allegations of sexual assault or serious physical assault. In this context, 'reportable assault' is defined in the Act, and means unlawful sexual contact or unreasonable use of force that is inflicted on a person receiving residential care. Under these arrangements, Approved Providers are required to:

- report to the police and to the Department within 24 hours of receiving the allegation or suspicion of reportable assaults;
- take reasonable measures to ensure staff members report any suspicions or allegations of reportable assaults to the Approved Provider;
- take steps to protect the security of residents in the facility;
- take reasonable steps to protect the identity of any person who lodges a report; and
- keep consolidated records of all incidents involving allegations or suspicions of reportable assaults.

The Department may receive information about alleged or suspected assaults on a resident through varied means, for example, from an Approved Provider; from a staff member; from residents and their families; and from other health professionals.

In 2009-10, the Department received notification of 1,488 alleged reportable assaults. Of those, 1,232 were recorded as alleged unreasonable use of force, 239 as alleged unlawful sexual contact, and 17 as both.

There are provisions in the legislation for the protection of people who make compulsory reports of assault to their employer, the Department or the police.

Notification of Missing Residents

Under the Act, Approved Providers of aged care homes have a responsibility to ensure a safe and comfortable environment consistent with residents' care needs, and this includes residents who have wandering behaviours.

From 1 January 2009, amendments to the *Accountability Principles 1998* came into effect in relation to Approved Providers notifying the Department about residents who go missing without explanation from Commonwealth funded aged care homes.

Approved Providers are required to contact the Department if:

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

The Department must be notified about the absence as soon as reasonably practicable and within 24 hours of the Approved Provider reporting the absence to the police. For the period 1 July 2009 to 30 June 2010, there were 745 notifications of unexplained absences of care recipients.

Police Checks

Police check arrangements aim to prevent unsuitable people from working in Australian Government subsidised aged care services, and to enhance protection for older Australians receiving care.

From January 2009, amendments to the *Accountability Principles 1998* came into effect to extend police checks to all staff and contractors who have access to care recipients, regardless of whether they are supervised or unsupervised, which must be renewed every three years. In addition, volunteers who have unsupervised access to care recipients must also have a police check. These arrangements also apply to the Australian Government's National Respite for Carers Program.

Persons who are precluded from becoming a staff member or unsupervised volunteer are those whose police check record shows that they have been convicted of murder or sexual assault, or convicted of, and sentenced to, imprisonment for any other form of assault.

Sanctions

In 2009-10, the Department issued seven Notices of Decision to Impose Sanctions to seven Approved Providers. On 30 June 2010, three of these sanctions remained in place. Details of sanctions imposed in 2009-10 are included at Appendix D. The Department also issued 134 Notices of Non-Compliance against aged care services in relation to quality of care, and an additional 16 Notices of Non-Compliance against Approved Providers in relation to prudential matters.

Compliance/sanction information on the Aged Care Australia website

From 1 July 2009, additional information became available on the Aged Care Australia website in relation to compliance and sanction action taken by the Department against aged care services. This initiative followed representations from consumer and advocate groups.

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

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

9.6 Prudential

All Approved Providers of residential care and Multi-Purpose Service flexible care services that hold accommodation bonds and entry contributions, are required to comply with the prudential requirements set out in the Act and the *User Rights Principles 1997*. The principle objective of the prudential requirements is to protect accommodation bonds and entry contributions paid to Approved Providers by residents of aged care homes.

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

At 30 June 2009, Approved Providers reported through their Annual Prudential Compliance Statements that they held over 60,000 bonds with a total value of around $9.1 billion. This is an increase of around $1.4 billion (or 18 per cent) in bonds held on 30 June 2008. The average holding per Approved Provider was $9.7 million and the 10 largest bond holders (including company groups) held approximately 22 per cent, or around $2.0 billion, of all accommodation bond monies.

Approved Providers holding accommodation bonds or entry contributions must comply with three Prudential Standards: the Liquidity Standard, the Records Standard and the Disclosure Standard. The Prudential Standards collectively seek to reduce the risk that Approved Providers fail to refund accommodation bonds through:

- requiring Approved Providers to systematically assess their future accommodation bond and entry contribution refund obligations and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due; and
- promoting the transparency of Approved Providers' management of accommodation bond and entry contribution funds by requiring disclosure, to residents, prospective residents, and the Department, of information on the Approved Provider's prudential compliance and their financial position.

During 2009-10, the Department conducted monitoring and compliance activity to promote compliance with the prudential requirements, including assessing the Annual Prudential Compliance Statements lodged by Approved Providers, and investigating cases of possible non-compliance.

The Annual Prudential Compliance Statement is a key mechanism through which the Department monitors the compliance of Approved Providers with the prudential requirements. The Prudential Standards require an Annual Prudential

Compliance Statement to be completed by each Approved Provider, indicating compliance with the prudential requirements. For the 2008-09 reporting year, 1,157 Approved Providers were asked to complete and lodge an Annual Prudential Compliance Statement by 31 October 2009.

Table 37: Annual Prudential Compliance Statement outcomes, 2007-08 and 2008-09

Annual Prudential Compliance Statement Reported compliance	2008-09	2007-08
Approved Providers that reported non-compliance	129	184
Approved Providers that reported non-compliance with the Records Standard	22	44
Approved Providers that reported non-compliance with the Disclosure Standard	21	41
Approved Providers that reported non-compliance with the Liquidity Standard	17	11
Approved Providers that reported they refunded accommodation bonds after due dates	90	115

Analysis of the 2008-09 Annual Prudential Compliance Statement shows an overall improvement in Approved Provider compliance with the Prudential Standards. There was, however, an increase in the reported level of non-compliance with the Liquidity Standard, due to a group of related Approved Providers that experienced financial difficulty. Additionally, five government Approved Providers reported they did not have a written Liquidity Management Strategy, however, all recorded state or local government financial backing of bond refunds.

Following the 2008-09 Annual Prudential Compliance Statement reporting period, the Department issued four Notices of Non-Compliance to Approved Providers for non-compliance with the prudential requirements. Three of the Notices of Non-Compliance were for breaching the Liquidity Standard and the fourth was for failure to supply an Annual Prudential Compliance Statement.

During 2009-10, the Australian National Audit Office (ANAO) completed an audit of the protection of accommodation bonds. The report was tabled in Parliament on 17 September 2009. The ANAO made seven recommendations principally relating to corporate planning, risk management and the documentation of policies and procedures. The Department accepted all the recommendations and is giving high priority to the ANAO's findings.

Accommodation Bond Guarantee Scheme

In the event that an Approved Provider becomes insolvent and defaults on the refund of accommodation bonds, the Guarantee Scheme enables the Australian Government to refund all accommodation bond and entry contribution balances owed to residents by their Approved Provider. In return for the payment,

the rights that each resident had to recover the amount from their Approved Provider are transferred to the Commonwealth so it can pursue the Approved Provider for the funds. The Guarantee Scheme is automatically triggered if the Approved Provider has been placed into bankruptcy or liquidation and there is at least one outstanding accommodation bond or entry contribution balance.

The Guarantee Scheme was triggered twice during 2009-10, and the Government has refunded the outstanding accommodation bond balances, including interest, to affected residents. The Department is currently pursuing recovery of the refunded amounts from the companies.

9.7 Validation of providers' appraisals under the Aged Care Funding Instrument

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

During 2009-10, 23,394 reviews of funding claims under the ACFI were completed. Of those reviews, 3,712 or 16 per cent, resulted in reductions in funding and 6 per cent resulted in increased funding. In the last financial year of the previous funding instrument, the Resident Classification Scale, the downgrade rate was 36 per cent and the upgrade rate was 4 per cent. This shows that under ACFI there is an increased level of agreement between Approved Providers and the Departmental Review Officers, a key objective of the new instrument.

While downgrades have fallen significantly, pain management issues have accounted for a considerable proportion of changes. This clinical area is being examined as part of the Review of ACFI.

Facilities can appeal the decisions made by Departmental Review Officers and 174, or 4.7 per cent, of the reviews resulting in funding decreases were appealed. On appeal to the Department, approximately 48 per cent of the finalised appealed decisions confirmed the decisions made by the Departmental Review Officers. In approximately 42 per cent of cases, the original classification by the home was reinstated. In the majority of these cases the decision was changed because the facility was able to supply evidence that was not available at the time of the review visit. In the remaining cases, 10 per cent of the review decisions were set aside and a new decision substituted.

During 2009-10, there was one application made by an Approved Provider to appeal the review of the ACFI Appraisal through the Administrative Appeals Tribunal. This application was later withdrawn.

10 Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (CIS) commenced operation on 1 May 2007, and was established through changes to the *Aged Care Act 1997* and the introduction of regulations under the Act: the *Investigation Principles 2007*.

The aim of the CIS is to provide an accessible and responsive complaints system that strives to improve the experience of individual care recipients and continuously improve the delivery of aged care in Australia.

The CIS is a free service that allows any member of the community to submit an open, anonymous or confidential concern about the quality of care and/or services being delivered to a care recipient in a residential or community care service subsidised under the Act.

The CIS has the power to conduct investigations and issue Notices of Required Action where an Approved Provider of aged care is found to be in breach of its responsibilities under the Act.

In 2009-10, Associate Professor Merrilyn Walton was commissioned to examine the operation of the CIS. The review highlighted that consumers and providers of aged care services want increased options for resolving concerns; more opportunities to be heard and provide evidence; to be regularly informed about the progress of their case; and to receive clear feedback and advice about the outcomes of investigations.

As a result of the review, the CIS will be implementing a package of reforms from 2010-11 to improve the operation of the scheme and deliver quality outcomes for involved parties. The Department will work with the aged care sector, consumers and other key stakeholders to develop and implement a range of quality improvements to strengthen the CIS.

Reforms include:

- risk assessment tools that will help CIS officers identify appropriate and timely resolution options;
- a broader range of options for the resolution of concerns, including early resolution and conciliation;
- working with peak bodies to build capability among Approved Providers to resolve certain concerns at the Approved Provider level;
- the ability for CIS officers to access clinical expertise and advice;
- improved processes, training and support for CIS staff to help them make quality, robust and evidence-based decisions;
- improved communication and education for consumers, stakeholders and the community about resolving concerns and the role of the CIS; and
- improved information and access for parties to seek an independent review of a CIS decision.

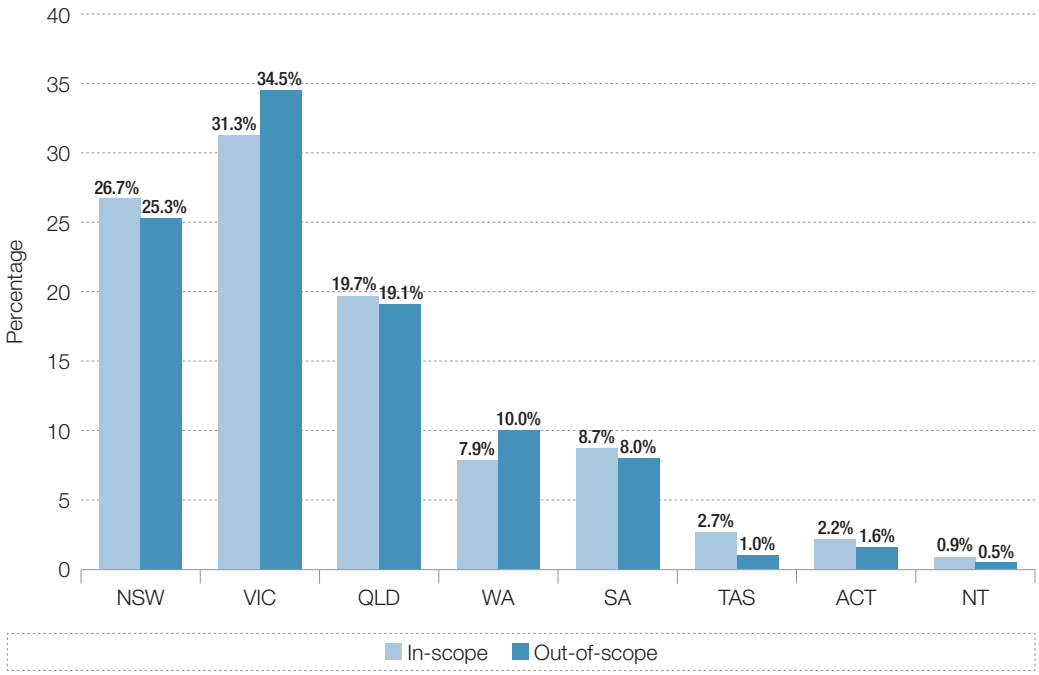
CIS complaints activity

The CIS received 13,166 contacts between 1 July 2009 and 30 June 2010.

Approximately 61.2 per cent (8,055 cases) of these contacts were considered 'in-scope' cases – that is, relating to an Approved Provider's responsibilities under the Act – and subsequently investigated.

The remaining 38.8 per cent (5,111 cases) were either 'out-of-scope' or were able to be resolved by providing information. 'Out-of-scope' cases include complaints that are not within the parameters of an Approved Provider's responsibility under the Act. These complaints are not investigated however, the complainant will normally be provided with more information about their options or referred to the appropriate body.

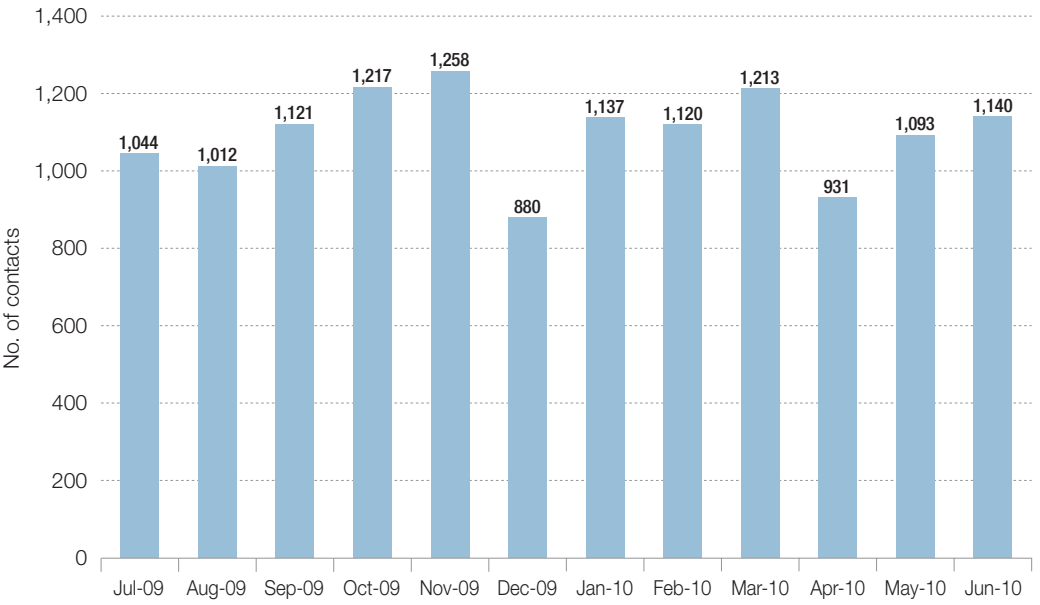
Figure 5: Proportion of in-scope and out-of-scope contacts, in 2009-10, by state and territory



Contacts received by month

On average, 1,097 contacts are received each month. The following graph shows the number of contacts received by the CIS each month during 2009-10. Both December 2009 and April 2010 recorded the least number of contacts, reflecting the impact of the seasonal holidays of Christmas and Easter.

Figure 6: Number of contacts received, in 2009-10, by month



Average number of in-scope cases per residential care service

Of the 8,055 'in-scope' cases received in 2009-10, 96.5 per cent of cases (7,775 cases) related to care and services provided in residential care services. Complaints regarding community care services accounted for 2.9 per cent (232 cases), while the remaining 0.60 per cent (48 cases) either had no service or related to an Approved Provider.

In 2009-10, the average number of 'in-scope' cases per residential care service ranged from 2.4 in New South Wales and Tasmania to 6.5 in the Australian Capital Territory. The national average was 2.8 'in-scope' cases per residential care service. These figures are based on those residential care services that were operational as at 30 June 2010.

During the same period, the average number of 'in-scope' cases per community care service ranged from 0.08 in South Australia and New South Wales, to 0.24 in the Australian Capital Territory. The national average was 0.12 cases per community care service.

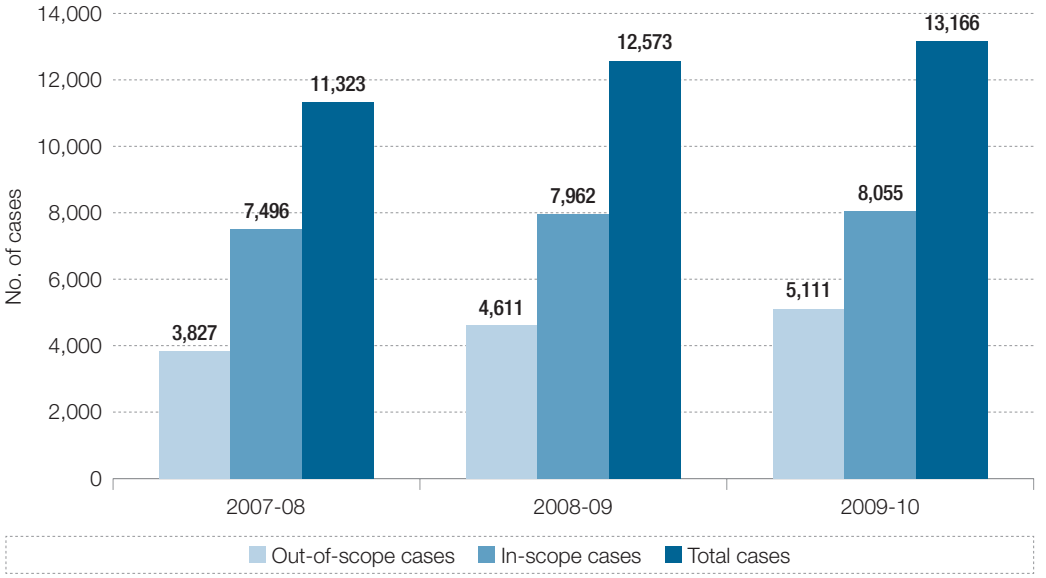
Figure 7: Average number of in-scope cases per residential care service, in 2009-10, by state and territory

Number of contacts received over the last three financial years

Over the last three financial years, the CIS has received a steady increase in the number of contacts, as can be seen in the following graph. The total number of cases has increased from 11,323 in 2007-08 to 13,166 in 2009-10. This was an increase of 1,843 contacts over the last three financial years, or 16.3 per cent.

The number of in-scope cases has increased from 7,496 in 2007-08, to 7,962 in 2008-09, and to 8,055 in 2009-10. This is an overall increase of 559 in-scope cases, or 7.5 per cent.

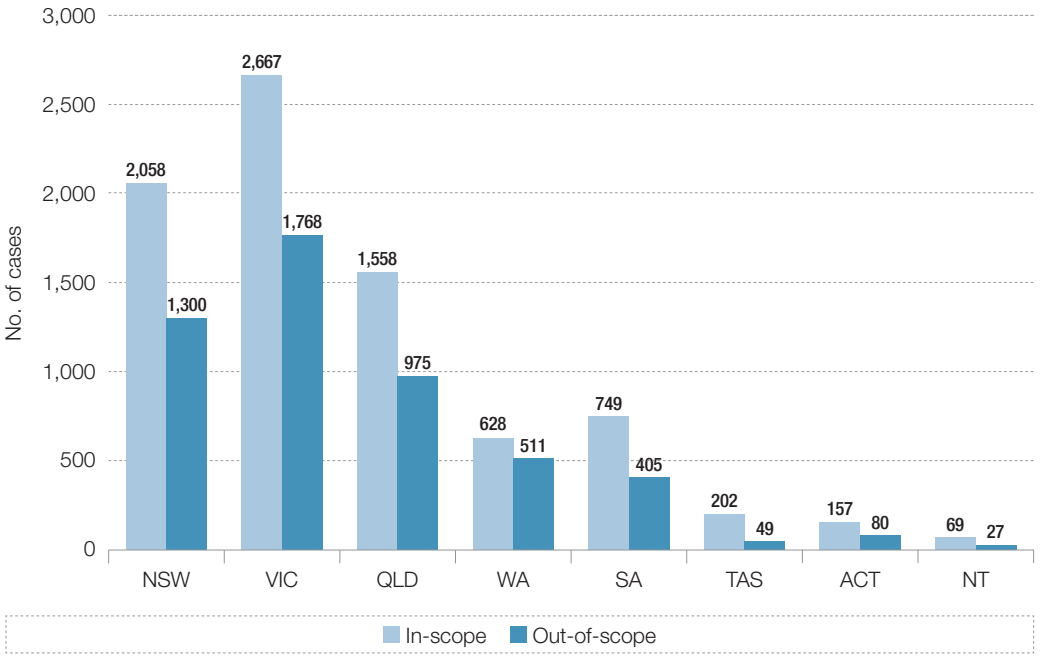
Figure 8: Comparison of the number of contacts received over the last three financial years



Cases finalised in 2009-10

In 2009-10, the CIS finalised 13,203 cases, which is an average of 1,100 per month. This number includes cases received in 2008-09. Approximately 61.3 per cent (8,088 cases) of these were in-scope, and the remaining 38.7 per cent (or 5,115) were out-of-scope.

Figure 9: Cases finalised – in-scope and out-of-scope, in 2009-10, by state and territory



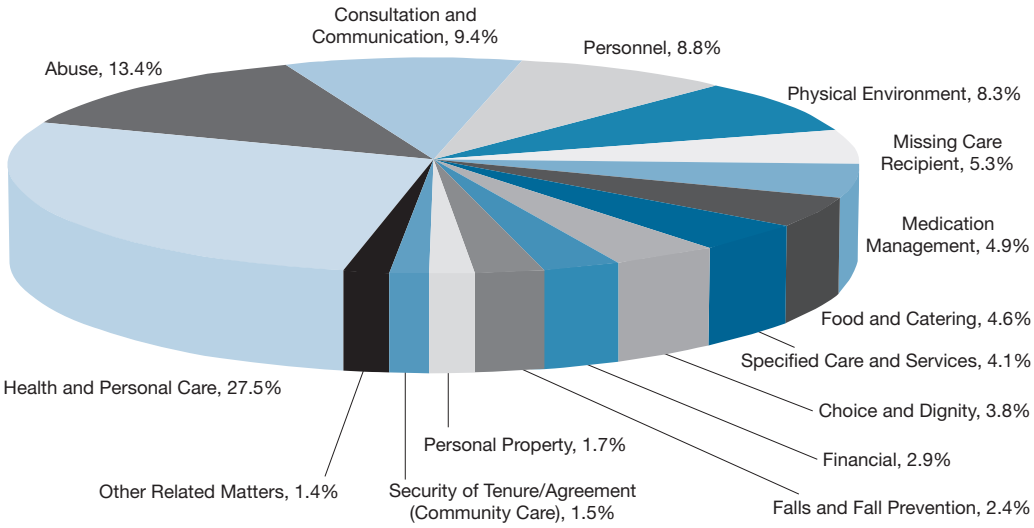
Most commonly reported issues

In 2009-10, 14,729 individual issues were identified in 'in-scope' cases received by the CIS. CIS cases often incorporate more than one issue.

Eighteen issue keywords were identified and reported against, with 67.4 per cent of issues grouped under five keywords. These were:

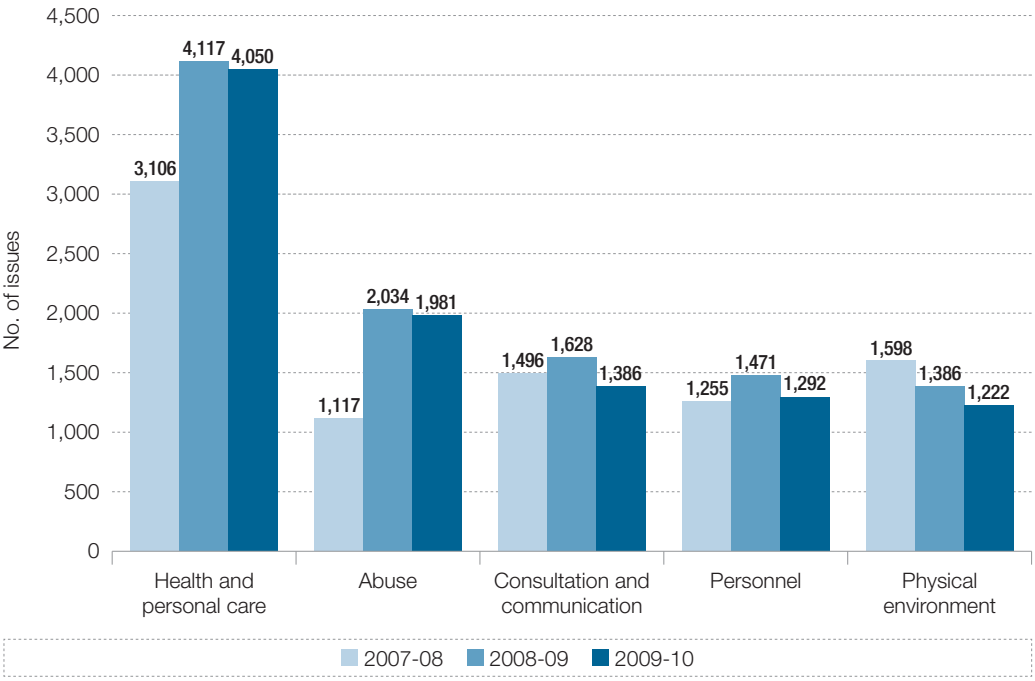
- **Health and personal care**. Main issues were:
  - infections/infection control
  - infectious diseases
  - clinical care (excluding specified care and services)
  - continence management
  - behaviour management
  - personal hygiene (showering)
- **Abuse**. Main issues were:
  - reportable assaults
  - other types of abuse such as physical, verbal, psychological or emotional abuse and neglect
- **Consultation and communication**. Main issues were:
  - communication
  - internal complaints process
  - information
  - family consultations
  - failure to advise those with enduring power of Attorney or guardians
- **Personnel**. Main issues were:
  - numbers of personnel
  - behaviour/conduct
  - training/skills/qualifications
- **Physical environment**. Main issues were:
  - behaviour/conduct
  - resident safety
  - cleaning
  - call bells
  - temperature
  - equipment (excluding specified care and services)

Figure 10: Issues recorded in in-scope cases in 2009-10



These matters have continued to be the most the common issues raised with the CIS. The graph below provides a three year comparison.

Figure 11: Comparison of the five most commonly reported issues, from 2007-08 to 2009-10

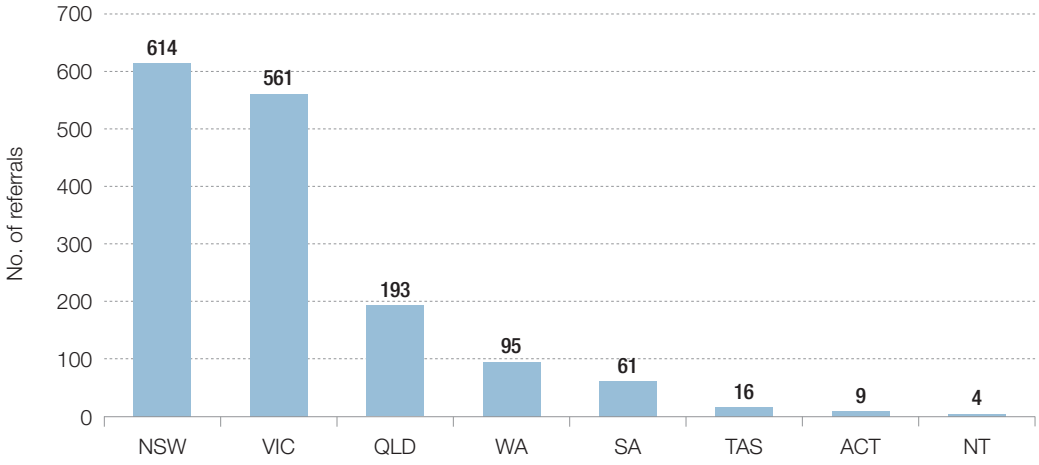


Referrals to external agencies

During an investigation, the CIS may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal matters are referred to the relevant state/territory police service, while concerns that relate to the conduct of a health professional are referred to the relevant health professional regulatory body, such as the Australian Health Practitioner Regulation Agency or the health care complaints commissions.

In 2009-10, the CIS made 1,642 referrals to external agencies. Approximately 94.6 per cent (1,553) of these referrals were made to the Aged Care Standards and Accreditation Agency Ltd. Of these referrals, approximately 63.4 per cent either requested a support contact or for the information to be considered at the next support contact; 35.8 per cent were for information regarding matters considered to be non-urgent; and 0.8 per cent were for a review audit of a home.

Figure 12: Breakdown of the 1,642 referrals to the Aged Care Standards and Accreditation Agency, in 2009-10, by state and territory

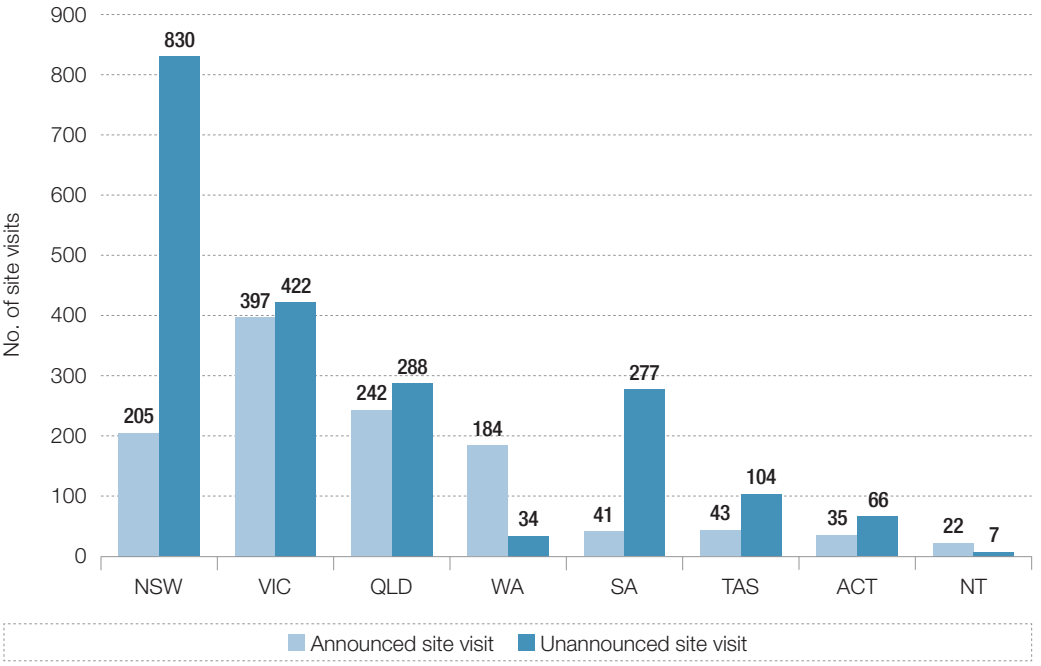


Site visits

CIS officers may visit either the Approved Provider's premises or the aged care service during the course of investigating a case. Visits may be announced or unannounced, depended on the nature of the issue being investigated.

In 2009-10, the CIS conducted a site visit in 39.7 per cent of in-scope cases (3,197 site visits). Approximately 36.6 per cent (1,169 visits) were announced and 63.4 per cent (2,028 visits) were unannounced. Site visit figures for each of the states and territories are shown in Figure 13.

Figure 13: The number of site visits, in 2009-10, by state and territory,

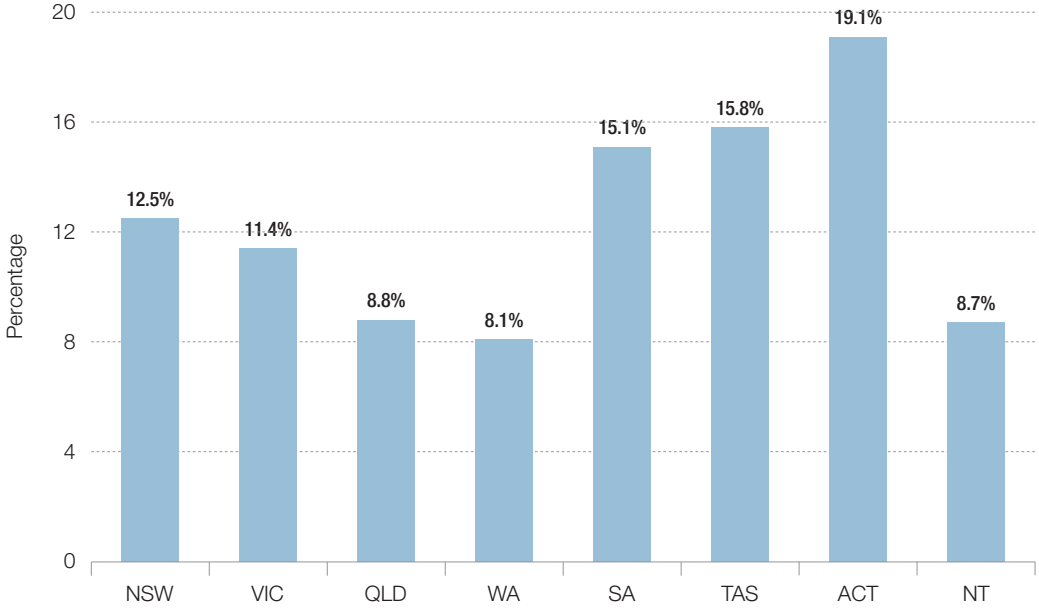


Breaches identified

In 2009-10, 931 breaches were identified nationally as a result of an investigation. This equates to a breach being identified in 11.5 per cent of finalised in-scope cases. Breaches as a percentage of finalised in-scope cases for each of the states and territories are shown in Figure 14.

Victoria had the highest number of breaches with 304; New South Wales reported 258 breaches; Queensland reported 137 breaches; South Australia reported 113 breaches; Western Australia identified 51 breaches. The remaining 68 breaches were in Tasmania, the Australian Capital Territory and the Northern Territory.

Figure 14: Breaches identified as a percentage of finalised in-scope cases, in 2009-10, by state and territory



Notices of required action

A *Notice of Required Action* (NRA) is issued when an Approved Provider is found to be in breach of its responsibilities under the Act or Principles and has not already taken action to address the breach.

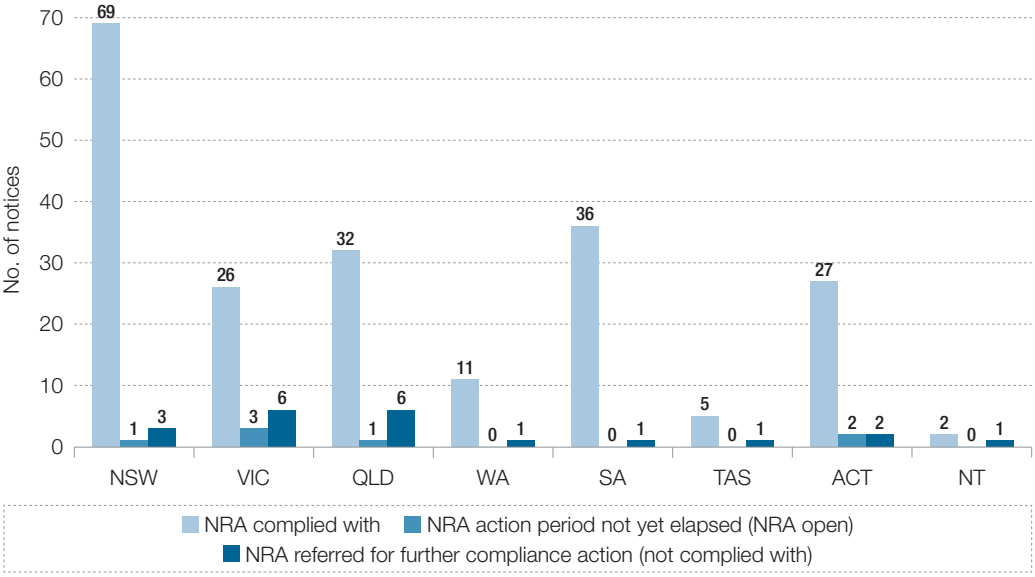
The intention of a NRA is to give the Approved Provider an opportunity to address the breach before compliance action is considered. Each NRA sets out the details of the breach, what the provider must do to address the breach, and the timeframe in which this action must be taken. A NRA may cover more than one breach.

Of the 931 breaches identified in 2009-10, 695 did not result in a NRA being issued as the matter was remedied immediately by the Approved Provider (note that case numbers cannot be totalled as they transcend financial years).

In 2009-10, the CIS issued 236 NRAs, which equates to 2.9 per cent of finalised 'in-scope' cases. Of those, 209 were complied with at 30 June 2010, resulting in no further action against the Approved Provider; 6 were referred for further compliance action; and for the remaining 21, the period in which the Approved Provider had been allowed to implement the required action had not yet lapsed.

NRAs were issued in all states and territories (refer to Figure 15).

Figure 15: Notices of Required Action issued, in 2009-10, by state and territory



External review

The Aged Care Commissioner is a statutory office created under the Act. The functions of the Commissioner are outlined in the Act and include:

- examining, in response to a complaint or on their own initiative, the CIS's processes for handling matters under the *Investigation Principles 2007*;
- examining decisions made by the CIS under the *Investigation Principles 2007* which are identified, by those Principles, as being examinable by the Commissioner;
- making recommendations arising from the Commissioner's examinations, to either confirm the Department's original decision, or set aside the original decision (and replace it) or vary the original decision (and replace part of it); and
- examining complaints about the Aged Care Standards and Accreditation Agency with regard to the accreditation of Australian Government subsidised aged care services. This includes the power to examine complaints about the conduct of a person carrying out an accreditation audit or support contact.

The Aged Care Commissioner can also conduct an 'own motion' examination, that is, to undertake a review of the CIS processes and the conduct of the Agency or a person carrying out functions on behalf of the Agency, even when a request for a review has not been received.

The Aged Care Commissioner is required to produce an annual report, for presentation to the Minister and to Parliament, on the operations of the office. The Aged Care Commissioner's annual report is available on the Commissioner's website at: http://www.agedcarecommissioner.net.au

Review of Examinable Decisions

In 2009-10, the Aged Care Commissioner completed 114 reviews of examinable decisions, representing approximately 1.4 per cent of finalised in-scope cases. Of the 114 reviews, the Commissioner confirmed the original decision in 49.1 per cent of cases (56 instances); recommended the original decision be set aside in 13.2 per cent of cases (15 instances); and recommended the original decision be varied in 37.7 per cent of cases (43 instances).

After the CIS receives a recommendation from the Commissioner about an examinable decision, the CIS must reconsider the original decision within 21 days. In 2009-10, the CIS completed 110 internal reconsiderations (not all of these are finalised within the same financial year as which they are received). Five of these internal reconsiderations related to the previous financial year.

At 30 June 2010, the CIS was considering nine recommendations from the Commissioner about an examinable decision. The legislated timeframe for responding to these falls within the 2010-11 reporting period.

In 2009-10, the CIS fully accepted all of the Commissioner's recommendations in all but one instance. In a further four instances, the CIS partially accepted the Commissioner's recommendations. Partial agreement is when the CIS agrees with some but not all of the Commissioner's recommendations.

Aged Care Commissioner Reviews of the CIS Processes

The Aged Care Commissioner provided 10 final reports to the Department resulting from reviews of CIS investigation process undertaken in 2009-10. At 30 June 2010, the Department has responded to all of these final reports.

In 2009-10, the Aged Care Commissioner made 27 related findings as a result of conducting these reviews, covering investigative processes; statement of reasons; site visits; natural justice; and record keeping.

Recommendations arising from these reviews, including where the Aged Commissioner makes related findings, are being used to refine and improve the CIS and its processes.

The Aged Care Commissioner did not commence any 'own motion' reviews during 2009-10.

Appendix A:
Aged care legislation

Legislative framework for aged care

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

The legislative framework sets out the requirements to be an Approved Provider of Australian Government funded aged care; for the allocation of aged care places; the approval and classification of care recipients; the certification and accreditation of services; and the subsidies paid by the Australian Government. The framework also sets out the responsibilities of providers in relation to quality of care, the rights of care recipients, accountability, and the rules for grants.

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

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

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

Accountability Principles 1998	These Principles set out: (a) various aspects of the access that must be given by an Approved Provider to persons for the purposes of paragraphs 63-1(1) (j), (l) and (m) of the Act; and (b) requirements relating to police certificates and statutory declarations for certain staff members and volunteers; and (c) Circumstances in which care recipients are absent without explanation and need to be reported by an Approved Provider; and (d) circumstances in which reportable assaults need to be reported by an Approved Provider to a police officer or the Secretary; and (e) requirements for circumstances mentioned in paragraph (c) or for alleged or suspected reportable assaults.

Accreditation Grant Principles 1999	These Principles set out the procedures to be followed, and the matters to be taken into account, by the Agency for accreditation of residential care services; the Agency's responsibilities for services that have received accreditation; and conditions to which the accreditation grant is subject.
Advocacy Grant Principles 1997	These Principles set out the requirements to be met in making advocacy grants to organisations under Part 5.5 of the Act. Advocacy grants support activities to allow care recipients to understand and exercise their rights as care recipients.
Allocation Principles 1997	These Principles deal with a number of aspects of the process for allocating aged care places to Approved Providers.
Approval of Care Recipients Principles 1997	These Principles deal with a number of matters about approving care recipients for residential care and community care, and in some cases flexible care, so that subsidy can be paid to the Approved Provider.
Approved Provider Principles 1997	These Principles deal with a number of matters that are important in operating the approval process. Approval under Part 2.1 of the Act is a precondition to a provider of aged care receiving subsidy under the Act for provision of care.
Certification Principles 1997	These Principles deal with a number of aspects of the certification of residential care services under Part 2.6 of the Act.
Classification Principles 1997	These Principles deal with a number of aspects of the classification of care recipients. A care recipient's classification affects the amount of residential care, or flexible care, subsidy payable to an Approved Provider for providing care to the care recipient.
Community Care Grant Principles 1997	These Principles deal with a number of aspects of the allocation and amounts of community care grants. Community care grants contribute towards the costs associated with some projects undertaken by Approved Providers to establish community care services or to enhance their capacity to provide community care.

Community Care Subsidy Principles 1997	These Principles specify kinds of care that are, or are not, included in the package of community care services and assistance provided under Part 3.2 of the Act.
Community Visitors Grant Principles 1997	These Principles set out some of the requirements to be met in making community visitors grants. Community visitors are sponsored by an organisation to allow care recipients to maintain contact with their community.
Extra Service Principles 1997	These Principles deal with various aspects of Extra Service places for the purposes of Part 2.5 of the Act. Extra service places involve providing a significantly higher standard of accommodation, food and services to care recipients.
Flexible Care Grant Principles 2008	These Principles deal with a number of aspects relating to flexible care grants under Part 5.2A of the Act. Flexible care means care provided in a residential or community setting through an aged care service that addresses the needs of care recipients in alternative ways to the care provided through residential care services and community care services.
Flexible Care Subsidy Principles 1997	These Principles set out who is eligible for flexible care subsidy, paid to Approved Providers for providing flexible care to care recipients, and on what basis flexible care subsidy may be paid.
Information Principles 1997	These Principles specify kinds of persons to whom the Secretary may disclose protected information, and for what purposes the information can be disclosed.
Investigation Principles 2007	These Principles relate to Part 6.4A of the Act and deal with: (a) which matters (relating to the Act or the Principles) are to be investigated; (b) how investigations are to be conducted; (c) considerations in making decisions relating to investigations; and (d) procedures for the Aged Care Commissioner to examine certain decisions made in relation to investigations and also to examine certain complaints.

Quality of Care Principles 1997	These Principles set out a number of standards relating to the responsibilities of Approved Providers (Part 4.1 of the Act) for the quality of the aged care they provide through their aged care services. The standards are: ■ the Accreditation Standards; ■ the Residential Care Standards; ■ the Community Care Standards; and ■ the Flexible Care Standards.
Records Principles 1997	These Principles deal with a number of aspects relating to the keeping and retention of records by Approved Providers and former Approved Providers under Part 6.3 of the Act.
Residential Care Grant Principles 1997	These Principles set out a number of matters that relate to the allocation and amounts of residential care grants. Residential care grants contribute towards the capital works costs associated with some projects undertaken by Approved Providers to establish residential care services or to enhance their capacity to provide residential care.
Residential Care Subsidy Principles 1997	These Principles deal with eligibility for the subsidy, paid to Approved Providers for providing residential care to care recipients, how it is paid, and what amount is paid.
Sanctions Principles 1997	These Principles deal with a number of matters that are important to the operation of the sanctions process under Part 4.4 of the Act. This process relates to the consequences of non-compliance with an Approved Provider's responsibilities under Parts 4.1, 4.2 or 4.3 of the Act.
User Rights Principles 1997	These Principles set out a number of user rights and Approved Provider responsibilities in association with Part 4.2 of the Act.

Aged Care Determinations

The *Aged Care Act 1997* provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide residential, community or flexible care services (Approved Providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

Chapter 3 of the Aged Care Act empowers the Minister to determine, in writing (by legislative instruments or 'Determinations'), the daily amounts of residential care, community care and flexible care subsidies that are payable to aged care providers. Accommodation-related supplements and charges are indexed in March and September each year in line with the Government's pension indexation arrangements. Other care-related subsidies and supplements are indexed annually in July each year. In 2009-10, some subsidies were also increased on 1 January 2010 as part of the 2009-10 Budget measure *Aged care viability supplements – increase*.

While the majority of Determinations relate to the amount of Australian Government subsidies, the Act also empowers the Minister and/or the Secretary to determine other matters, such as conditions on the allocation of aged care places. Determinations that commenced in 2009-10 are listed below. Unless they had been rescinded, Determinations made in previous years also were in effect during 2009-10.

Aged Care (Amount of Flexible Care Subsidy – Extended Aged Care at Home – Dementia) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under subsection 52-1(1) of the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home – Dementia* (ACA Ch.3 No.20/2008) and specifies the method for working out the daily amount of flexible care subsidy payable for a day in respect of an EACHD care recipient with rates effective from 1 July 2009.
Aged Care (Amount of flexible care subsidy – Extended Aged Care at Home) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under subsection 52-1(1) of the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home* (ACA Ch.3 No. 19/2008) and specifies the method for working out the amount of flexible care subsidy for a day in respect of an EACH care recipient, with rates effective from 1 July 2009.

Aged Care (Amount of flexible care subsidy – Innovative Care Service – Congress Community Development and Education Unit Ltd) Determination 2009 (No. 1)	This Determination revokes the *Determination of amount of flexible care subsidy under section 52-1 for Congress Community Development and Education Unit Ltd* made on 6 July 2009 and determines the amount of subsidy for flexible care in the form of innovative care in respect of places allocated to Congress Community Development and Education Unit Ltd, with rates effective from August 2009.
Aged Care (Amount of flexible care subsidy – Innovative Care Services) Determination 2009 (No. 1)	This Determination revokes the *Aged Care (Flexible Care Subsidy – innovative care services provided by specified approved providers) Determination 2008* (ACA Ch. 3 No. 12/2008) and specifies the amount of flexible care subsidy payable for the provision of disability ageing in place services by nine approved providers listed in Schedule 1 of the Determination.
Aged Care (Amount of flexible care subsidy – multi-purpose services) Determination 2009 (No. 1)	This Determination revokes the *Aged Care (Amount of flexible care subsidy – multi-purpose services) Determination 2008* (ACA Ch. 3 No. 21/2008) and specifies the method for working out the amount of flexible care subsidy payable for a multi-purpose service in respect of a day, with rates effective from 1 July 2009.
Aged Care (Amount of flexible care subsidy – multi-purpose services) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Amount of flexible care subsidy – multi-purpose services) Determination 2009* (No. 1) and specifies the method for working out the amount of flexible care subsidy payable for a multi-purpose service in respect of a day, with rates effective from 1 January 2010.
Aged Care (Amount of flexible care subsidy – Transition Care Services) Determination 2009 (No. 1)	This Determination revokes the *Aged Care (Amount of flexible care subsidy – Transition Care) Determination 2008* (ACA Ch. 3 No. 22/2008) and sets the amount of flexible care subsidy payable for a day in respect of transition care, with effect from 1 July 2009.
Aged Care (Community Care Subsidy Amount) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination of the amount of Community Care Subsidy under subsection 48-1(3)* (ACA Ch.3 No. 18/2008) and provides the amount of community care subsidy payable in respect of a day, including an additional amount for eligible care recipients in rural and remote locations, with effect from 1 July 2009.

Aged Care (Residential Care Subsidy – Adjusted Subsidy Reduction) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under section 44-19* (ACA Ch. 3 No. 16/2008) and sets the adjusted subsidy reduction amount for a day with effect from 1 July 2009.
Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2009 (No. 2)	The Determination revokes the *Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2009 (No.1)* and sets out a method for working out the amount of the accommodation supplement for a day. It also sets the maximum rate of accommodation supplement for services that meet or do not meet building requirements, with effect from 20 September 2009.
Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2009 (No. 2)* and sets out a method for working out the amount of the accommodation supplement for a day. It also sets the maximum rate of accommodation supplement for services that meet or do not meet building requirements, with effect from 20 March 2010.
Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2009 (No. 1)* and sets the concessional resident supplement in respect of a day, with effect from 20 September 2009.
Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2009 (No. 2)* and sets the concessional resident supplement in respect of a day, with effect from 20 March 2010.
Aged Care (Residential Care Subsidy – Amount of Enteral Feeding Supplement) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under section 44-14* (ACA Ch. 3 No. 14/2008), sets the amounts payable for enteral feeding and outlines a method for calculating the enteral feeding supplement in respect of a day, with effect from 1 July 2009.
Aged Care (Residential care subsidy – amount of hardship supplement) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under subsection 44-30(5)* (ACA No. 1/1998) and the *Aged Care Act 1997 – Determination under subsection 44-30(5)(a)* (ACA No. 2/1998) and ensures the rates of hardship payments remain commensurate with current arrangements and do not inadvertently change as a consequence of an increase in age pensions and related reforms, with effect from 20 September 2009.

Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement) Determination 2009 (No. 1)	This Determination revokes the *Aged Care Act 1997 – Determination under section 44-13* (ACA Ch.3 No.13/2008) and sets the amount of oxygen supplement payable in respect of a day, with effect from 1 July 2009.
Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2009 (No. 1)* and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 September 2009.
Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2009 (No. 2)* and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 March 2010.
Aged Care (Residential care subsidy – amount of respite supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential care subsidy – amount of respite supplement) Determination 2009 (No. 1)* and sets the amount of respite supplement payable in respect of a day, with effect from 20 September 2009.
Aged Care (Residential care subsidy – amount of respite supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of respite supplement) Determination 2009 (No. 2)* and sets the amount of respite supplement payable in respect of a day, with effect from 20 March 2010.
Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2009 (No. 2)* and sets the increased maximum amount of transitional accommodation supplement payable in respect of a day, with effect from 20 September 2009.
Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2009 (No. 2)* and sets the increased maximum amount of transitional accommodation supplement payable in respect of a day, with effect from 20 March 2010.
Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2009 (No. 1)* and sets the amount of transitional supplement payable in respect of a day, with effect from 20 September 2009.

Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2010 (No. 1)	This Determination revokes the *Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2009 (No. 2)* and sets the amount of transitional supplement payable in respect of a day, with effect from 20 March 2010.
Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2009 (No. 1)	This Determination revokes the *Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2008* (ACA Ch.3 No. 17/2008) and sets the amount of the viability supplement payable in respect of a day, with effect from 1 July 2009.
Aged Care (Residential care subsidy – amount of viability supplement) Determination 2009 (No. 2)	This Determination revokes the *Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2009 (No. 1)* and sets the amount of the viability supplement payable in respect of a day, with effect from 1 January 2010.
Aged Care (Residential Care Subsidy – Basic Subsidy Amount) Determination 2009 (No. 1)	This Determination revokes the *Aged Care (Residential Care Subsidy – Basic Subsidy Amount) Determination 2008 (No.2)* (ACA Ch.3 No.11/2008) and specifies the rates of basic subsidy payable in respect of a day, with effect from 1 July 2009.

Appendix B:
Legislative amendments made in the reporting period

Legislative reform

In 2008-09, a number of changes to the *Aged Care Act 1997* came into effect. These changes were included in the *Aged Care Amendment (2008 Measures No. 2) Act 2008*. The majority of reforms took effect from 1 January 2009 with a transition period for some of the reforms until end June 2009. However, measures relating to assessments by Aged Care Assessment Teams (ACAT) took effect in 2009-10 (from 1 July 2009).

Other changes made to the *Aged Care Act 1997* in 2009-10 were consequential to those brought about by changes to social security law, giving effect to the 20 September 2009 increase in pensions for pensioners and veterans. The *Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Act 2009* and *Veteran's Affairs and Other Legislation Amendment (Pension Reform) Act 2009* introduced these measures. These changes ensure that pensioners and veterans who also receive aged care are not charged higher aged care fees than intended, and there is an equitable and appropriate flow of the pension increase to both care recipients and Approved Providers.

Changes to the *Aged Care Act 1997* arising from social security reform, and the ACAT measure, required consequential and additional changes to various Aged Care Principles to achieve the policy intent of the reforms. On several occasions, changes to the Aged Care Principles were for minor, technical matters. However, other policies and reforms required more significant amendments to the Principles, including:

- In October 2009, the introduction of a new Charter of Rights and Responsibilities for people receiving Community Care and Flexible Care in the form of Extended Aged Care at Home (EACH) or EACH Dementia.
- In December 2009, an amendment to the Allocation Principles took effect to allow recognition of Forgotten Australians and former child migrants and other care leavers as a special needs group for the purpose of determining allocations of aged care places under the Act.
- In January 2010, amendments to the Quality of Care Principles and the Classification Principles commenced to give effect to the 2009-10 Budget measure '*Modifying the Aged Care Funding Instrument*'.
- In January 2010, amendments were also made to the Residential Care Subsidy Principles to remove the 28-day exemption period for new residents who have the means to pay, and brings the income-tested fee arrangement into line with all other aged care fees, which are payable from the day of entry.

The Aged Care Principles were amended by:

Allocation Amendment Principles 2009 (No.2)	Amends the *Allocation Principles 1997* to specify a further class of people, namely care leavers, being people who were in institutional or other forms of out-of-home care, including foster care, as youths or children at some time during the 20th century. This ensures that the Secretary can cater for the needs of care leavers when making allocations of places to Approved Providers of aged care. These changes commenced on 2 December 2009.
Approval of Care Recipients Amendment Principles 2008 (No. 2)	Amends the *Approval of Care Recipients Principles 1997* to give effect to measures included in *Aged Care Amendment (2008 Measures No. 2) Act 2008* relating to assessments by Aged Care Assessment Teams, which commenced on 1 July 2009.
Classification Amendment Principles 2009 (No.1)	Amends the *Classification Principles 1997* to adjust the definition of high and low-level care under the Aged Care Funding Instrument to rectify an anomaly which was causing some permanent care recipients to be incorrectly classified as high care when they do not require high care. These changes commenced on 1 January 2010.
Extra Service Amendment Principles 2009 (No.2)	Amends the *Extra Service Principles 1997* from 9 July 2009 to make minor wording and formatting changes to correct typographic errors and clarify the intention of new section 14.19AA of these Principles, which came into effect on 1 June 2009.
Quality of Care Amendment Principles 2009 (No.1)	Amends the *Quality of Care Principles 1997* to adjust the Aged Care Funding Instrument definition of high level residential care to rectify an anomaly which was causing some permanent care recipients to be incorrectly classified as requiring high care. These changes commenced on 1 January 2010.
Residential Care Subsidy Amendment Principles 2009 (No.1)	Amends the *Residential Care Subsidy Principles 1997* in line with changes to the *Aged Care Act 1997* and *Social Security Act 1997* to ensure that people in receipt of pensions are not charged higher aged care fees than intended, and there is an equitable and appropriate flow of the 20 September 2009 pension increase to both the care recipient and Approved Providers.

Residential Care Subsidy Amendment Principles 2009 (No.2)	Amends the *Residential Care Subsidy Principles 1997* to implement the 2009-10 Budget Measure - *Measures to Support Older Australians* designed to rectify income testing arrangements in residential care. The changes ensure that the income testing arrangements for residential care are aligned with those applying to other types of aged care. These Principles commenced on 1 January 2010.
User Rights Amendment Principles 2009 (No.2)	Amends the *User Rights Principles 1997* to include a new *Charter of Rights and Responsibilities for Community Care* for people receiving community care, or flexible care in the form of Extended Aged Care at Home or Extended Aged Care at Home Dementia. These Principles commenced on 1 October 2009.
User Rights Amendment Principles 2009 (No.3)	Amends the *User Rights Principles 1997* to specify the maximum daily accrual amount of accommodation charge for the entry of a person to a residential care service for the period 20 September 2009 to 20 March 2010.
User Rights Amendment Principles 2010 (No.1)	Amends the *User Rights Principles 1997* to specify the maximum daily accrual amount of accommodation charge for the entry of a person to a residential care service for the period 20 March 2010 to 19 September 2010.

Appendix C:
Responsibilities of Approved Providers under the *Aged Care Act 1997*

Approved Providers are required to comply with their responsibilities under the *Aged Care Act 1997*. These include meeting their responsibilities in relation to:

Quality of care

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

User rights

- providing care and services of a quality consistent with the Charter of Residents Rights and Responsibilities and other requirements in the *User Rights Principles 1997* relating to:
  - residents' security of tenure of their places;
  - access to the service by residents' representatives, advocates and community visitors;
  - providing information to residents about their rights and responsibilities and about the financial viability of the service;
  - restrictions on moving a resident within a residential service;
  - booking fees for respite days; and
  - complying with the prudential and other requirements in relation to any accommodation payments charged for a resident's entry to a service.
- providing care and services for community care and certain types of flexible care consistent with the *Charter of Rights and Responsibilities for Community Care* and other requirements in the *User Rights Principles 1997*, including:
  - treating and accepting care recipients as individuals, and respecting their individual preferences;
  - facilitating involvement by care recipients in identifying the community care most appropriate for their needs and in making decisions affecting themselves;
  - providing reliable, coordinated and safe quality care and services;
  - respecting the privacy and confidentiality of personal information;

  - effectively communicating with care recipients; and
  - determining fees for care recipients in a transparent, accessible and fair manner.
- charging no more than the amount permitted under the *Aged Care Act 1997* and *User Rights Principles 1997* for the care and services that are the Approved Provider's responsibility to provide;
- charging no more for other care or services than an amount agreed beforehand with the resident, accompanied by an itemised account of the care and services provided;
- offering to enter into a resident agreement with the resident and, if the resident wishes, entering into such an agreement;
- ensuring that personal information about the resident is used only for purposes connected with providing aged care to the resident, or for a purpose for which the information was given to the provider by the resident or their representative;
- establishing a complaints resolution mechanism for the service and using it to address any complaints made by, or on behalf of, a resident; and
- if the service has Extra Service status, complying with the requirements of the *Aged Care Act 1997* and the *Extra Service Principles 1997* in relation to Extra Service fees and agreements.

Accountability requirements

- keeping and maintaining records that enable claims for payments of residential care subsidy to be verified and proper assessments to be made of whether the Approved Provider has complied with, or is complying with, its responsibilities;
- co-operating with any person who is exercising the powers of an authorised officer under the *Aged Care Act 1997* and complying with the provider's responsibilities in relation to the exercise of those powers;
- notifying the Department of any change of circumstances that materially affects the Approved Provider's suitability to be a provider of aged care, and responding within 28 days to any request by the Secretary of the Department to provide further information in this regard;
- notifying the Department of any change to the Approved Provider's key personnel within 28 days after the change occurs;
- taking the steps required under section 63-1A of the Act and specified in the *Sanctions Principles 1997* to ensure that none of the Approved Provider's key personnel is a disqualified individual;
- complying with any conditions that apply to the allocation of any places included in the service;

- providing records or copies of records to another Approved Provider relating to any places transferred to that provider;
- if the provider intends to relinquish any places:
  - notifying the Department at least 60 days beforehand of the proposed date of relinquishment; and
  - complying with any proposal accepted or specified by the Secretary for ensuring that the care needs of residents occupying those places are met;
- allowing people authorised by the Secretary access to the service to assess whether residents have been approved to receive care at an appropriate level;
- conducting in a proper manner, appraisals or reappraisals of the care required by residents;
- if the service or a distinct part of the service has Extra Service status, complying with the conditions of the grant of Extra Service status;
- allowing people authorised by the Secretary access to the service to review the service's certification;
- complying with any undertaking given to the Secretary, and agreed by the Secretary, to remedy non-compliance with the provider's responsibilities;
- complying with the prudential requirement relating to accommodation bonds;
- if the provider is receiving Conditional Adjustment Payment, meeting the requirements for the payment;
- allowing people acting for an accreditation body to have access to the service for the purpose of accrediting the service, or reviewing its accreditation;
- complying with the requirement to report allegations or suspicions of assaults on residents of aged care homes and provide protections for persons who report;
- complying with the responsibility to require staff members to report allegations or suspicions of assaults;
- complying with the requirement that immunities and protections for staff members reporting allegations or suspicions of assaults are preserved;
- complying with the requirement to protect the identity of persons reporting allegations or suspicions of reportable assaults;
- complying with the requirements to ensure that staff, volunteers and contractors who have, or are likely to have, access to care recipients, undertake a national criminal history record check to determine their suitability to provide aged care services;
- allowing people representing the Secretary to have access to the service for the purpose of investigating information about a matter involving an Approved Provider's responsibilities under the Act or Principles; and

- allowing a person representing the Aged Care Commissioner to have access to the service for the purpose of examining decisions made by the Secretary under the *Investigation Principles 2007* or for the purposes of investigating complaints about the Secretary's processes for handling matters under the *Investigation Principles 2007*.

Allocation of places

- complying with the conditions on the allocation of places to the Approved Provider, including those relating to the proportion of places that must be provided to:
  - people with special needs;
  - concessional and assisted residents;
  - people needing a particular level of care;
  - people receiving respite care; and
  - other people specified in the notice of allocation of places to the Approved Provider;
- complying with the requirements of the Act in relation to:
  - any variation of the conditions of allocation of places; and
  - any transfer of places.

Appendix D:
Sanctions imposed under the *Aged Care Act 1997* – 1 July 2009 to 30 June 2010

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
South Australia					
The Churchill Retreat	Northgate Aged Care Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months.	16-Sep-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 lifted on 4 February 2010 Sanction 1 expired on 15 March 2010.
Copperhouse Court Hostel	Whyalla Aged Care Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months.	4-Feb-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 lifted on 2 July 2010 Sanction 1 expired on 3 August 2010
Victoria					
Glenlyn Aged Care Facility	Kincsem Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.	8-Sep-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanction expired on 7 March 2010
Radford Private Nursing Home	Margeruite Gerrard Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months.	26-Sep-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 lifted on 3 February 2010 Sanction 1 expired on 25 March 2010

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Lynch's Bridge Aged Care Facility	Doutta Galla Aged Care Services Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months.	22-Oct-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 lifted on 16 March 2010 Sanction 1 expired on 21 April 2010
Lions Club of Sunbury Elderly Peoples Homes Inc	Lions Club of Sunbury Elderly Peoples Homes Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months.	6-Jan-10	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanction expired on 5 July 2010
Isomer Retirement Home	Islamic Society of Melbourne Eastern Regions Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months.	23-Jun-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions due to expire on 22 December 2010

Note: Section 68-1 of the *Aged Care Act 1997* provides that a sanction that has been imposed on an Approved Provider for non-compliance with its responsibilities, ceases to apply if (a) the sanction period ends or (b) the Secretary decides under section 68-3 of the Act that it is appropriate for the sanction to be lifted. When applicable, the duration of a sanction is fixed by the Secretary and specified in the notice of decision to impose a sanction.

List of figures

List of tables

www.health.gov.au