Australian Government

Department of Health and Ageing

2010 -11 Report on the Operation of the *Aged Care Act 1997*

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Foreword

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

I am pleased to present this Report on the Operation of the Aged Care Act 1997 for 2010-11.

As a Government we recognise that the system requires significant reform to make sure it can deal with the increasing pressures that are inevitable as our population ages.

So it is gratifying to be able to report that in the past year we have passed some important milestones on the road to a sustainable and integrated aged care system.

The reaching of an agreement on national health reform through the Council of Australian Governments in February means that Australia, for the first time, will have a national system in which the Commonwealth progressively takes full funding, policy, management and delivery responsibility for aged care.

"In one of the first steps in this direction, during 2011-12 the Commonwealth assumes sole funding and policy responsibility (except for Victoria and Western Australia) for Home and Community Care aged care, replacing the previous joint arrangement with the states and territories".

We have recognised the importance in the reform process of providing consumers with flexibility in choosing the care they want.

Accordingly, this year's report, for the first time, details the implementation of the Consumer Directed Care initiative, which aims to improve quality of life, independence and satisfaction through providing opportunities for care recipients and carers to be more active in shaping their care and services.

Similarly, we have noted the need to improve access to care and support. We need to make it easier for older Australians, their families and carers to find information about aged care.

We have established a single entry point for consumers and carers to the aged care system by creating a single national aged care information phone number (1800 200 422) and updating the Aged Care Australia web site.

Reform of the aged care system must go hand-in-hand with maintenance of quality to ensure that recipients of Australian Government-funded residential care receive the best possible levels of care.

During 2010-11 we implemented reforms to the prudential regulation of accommodation bonds, began a four year program of improvement to the Aged Care Complaints Scheme, and introduced a new set of accreditation principles, all of which underline our commitment to continuous quality improvement in aged care.

Aged care continues to be a substantial component of Australian Government expenditure and during 2010-11, it accounted for $11.024 billion, an increase of 10.7 percent on the previous year.

This provided 185,559 residential care places, 58,471 community care places and 3,349 transition care places as at June 2011, an increase of 4.3 per cent over the previous year.

Looking to the future, our aged care system should ensure that every older Australian is valued and can have access to quality support and care that meets their needs, when and where they need it. Therefore further reform of our aged care system will remain a priority for the Government.

In August this year, the Productivity Commission handed down its final report, *Caring for Older Australians*, which recommends far-reaching, integrated reforms.

The report suggests substantial changes to the way that the aged care sector is funded in the future and I am discussing the commission's recommendations with all key stakeholders, including the broader community of older Australians.

We will carefully consider the Commission's recommendations and the feedback we receive from our consultations.

I look forward to this exciting opportunity for reform, and to work with aged care service providers and their staff, to ensure the aged care system is sustainable, high quality and can meet the needs of our ageing population.

Mark Butler
Minister for Mental Health and Ageing

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 2010-11 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 2010-11 totalled $11.024 billion, compared with $9.956 billion in 2009-10 – an increase of 10.7 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 $1.291 billion for the Home and Community Care (HACC) program, which was funded jointly by the Australian Government and state and territory governments in 2010-11. This compares with $1.187 billion in 2009-10. In 2010-11, around 930,000 individuals received HACC services – around 69 per cent of these people were aged 70 years or older.

In 2010-11, through aged care programs under the Act, a total of 219,558 people received permanent residential care in aged care facilities and 46,147 received short-term respite care in aged care facilities. In addition, 74,726 people who would otherwise be eligible for residential care, chose to receive a package of community care and support at home, and a further 17,859 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 2010-11.

The total number of operational aged care places across the aged care system at 30 June 2011 was 247,379 – an increase of 4.3 per cent over the previous year. This included 185,559 residential care places, 58,471 community care places and 3,349 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. On 8 December 2010 a total of 12,272 new aged care places were allocated comprising 5,643 residential care places and 6,629 community care places. In addition to the places, $41.6 million in capital grants was also allocated.

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. In the 2009-10 ACAR, a total of $147 million was offered in zero real interest loans.

The 2011 ACAR was advertised on 18 June 2011, with applications closing on 2 August 2011. A total of 12,191 new aged care places have been made available for allocation comprising 10,493 residential care places and 1,698 community care places. In addition to the places, up to $150 million in zero real interest loans and up to $58.5 million in capital grants has also been made available in the 2011 Round.

The results of the 2011 ACAR are expected to be announced in late 2011.

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. There were 100,925 calls to the information line in 2010-11, compared to 103,341 calls in 2009-10 and more than 7.9 million individual information products distributed, including more than 689,000 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals and 26,000 copies of the 2010 edition of the *Australian Government Directory of Services for Older Australians.*

Australian Government expenditure in 2010-11 for the Aged Care Assessment Program was $69.3 million, which included recurrent funding for Aged Care Assessment Teams (ACATs). In 2010-11, 108 ACATs 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 and incontinence.

Support services for carers continue to be delivered under a range of programs. Respite care is provided in a range of settings to allow flexibility for carers and their care recipients, including respite within residential aged care facilities under the Act. There were more than 61,705 admissions for residential respite care in 2010-11 with care recipients using more than 1.43 million resident days at a cost of about $178 million. This represents an increase of 10 per cent compared to 2009-10.

Other community based respite is provided outside of the Act, such as through the National Respite and Carers Program (NRCP). Respite under this program is delivered in a range of settings including overnight, cottage and long day respite. More than five million hours of respite was provided through the NRCP in 2010-11. Respite is delivered through more than 650 respite services across Australia.

Older people in the community and those receiving Australian Government funded low level residential care can also receive support through the Day Therapy Centre (DTC) program. This program provides a range of therapy services aimed at assisting people to maintain their independence.

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 (see Section 4.2 for a description of these services). Throughout 2010-11, 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 in 2010-11 the Australian Government provided 60 per cent of funding and maintained a broad strategic policy role, the HACC program was managed on a day-to-day basis by the state and territory governments. Total combined Australian Government and state

and territory government funding for HACC in 2010-11 was $2.107 billion – an increase of $162.3 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 2011, there were 45,096 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 12,145 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 2010-11, the Australian Government spent $531.7 million on CACPs and a total of $364.8 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.

As at 30 June 2011, there were 2,760 aged care homes across Australia delivering residential care, and around 69 per cent of all operational residential care places were being used to provide high level care. On average, 93.1 per cent of all residential care places were occupied during 2010-11.

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 $7.954 billion in 2010-11, compared with $7.097 billion in 2009-10 – an increase of 12.1 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 is 84 per cent of the single basic age pension.

There are four rates of basic daily fee: standard rate, protected rate, non-standard rate and phased rate. The phased rate from 20 September 2009 was approximately 77 per cent of the single basic age pension. Over the following three years, this rate will gradually increase until phased residents 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 2010-11 and is expected to continue at this level over the next two 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 2010-11, an estimated 77.1 per cent of aged care homes received income from accommodation charges, and about 85.7 per cent held accommodation bonds at 30 June 2011. The average accommodation charge for new residents was an estimated $25.14 per day. The average accommodation bond agreed with a new resident in 2010-11 was an estimated $248,850 and the median new bond amount was an estimated $236,000.

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 (see Section 6.2 for a description of these services) and Innovative Care (including the new Consumer Directed Care places) – 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 2011:

- the Australian Government had allocated all 4,000 flexible care places announced in the 2010 Budget for transition care under the Act in all states and territories, with 3,349 places becoming operational In 2010-11;
- there were 134 operational Multi-Purpose Services, with a total of 3,216 operational flexible care places;
- there were 126 innovative care places operational nationally; and
- there were 500 Consumer Directed Care packages operational nationally as part of a two year Innovative Care initiative.

Support for people with special needs

The Aged Care Act recognises that there are groups of people that may find it more difficult to access aged care information and services and receive appropriate care. Known as special needs groups they include: 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 the spouse, widow or widower of a veteran); people who are homeless, or at risk of becoming homeless; and people who are care leavers[1].

[1] In 2009, the Australian Government amended the Act 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.

The provision of care for people with special needs is one of the legislatively based assessment criteria that all applicants are required to address in their application(s) for new places in the annual Aged Care Approvals Round process. The Department may also specify the proportion of places that most focus on the provision of care for such groups.

In 2010-11, the Department finalised the National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework after an extensive pilot. The first assessments against the framework will be completed in 2011-12.

Quality

The 2010-11 Budget measure *Supporting a Professional Aged Care Workforce* measure, combined with the *Building Nurse Careers* measure, provides support for the aged care workforce through grant funding to deliver qualifications and training for personal care workers and enrolled nurses in aged care, clinical placements and scholarships. In 2010-11, the Department allocated 19,199 vocational education and training courses, 715 scholarships and 1,300 clinical and graduate placements.

In January and February 2011, the Department monitored and provided support to state government agencies and aged care services during five emergency events that led to the partial or complete evacuation of residents from a total of 42 aged care facilities responsible for almost 1,700 residents. Community care service provision was also affected during some of the events.

Regulation and compliance

The Aged Care Standards and Accreditation Agency Ltd (the Accreditation Agency) accredits all Australian Government funded aged care homes. During 2010-11, the Accreditation Agency identified 264 homes as not having met one or more of the 44 expected outcomes of the Aged Care Accreditation Standards (the Accreditation Standards). As at 30 June 2011, 2,592 of the 2,768 accredited homes (93.6 per cent) were accredited for three years.

During 2010-11, in cooperation with the Accreditation Agency the Department:

- completed the review of the accreditation process which led to the *Accreditation Grant Principles 1999* being repealed and replaced by the *Accreditation Grant Principles 2011* on 20 May 2011; and
- progressed the review of the Aged Care Accreditation Standards for residential care homes which seeks to strengthen accreditation and monitoring processes and support quality improvements to ensure that recipients of Australian Government funded residential care

receive quality 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 2010-11, the Department issued 11 Notices of Decision to Impose Sanctions to nine Approved Providers. At 30 June 2011, four of these sanctions remained in place. The Department also issued 79 Notices of Non-Compliance against aged care services in relation to quality of care and an additional 10 Notices of Non-Compliance against Approved Providers in relation to prudential matters.

In 2010-11, the Accreditation Agency conducted 5,666 visits to homes, which represents an average of 2.05 visits per home. All homes received at least one unannounced visit from the Accreditation Agency during the year.

Community Care Common Standards for community aged care programs came into effect on 1 March 2011. The Common Standards apply to CACP, EACH, EACHD, the NRCP and HACC aged care services. These new standards and associated review processes have streamlined quality reviews for service providers while clarifying the accountability requirements they are expected to meet. The common standards also enhance quality monitoring by increasing the involvement of consumers in the quality review process.

During 2010-11, the Department undertook the final year of the second three-year cycle for the Quality Reporting Program for community care services. Thirty-four per cent of community care services participated in Quality Reporting in 2010-11.

The Department delivered a range of prudential reforms that improve protection for the more than 63,000 aged care recipients who have paid more than $10.6 billion in accommodation bonds without placing an undue regulatory burden on approved providers. The amendments to the Act that were delivered include limiting the permitted uses of bonds, the introduction of criminal penalties for significant bond misuse and the introduction of new information gathering powers.

During 2010-11, the Accommodation Bond Guarantee Scheme was not activated.

Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (the Scheme) 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 Scheme 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 2010 and 30 June 2011, the Scheme:

- received 13,606 contacts;
- considered 62.2 per cent of these (8,468 contacts including 4,013 complaints) to be 'in-scope' and subsequently examined;
- made 1,905 referrals to external agencies better placed to deal with the matters raised;
- conducted 2,344 site visits during the course of investigating cases;
- identified 1,148 cases where an Approved Provider had breached its responsibilities under the Act; and
- issued 393 Notices of Required Action where Approved Providers were found to be in breach of their responsibilities under the Act and had not already taken action to address the breach.

In response to an independent review conducted in 2009-10 by Associate Professor Merrilyn Walton, the Australian Government committed $50.6 million over four years to build a more responsive and customer focused aged care complaints system. These reforms, which are a part of the Government's National Health and Hospitals Reform package, will be delivered through to 2013-14, with many improvements to be rolled out in early 2011-12.

The Government's reforms include:

- strengthened risk assessment;
- increased options to resolve concerns, including early resolution and conciliation;
- improved communication with consumers and providers; and
- better access to seek review of a Scheme decision.

A number of improvements were implemented in 2010-11, including

- improved timeliness of resolution;
- improved communication with both parties throughout the complaints process;
- a clinical unit to provide advice to staff on issues of a clinical nature; and
- comprehensive training and improved procedures for Scheme staff, with a strong focus on applying the principle of natural justice.

Glossary

ABS	Australian Bureau of Statistics
ACAR	Aged Care Approvals Round
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 961(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, the	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 2010-11 financial year and is the thirteenth 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 and national reforms in aged care under the National Health Agreement.

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 primary 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 2010-11.

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 2010 and 30 June 2011.

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, 91 per cent of aged care homes responded to the 2011 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 and national reforms currently underway in aged care.

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. Ms Brown has recently been reappointed for another 3 year term. 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 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). In the past three years, the Ambassador has attended over 146 events and over 100 media opportunities across Australia.

The Australian Government also supports organisations such as National Seniors Australia and the Council on the Ageing (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 (NSPAC), 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. In 2010-11, NSPAC released timely reports covering issues such as later life learning, productive ageing in rural communities; age discrimination; volunteering and the ageing experience of Australians from a Culturally and Linguistically Diverse background. In June 2011, NSPAC held a national forum in Melbourne, bringing together stakeholders and consumers, to discuss the ageing experience of Australians from a migrant background, and to identify research gaps in this area. This forum was attended by over 100 participants. The Australian Government also supports the Australian Association of Gerontology (AAG), through the funding of an Executive Officer, to expand knowledge of ageing, with the purpose of improving the experience of ageing. The Association is a voluntary, not-for-profit organisation, interested in understanding and managing the impact of ageing in Australian society, members of the association are from diverse multidisciplinary professions that work in or are interested in ageing. AAG is the peak body for ageing research and is involved in the development of the National Ageing Research Agenda.

In March 2011, the Government announced the establishment of an Advisory Panel on the Economic Potential of Senior Australians. The Panel is examining how Australia can best harness the life experiences and intellectual capital of the older members of our community. The Panel is considering a number of specific policy areas during its deliberations, including opportunities created by the National Broadband Network for Senior Australians to stay connected to their communities and improving workforce participation and investing in the skills of senior Australians to help businesses and community groups tap into an active and engaged talent pool of senior Australians.

The Australian Government provides funding for the provision of therapy services to frail older people living in the community, and to residents of Australian Government funded residential aged care facilities, to optimise their independence which allows them to remain in the community or in low level residential care, for as long as possible.

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 capital grants and zero real interest loans to assist in the establishment of new services and the expansion or upgrade of existing aged care homes. It also has in place quality assurance and consumer protection programs.

The services and regulatory framework that operate under the *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 2010-11, including aged care support and assistance provided under and outside the Act, totalled $11.024 billion, compared with $9.956 billion in 2009-10 – an increase of 10.7 per cent.

In 2010-11, for Australian Government programs provided under the Act:

- expenditure on residential care subsidies and supplements was $7.954 billion, compared with $7.097 billion in 2009-10 – an increase of 12.1 per cent;
- expenditure on Community Aged Care Packages was $531.7 million, compared with $508.7 million in 2009-10 – an increase of 4.5 per cent;
- expenditure on Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages was $364.8 million, compared with $305.5 million in 2009-10 – an increase of 19.4 per cent; and
- expenditure on flexible care programs[2], (other than EACH and EACHD packages), was $263.5 million, compared with $215.2 million in 2009-10 – an increase of 22.5 per cent.

The largest single component of Australian Government expenditure outside the Act was $1.291 billion for the Home and Community Care (HACC) program, up from $1.187 billion in 2009-10. The states and territories also contribute to the HACC program. Their contribution in 2010-11 was $816 million.

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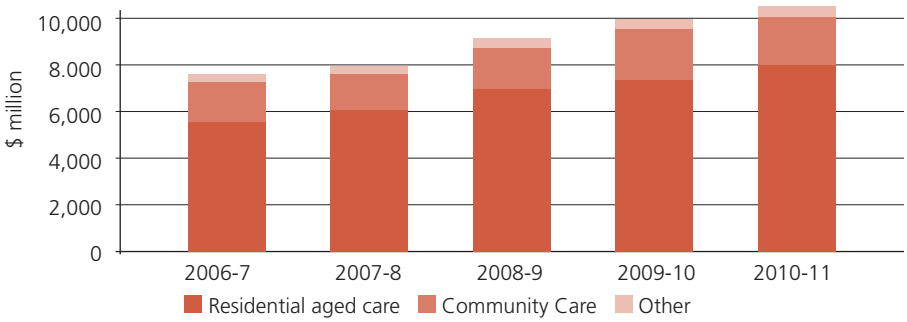
[2] Flexible care programs (other than EACH and EACHD packages) include Multi-Purpose Services, Innovative Pool and transition care places.

Expenditure for the National Respite for Carers Program for 2010-11 was $202.9 million. The Australian Government also provided $36.2 million in 2010-11 to deliver therapy services through the Day Therapy Centre Program (DTC).

Figure 1: Australian Government outlays for aged care, 2006-07 to 2010-11



Note: '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).

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 2010-11, through aged care programs administered by the Australian Government under the *Aged Care Act 1997*:

- 219,558 people received permanent residential care – equivalent to 10.4 per cent of people aged 70 years or over (estimated population as at 30 June 2010[3]);
- 74,726 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 3.5 per cent of people aged 70 years or over (estimated population as at 30 June 2010);
- 46,147 people received residential respite care – equivalent to 2.2 per cent of people aged 70 years or over (estimated population as at 30 June 2010) – of whom 18,706 were later admitted to permanent care; and
- 17,859 people received care under the Transition Care Program – an increase of 19.3 per cent over the previous year.

Many older Australians receive assistance through the joint Australian and state and territory government HACC program. In 2010-11 approximately 930,000 individual

[3] ABS Cat. No. 3101.0 - Australian Demographic Statistics, (June 2011) Australian Bureau of Statistics, December 2010

clients received HACC services; of these around 69 per cent were aged 70 years and over[4]. In addition, some 130,477 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 2010-11.

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 or 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 or over.

In 2010, the target for high level community care was temporarily increased from 4 to 6 places per 1,000 people aged 70 years or over and the target for high level residential care was temporarily adjusted from 44 to 42 places per 1,000 people aged 70 years or over. This was to ensure that the overall target ratio was achieved in 2011, together with an overall balance of 48 high care and 65 low care places.

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

Each year, the Minister determines the number of new residential, community and flexible care places that should be made available for competitive allocation in each state and territory. The number of new places relates to a comparison of

[4] Preliminary estimate for 2010-11.

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 (ACPACs). 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 both government and non-government members with knowledge and/or experience 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 new aged care places and/or zero real Interest loans 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. Community and Flexible Care Grants are also available for Approved Providers of community and flexible aged care packages.

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.

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

Community Aged Care Packages, Extended Aged Care at Home and Extended Aged Care at Home Dementia packages generally become operational soon after allocation.

Current provision

The total number of operational aged care places rose this year, from 237,164 as at 30 June 2010 to 247,379 as at 30 June 2011 – an increase of 4.3 per cent over the

previous year. This included 185,559 residential care places, 58,471 community care places and 3,349 transition care places.

The number of operational aged care places per 1,000 people aged 70 years or over as at 30 June 2011 is 112.8 (excluding transition care places). The number of allocated and operational aged care places per 1,000 people as at 30 June 2011 is provided in Table 1.

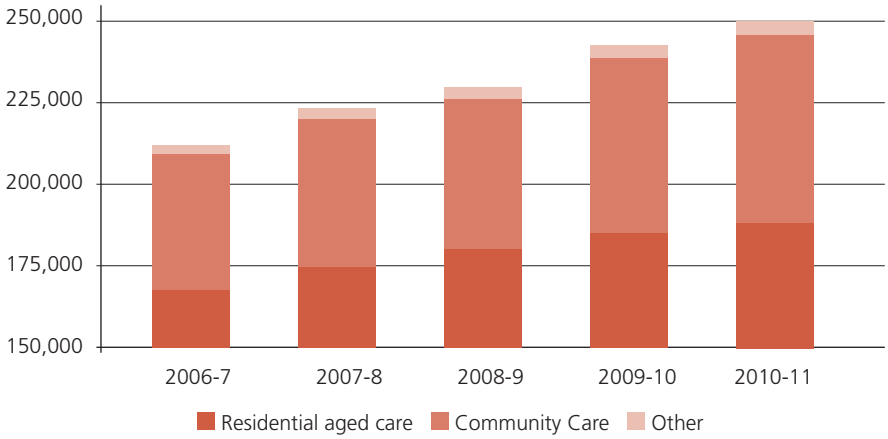
Table 1: Allocated and operational residential, community and transition care places per 1,000 people aged 70 years or over, at 30 June 2011, by state and territory

	Residential			Community			Transition Care	Total Places (excluding Transition Care)
	High	Low	Total	High	Low	Total		
Allocated Places								
NSW	50.1	47.2	97.3	4.3	20.7	25.0	1.9	122.3
VIC	47.2	49.5	96.7	4.6	20.2	24.8	1.8	121.5
QLD	46.5	48.9	95.4	6.9	21.4	28.4	1.8	123.7
WA	43.8	46.1	89.9	12.9	24.1	37.0	1.7	126.9
SA	51.4	44.2	95.6	3.4	20.3	23.7	1.8	119.3
TAS	48.5	42.8	91.3	5.0	21.6	26.6	1.9	117.9
ACT	45.7	51.8	97.6	18.5	26.5	45.0	2.2	142.6
NT	54.7	42.2	96.9	23.1	105.1	128.2	4.0	225.1
Aust.	**48.2**	**47.6**	**95.8**	**5.8**	**21.4**	**27.2**	**1.8**	**123.0**
Operational Places								
NSW	45.0	42.2	87.1	4.3	20.7	25.0	1.6	112.1
VIC	41.3	45.2	86.4	4.5	20.2	24.7	1.5	111.2
QLD	39.5	43.7	83.1	6.9	21.4	28.3	1.5	111.4
WA	36.7	42.9	79.6	12.2	23.9	36.1	1.4	115.6
SA	48.9	42.8	91.8	3.4	20.3	23.7	1.5	115.5
TAS	45.2	39.5	84.6	5.0	21.5	26.5	1.7	111.2
ACT	33.9	44.1	77.9	16.6	26.3	42.9	1.9	120.8
NT	52.0	42.2	94.2	20.2	104.2	124.4	4.0	218.6
Aust.	**42.5**	**43.3**	**85.8**	**5.7**	**21.3**	**27.0**	**1.5**	**112.8**

Note: Government planning targets are based on providing 113 places per 1000 people aged 70 years or over by June 2011. However, in recognition of poorer health among Indigenous communities, planning in some cases also takes account of the Indigenous population aged 50–69 years. This means that the provision ratio based on the population aged 70 years or over will appear high in areas with a high Indigenous population (such as the NT). Transition Care Program (TCP) places are not included in the target of 113.

Over the five years from 1 July 2007 to 30 June 2011, there was a steady increase in the total number of operational aged care places nationally of 33,875 places, or 16 per cent (Figure 2).

Figure 2: Operational aged care places from 2006-07 to 2010-11



Results of the 2009-10 Aged Care Approvals Round

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.

On 8 December 2010, a total of 12,272 new places were allocated, comprising 5,643 residential aged care places and 6,629 community care places. The community care places were made up of:

- 2,408 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;
- 2,714 Extended Aged Care at Home (EACH) packages which deliver high care to people in their own home, including the provision of nursing care; and
- 1,507 Extended Aged Care at Home Dementia (EACHD) packages which deliver high care to people in their own home who experience behaviours of concern and psychological symptoms associated with dementia.

Table 2 (below) provides a breakdown of the places allocated in the 2009-10 Aged Care Approvals Round.

Table 2: Results of the 2009-10 Aged Care Approvals Round

State/ territory	Residential places	CACPs	EACH packages	EACH-D packages	Total
NSW	1,604	722	452	155	2,933
VIC	1,573	428	338	210	2,549
QLD	1,583	471	772	442	3,268
WA	314	507	922	562	2,305
SA	237	135	17	10	399
TAS	221	36	22	14	293
ACT	91	72	175	104	442
NT	20	37	16	10	83
Aust.	**5,643**	**2,408**	**2,714**	**1,507**	**12,272**

In addition to the new places, $41.6 million in Capital Grants and, $2.45 million in Community and Flexible Care Grants were allocated. $147 million in zero real interest loans were also offered to successful applicants in the 2009-10 Aged Care Approvals Round.

New places made available in 2011 Aged Care Approvals Round.

The 2011 Aged Care Approvals Round was advertised on 18 June 2011, with applications closing on 2 August 2011. A total of 12,191 new aged care places have been made available for allocation comprising 10,493 residential aged care places, 1,419 community care places and 279 flexible care places. In addition to the places, up to $150 million in zero real interest loans and up to $58.5 million in capital grants has also been made available in the 2011 Round.

The results of the 2011 Aged Care Approvals Round are expected to be announced in late 2011.

Table 3 (below) provides a breakdown of the places made available in the 2011 Aged Care Approvals Round, by state and territory.

Table 3: New aged care places made available in the 2011 Aged Care Approvals Round

State/ territory	Residential places	CACPs	EACH packages	EACHD packages	Total
NSW	2,491	488	-	-	2,979
VIC	2,430	665	-	-	3,095
QLD	2,300	-	-	-	2,300
WA	1,500	-	188	91	1,779
SA	813	231	-	-	1,044
TAS	646	-	-	-	646
ACT	233	-	-	-	233
NT	80	35	-	-	115
Aust.	**10,493**	**1,419**	**188**	**91**	**12,191**

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 Packaged 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 will be released in 2011-12.

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

A further 200 CDRC packages will be released in 2011-12.

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 and/or a zero real Interest loan and/or a capital grant 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 made available 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.

2.4 Aged care reform process

Australia's older population is rapidly increasing which means a growing number of older people will need aged care services. The current aged care system is fragmented with complex and often inconsistent arrangements for managing aged care services. Changes are needed to ensure the aged care system can respond to the growing demand for aged care services.

The Australian Government is taking full policy and funding responsibility for aged care services, including a transfer to the Australian Government of current resourcing for aged care services from the Home and Community Care (HACC) program, in all states and territories except Victoria and Western Australia. This shift in responsibility will enable the development of a consistent aged care system covering basic care at home through to high level care in aged care homes. It will enable the Australian Government to drive increased integration between acute care, public hospitals, GPs, primary health care and aged care.

The Australian Government assumed full funding and policy responsibility for all aged care services for non-Indigenous people aged 65 years and over and for Aboriginal and Torres Strait Islander people aged 50 years and over from 1 July 2011, in most states and territories.

From 1 July 2012, the Australian Government will assume full operational responsibility for all aged care services for non-Indigenous people aged 65 years and over and for Aboriginal and Torres Strait Islander people aged 50 years and over covering basic home care through to residential care in most states and territories.

While service delivery mechanisms for basic home care will not be substantially altered before 1 July 2015, these reforms provide the foundations upon which the Australian Government will build a consistent and unified aged care system that delivers high quality, accessible and affordable care.

In 2010, the Australian Government announced it would invest over $800 million in aged care, including more than $530 million in additional funding, and would direct almost $300 million to the states and territories to support older people eligible for aged care in public hospitals.

This additional investment brings the Australian Government's aged care expenditure to a record $12.6 billion in 2011–12.

Further reforms to the aged care system will be considered in light of the Productivity Commission's report on aged care in Australia, *Caring for Older Australians,* which was publicly released on 8 August 2011.

Timeline and scope of the reforms

The HACC reforms, in all states except Victoria and Western Australia, are being implemented in two stages.

From 1 July 2011, the Australian Government is funding basic community aged care services, through an agreement with state and territory governments. The state and territory governments will continue to administer the program as they do now and service providers will continue to receive their funding through the state or territory government.

From 1 July 2012, the Australian Government will fund and administer basic community aged care services for older people (that is non-Indigenous people 65 years and older and Aboriginal and Torres Strait Islander people 50 years and over). This will involve direct funding arrangements between the Australian Government and service providers who deliver services to older people.

State and territory governments will still operate and fund basic community care and disability services for non-Indigenous people aged less than 65 years (less than 50 years for Aboriginal and Torres Strait Islander people).

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 effects of ageing such as dementia and incontinence.

From 1 July 2011, the Australian Government introduced a new national phone number to make it easier for Australians, their families and carers to access information about aged care services. The new number, **1800 200 422**, is answered by the 54 Commonwealth Respite and Carelink Centres across Australia and is the first step in the implementation of a single point of entry for those seeking access to aged care, including respite services.

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.

Since 1997, the Government has operated a public Aged Care Information Line (Freecall 1800 500 853). This line is confined to providing information and publications on fees, charges, programs, and procedures for Australian Government funded residential and community care options. There were 100,925 calls to the information line in 2010-11, compared to 103,341 calls in 2009-10.

Table 4: Calls to the information line by main category of caller and main reason for call, 2010-11

Caller Type	Number of calls	Percentage of all calls[1]
Main category of caller:		
Friend or family member	63,245	62.7%
Providers of residential care	9,015	8.9%
Self or general public	12,748	12.6%
Spouse	2,631	2.6%
Main issue or reason for call:		
Asset assessment	34,585	34.3%
Accommodation bond/charge	28,807	28.5%
Income test/means test	26,432	26.2%

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 seven million individual information products were distributed to consumers during 2010-11, 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;
- 1.2 million continence information products such as Continence Aids Payment Scheme application guidelines;
- 301,526 information resources, such as fact sheets on legal arrangements, managing money, and services available to consumers from the Carer Information and Support Program;
- More than one million Commonwealth Respite and Carelink Centres products;
- 689,000 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals; and
- 26,000 copies of the 2010 edition of the Australian Government Directory of Services for Older Australians.

There were also 89 emails, 89 faxes and 38 mail-outs of information circulars sent to service providers and major stakeholders during 2010-11, 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. The website also includes an Aged Care Assessment Team (ACAT) Finder service. An average of 4,180 ACAT Finder searches per month were conducted during 2010-11.

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 2010-11, 54 Centres across Australia provided more than 291,611 episodes of information about community, residential and other aged care services. Clients included general practitioners, other health professionals, service providers, individuals and their carers. From 1 July 2011 Commonwealth Respite and Carelink Centres can be contacted on the new national number 1800 200 422. 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 301,526 items in 2010-11.

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 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 2011, 108 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 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 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 decreased by nine per cent between 2008-09 and 2009-10 in comparison to an increase of only one per cent the previous year and 5.7 per cent in the year before.

Table 5: Number of completed ACAT assessments, 2005-06 to 2009-10, by state and territory

	2005-06	2006-07	2007-08	2008-09	2009-10[1]
NSW	63,260	66,860	70,858	71,912	60,562
VIC	47,674	50,029	53,000	52,583	49,776
QLD	27,351	30,030	31,716	31,948	29,096
WA	16,699	17,910	19,170	19,640	19,447
SA	15,840	15,642	16,210	16,660	16,533
TAS	4,894	5,215	5,593	5,630	4,994
ACT	2,774	2,282	2,067	2,287	2,212
NT	862	999	1,080	966	959
Aust.	**179,354**	**188,967**	**199,694**	**201,626**	**183,579**

1. The data was extracted from the Department of Health and Ageing Aged Care Data Warehouse in September 2011. Future extracts of this data may change and thus alter final numbers.

Note: Data for New South Wales and South Australia in the Ageing and Aged Care Data Warehouse include an unknown number of duplicate records created by a range of database changes and/or Aged Care Assessment Team amalgamations undertaken by the respective state governments. This has a flow-on effect on the national figures.

In February 2006, COAG agreed to improve access to care services for the elderly, people with disabilities and people leaving hospital[5]. As a result, state and territory governments, in consultation with the Australian Government, identified national priority areas to improve and strengthen the Aged Care Assessment Program.

Since the end of that measure on 30 June 2010, the Australian Government has continued to implement several activities which originally commenced under the measure:

- The ACAP National Training Strategy provides the framework for a range of training activities for ACAP staff in all jurisdictions; and
- The work of an Expert Clinical Reference Group has been progressed to develop a set of validated assessment tools for the ACAP.
- In 2010-11, the funding previously available to state and territory governments under the measure was included in the base funding for the ACAP. This

5 See COAG Meeting, 10 February 2006. *Communiqué.* Attachment D – Better health for all Australians: Action Plan.

allows states and territories to continue activities to strengthen and improve the ACAP as appropriate in each jurisdiction. In addition, the funding previously available for national activities under the measure was used to provide incentives to State and Territory Governments that meet established benchmarks for timeliness, consistency and quality of aged care assessments.

Australian Government funding to states and territories for the ACAP in 2010-11 has been provided through the ACAP Implementation Plan under the National Partnership Agreement on Health Services. Payments are made on successful achievement of program milestones as set out in the Implementation Plan. The Implementation Plan as agreed between the Australian Government and each state and territory is publicly available on the Federal Financial Relations website: http://www.federalfinancialrelations.gov.au.

Australian Government expenditure in 2010-11 for the ACAP was $69.3 million.

3.3 Support for carers – respite

Every day thousands of Australians play a vital role in looking after the needs of someone else. These are Australia's carers and in 2009, an estimated 771,400 Australians were classed as primary carers[6]. The Australian Government is committed to supporting the work of these carers who help older Australians, people with chronic illness or younger people with disabilities to live at home.

An essential support for carers is respite care. 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.

Respite care can be provided under the Act in an Australian Government funded aged care facility. Alternatively there are a number of respite services provided outside of the Act under the National Respite for Carers Program and the Home and Community Care program. Additional funding is also supplied by the Australian Government for Multi-Purpose Services to provide respite care in rural areas.

National Respite for Carers Program

The National Respite for Carers Program (NRCP) program commenced in 1996 and targets carers of the frail elderly, younger people with disabilities, people with dementia and those people with dementia who have challenging behaviours. This program supports and maintains the caring relationships between carers and the people for whom they care.

Nationwide, 54 Commonwealth Respite and Carelink Centres (see also Section 3.1) provide carers with information, coordinate respite services, help carers access these services, and arrange individual respite when needed.

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[6] Australian Bureau of Statistics, *Survey of Disability, Ageing and Carers* 2009, ABS Cat No. 4430.0

Over 650 services deliver respite in a number of settings which allows more flexibility for carers. Settings include day respite in community settings, in the home and in respite cottages. The NRCP complements the respite services provided under the Act in Australian Government funded residential aged care facilities.

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.

The program assisted more than 130,000 carers during 2010-11 which included:

- 93,341 carers who received information, carer support and emergency respite through Commonwealth Respite and Carelink Centres;
- 5,274 carers who received counselling services; and
- 31,862 carers who received respite services.

The Australian Government continued to support carers with expenditure of $202.9 million for delivery of these services in 2010-11.

The total number of carers assisted through the National Respite for Carers Program is an estimate. This estimate is based on data taken from 1 July 2010 to 31 March 2011 and extrapolated to cover the period to 30 June 2011. Final figures will be publically available on the department's website.

On 23 July 2010, it was announced that 200 Consumer Directed Respite Care (CDRC) packages were allocated nationally to provide carers an individualised respite budget, to be expended on respite services of their choice. A further 200 CDRC packages will be released in 2011-12.

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 2010-11, there were 61,687 admissions to residential respite care, and the number of residential respite days used increased from an estimated 1.34 million days in 2009-10 to more than 1.43 million days in 2010-11. On average, each client received 1.4 episodes of residential respite care during 2010-11, and their average length of stay per episode was 23.5 days.

Table 6: Respite care resident days by level of care, 2010-11, by state and territory

	High care	Low care	Total
NSW	333,845	305,888	639,733
VIC	99,531	222,256	321,787
QLD	89,639	91,378	181,017
WA	38,504	52,800	91,304
SA	81,932	59,058	140,990
TAS	16,018	13,828	29,846
ACT	6,916	10,098	17,014
NT	6,397	2,372	8,769
Aust.	**672,977**	**757,678**	**1,430,655**

The Australian Government continues to increase spending on respite care. Expenditure on residential respite care was more than $178 million in 2010-11, compared with almost $162 million in 2009-10 – an increase of around 10 per cent.

Table 7: Australian Government expenditure for residential respite care, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	57.3	59.5	69.9	74.5	83.2	11.7%
VIC	23.8	25.3	28.3	31.7	34.5	8.8%
QLD	15.0	15.3	17.7	21.6	22.8	5.9%
WA	6.5	7.0	8.5	9.4	11.0	16.4%
SA	13.5	13.9	15.9	17.6	19.4	10.2%
TAS	3.3	3.4	3.7	3.6	3.9	7.4%
ACT	1.6	1.7	2.1	2.1	2.0	-6.9%
NT	1.5	1.2	1.3	1.2	1.4	19.0%
Aust.	**122.5**	**127.3**	**147.5**	**161.7**	**178.2**	**10.2%**

The Australian Government also 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 2010-11, around $12.9 million was paid to residential care providers through this supplement.

3.4 Support for people with dementia

The Australian Government provides funding to support people with dementia and their carers, including through dementia research, early intervention and improved care initiatives and training for aged and community care workers and community and aged care services.

Support includes approximately $11 million in 2010-11 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 9,924 calls between 1 July 2010 and 30 June 2011.

In addition, a further $8.3 million was provided to Alzheimer's Australia for the National Dementia Support Program (NDSP). The NDSP provides a wide range of dementia-related services, education and support in communities throughout the nation for people with dementia, their families and carers. It includes support for a range of activities:

- the National Dementia Helpline (1800 100 500) and referral service
- counselling and support
- early intervention programs such as Living with Memory Loss Program
- operation of outreach locations through the Dementia and Memory Community Centres
- education, training and awareness activities including Dementia Awareness Week (annually in September)
- support for people with special needs includes the National Cross Cultural Dementia Network and activities for Aboriginal and Torres Strait Islander people.

Thirty six Commonwealth Respite and Carelink Centres deliver the Dementia Education and Training for Carers (DETC) program. The program aims to improve the quality of life of people with dementia by increasing the competence and confidence of carers through the provision of courses that enhance carer's skills, or processes that connect a carer to information.

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

The Australian Government continues to support the prevention and management of incontinence through two complementary initiatives, the National Continence Program (the Program) and the Continence Aids Payment Scheme (CAPS).

The Program commenced on 1 January 2011 and builds on the National Continence Management Strategy, which was first established in 1998 and provides funding for research and service development initiatives, aimed at the prevention and treatment of incontinence.

The Program supports a number of key activities including: support for World Continence Awareness Week and the annual National Conference on Incontinence, funding for the National Public Toilet Map and the Bladder and Bowel Health websites.

The Toilet Map provides locations, opening times and disability access information for over 16,000 public toilets across Australia. The Toilet Map can also be accessed via an iPhone application. In 2010-11, there were over 1.2 million visitors to the Toilet Map website.

The bladder bowel health website provides access to information about bladder and bowel health and incontinence prevention and management. In 2010-11, there were over 200,000 visitors to the website.

The National Continence Helpline, which is managed by the Continence Foundation of Australia, is also supported by the Australian Government. The Helpline is operated by continence nurse advisors who offer free, confidential advice to people living with incontinence and their carers on how to manage their condition. In 2010-11, the Helpline received 25,349 calls.

The CAPS was implemented on 1 July 2011, and replaced the previous Continence Aids Assistance Scheme. The CAPS is administered by the Department of Human Services, through the Medicare Program on behalf of the Department of Health and Ageing, and provides a direct payment into a client's nominated bank account. The CAPS aims to increase choice and flexibility to assist eligible people who have permanent and severe incontinence to meet some of the costs of their incontinence products.

Eligibility for the CAPS is based on a completed application form and is available to people five years of age and over who have permanent and severe incontinence caused by an eligible neurological condition, or have permanent and severe incontinence caused by an eligible other condition, provided they are the holder of a Centrelink or Department of Veterans' Affairs (DVA) Pensioner Concession Card.

As at 30 June 2011, there were over 86,000 clients registered through the Medicare Program who received assistance through the CAPS.

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. In 2010-11 the HACC program was a joint Australian Government and state and territory government initiative administered under the *Home and Community Care Act 1985*. The Australian Government provided 60 per cent of funding and maintained a broad strategic policy role with day-to-day management provided by state and territory governments.

Under the National Health Reform Agreement, from 1 July 2012 the Australian Government will take full funding, policy, management and delivery responsibility for a consistent and unified aged care system covering basic home care through to residential care (except in Victoria and WA).

The Australian, State and Territory Governments are working together to implement these new arrangements, including changes to the administration and funding of the Home and Community Care (HACC) program.

The changes do not apply to Victoria and Western Australia. In these states, basic community care services will continue to be delivered under HACC as a joint Australian and State Government funded program.

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 was the legal basis on which funds were provided to Victoria and Western Australia by the Australian Government for the operation of the HACC program in 2010-11.

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 8 shows the number of CACPs allocated to service providers as at 30 June each year over the five years from 2007 to 2011, and the percentage increase in available packages, by state and territory.

Table 8: Number of allocated CACPs as at 30 June each year, 2007 to 2011, by state and territory

	2007	2008	2009	2010	2011	Increase: 2010 to 2011
NSW	12,613	13,487	14,204	14,212	14,957	5.2%
VIC	9,562	10,135	10,582	10,582	11,020	4.1%
QLD	6,525	6,972	7,935	7,941	8,422	6.1%
WA	3,230	3,456	4,062	4,082	4,589	12.4%
SA	3,292	3,464	3,565	3,565	3,700	3.8%
TAS	970	1,021	1,101	1,101	1,137	3.3%
ACT	489	514	604	604	676	11.9%
NT	569	587	641	641	678	5.8%
Aust.	**37,250**	**39,636**	**42,694**	**42,728**	**45,179**	**5.7%**

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 9: Number of allocated EACH and EACHD places as at 30 June each year, 2007 to 2011, by state and territory

	2007	2008	2009	2010	2011	Increase: 2010 to 2011
EACH						
NSW	1,083	1,415	1,700	1,723	2,180	26.5%
VIC	882	1,106	1,356	1,366	1,700	24.5%
QLD	532	691	973	992	1,764	77.8%
WA	299	406	689	719	1,640	128.1%
SA	286	355	399	399	416	4.3%
TAS	90	119	152	152	174	14.5%
ACT	87	111	146	146	321	119.9%
NT	70	83	100	100	116	16.0%
Aust.	**3,329**	**4,286**	**5,515**	**5,597**	**8,311**	**48.5%**
EACH Dementia						
NSW	450	675	787	792	947	19.6%
VIC	331	497	569	569	779	36.9%
QLD	231	351	523	533	975	82.9%
WA	116	174	321	321	883	175.1%
SA	116	179	194	194	204	5.2%
TAS	40	60	86	86	100	16.3%
ACT	30	45	50	50	154	208.0%
NT	20	30	38	38	48	26.3%
Aust.	**1,334**	**2,011**	**2,568**	**2,583**	**4,090**	**58.3%**

Community care reforms

Throughout 2010-11, 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 2010-11, there was also a major focus on planning and preparation for reforms to the aged and community care section under the National Health Reforms.

In consultation with state and territory governments, progress continued in a number of areas during 2010-11, 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;
- preparation for HACC transition;
- 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.

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 10: Operational community care (CACP) places by provider type, as at 30 June 2011, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	5,204	4,697	3,339	687	396	620	14,943
VIC	3,929	2,627	1,610	395	1,345	1,114	11,020
QLD	3,806	2,062	1,652	567	121	199	8,407
WA	1,193	2,079	263	630	92	292	4,549
SA	1,062	1,702	412	120	313	91	3,700
TAS	407	242	339	57	62	27	1,134
ACT	162	395	69	45	0	0	671
NT	202	37	143	82	0	208	672
Aust.	**15,965**	**13,841**	**7,827**	**2,583**	**2,329**	**2,551**	**45,096**
% of Total	35.4%	30.7%	17.4%	5.7%	5.2%	5.7%	100%

Table 11: Operational community care (EACH) places by provider type, as at 30 June 2011, by state and territory

NSW	616	1,057	250	222	0	22	2,167
VIC	884	332	137	59	214	53	1,679
QLD	889	524	279	50	10	9	1,761
WA	678	535	41	270	0	33	1,557
SA	77	255	61	16	0	7	416
TAS	42	92	13	23	4	0	174
ACT	58	188	45	0	0	0	291
NT	30	43	0	32	0	0	105
Aust.	**3,274**	**3,026**	**826**	**672**	**228**	**124**	**8,150**
% of Total	40.2%	37.1%	10.1%	8.2%	2.8%	1.5%	100%

Table 12: Operational community care (EACHD) places by provider type, as at 30 June 2011, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	298	459	95	82	0	13	947
VIC	397	209	60	12	73	18	769
QLD	415	351	161	44	0	0	971
WA	439	180	0	213	0	0	832
SA	7	166	21	5	0	5	204
TAS	52	22	4	13	9	0	100
ACT	23	92	19	0	0	0	134
NT	15	5	0	18	0	0	38
Aust.	**1,646**	**1,484**	**360**	**387**	**82**	**36**	**3,995**
% of Total	41.2%	37.1%	9.0%	9.7%	2.1%	0.9%	100%

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. In 2010-11, the target group included people with moderate, severe or profound disabilities of any age. In 2010-11, around 930,000 people received services through the HACC program, of whom around 69 per cent were aged 70 years or over.

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 13: Number of community care recipients, by Australian Government program, by area of remoteness, as at 30 June 2011

Remoteness Area	CACPs	EACH	EACHD	Total
Major Cities of Australia	27,760	4,618	2,034	34,412
Inner Regional Australia	9,066	1,631	662	11,359
Outer Regional Australia	3,162	585	255	4,002
Remote Australia	551	57	15	623
Very Remote Australia	427	7	0	434
Aust.	**40,966**	**6,898**	**2,966**	**50,830**

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 2010-11, a total of 59,704 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 2010-11, 10,164 people received care through an EACH package and 4,858 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

In 2010-11 the Home and Community Care (HACC) program was jointly funded by the Australian Government and state and territory governments. The Australian Government contributed approximately 60 per cent of HACC program funding nationally and maintained a broad strategic role. State and territory governments contributed approximately 40 per cent of program funding and managed the program on a day-to-day basis.

Australian Government funding for HACC in 2010-11 totalled $1.291 billion – an increase of 8.8 per cent over total funding provided in 2009-10. Total combined Australian Government and state and territory government funding for 2010-11 was $2.107 billion – an increase of $162.3 million over the previous year.

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[7].

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 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 ($8.38 per day on 30 June 2011). 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 $508.7 million in 2009-10 to $531.7 million in 2010-11 – an increase of 4.5 per cent nationally.

Table 14: Australian Government expenditure for Community Aged Care Packages, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	140.1	153.1	165.7	175.2	181.7	3.7%
VIC	106.5	118.0	125.8	131.8	137.5	4.3%
QLD	63.3	71.9	77.7	83.9	88.3	5.3%
WA	34.4	37.9	40.2	44.2	47.4	7.2%
SA	37.2	41.1	43.2	45.0	46.5	3.5%
TAS	11.1	12.1	12.8	13.5	14.4	7.1%
ACT	5.7	6.0	6.5	6.8	6.8	-0.1%
NT	6.6	7.7	7.9	8.4	9.1	8.3%
Aust.	**404.9**	**447.8**	**479.7**	**508.7**	**531.7**	**4.5%**

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

Australian Government recurrent expenditure on EACH and EACHD increased to a combined total of $364.8 million in 2010-11. Expenditure on EACH increased by 19.9 per cent nationally, to reach $246.9 million in 2010-11 (see table below).

Table 15: Australian Government expenditure for Extended Aged Care at Home, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	31.8	45.4	57.7	67.2	75.6	12.6%
VIC	29.7	39.9	46.3	53.4	61.0	14.3%
QLD	17.1	21.7	26.3	32.5	44.4	36.7%
WA	8.1	11.6	15.9	21.8	31.8	46.0%
SA	9.6	12.6	14.6	16.3	17.4	7.0%
TAS	2.7	3.5	4.5	5.9	6.4	9.7%
ACT	2.8	3.8	4.5	5.4	6.1	12.9%
NT	2.1	2.6	2.9	3.6	4.1	12.4%
Aust.	**103.9**	**141.1**	**172.7**	**206.0**	**246.9**	**19.9%**

Expenditure on EACHD continued to increase significantly, reaching a total of $117.9 million in 2010-11 – an increase of 18.4 per cent (see following table).

Table 16: Australian Government expenditure for Extended Aged Care at Home Dementia, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	7.3	18.7	28.2	33.3	37.6	12.9%
VIC	7.4	16.1	22.1	24.7	27.8	12.4%
QLD	4.5	9.3	13.3	16.0	21.7	36.0%
WA	1.9	4.2	6.9	10.2	14.2	39.1%
SA	2.2	5.2	7.7	8.5	9.2	8.0%
TAS	0.7	1.9	2.5	3.5	4.0	12.6%
ACT	0.7	1.3	2.0	2.1	2.2	4.6%
NT	0.5	0.9	0.9	1.2	1.2	-1.3%
Aust.	**25.1**	**57.7**	**83.6**	**99.6**	**117.9**	**18.4%**

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 and Multi-Purpose Services[8] 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 assist organisations that may require assistance in meeting the cost of establishing new community or flexible care services or expanding existing community or flexible care 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. Eighty-nine Community Care and Flexible Care Grants were paid in 2010-11, totalling close to $2.5 million in value.

Table 17: Value of community care and flexible care establishment grants allocated during 2010-11, by state and territory

	Number of grants made	Total value ($'000)
NSW	14	430
VIC	28	572
QLD	18	558
WA	16	336
SA	1	54
TAS	3	71
ACT	4	101
NT	5	342
Aust.	**89**	**2,464**

[8] The Multi-Purpose Service Program is described in Section 6.2

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 homes.

As at 30 June 2011, there were 2,760 aged care homes delivering residential care under these arrangements, with an occupancy rate of 93.1 per cent over 2010-11. This compares to 92.4 per cent in 2009-10 and 92.9 per cent in 2008-09.

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 registered 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 as a care recipient's care needs increase from low to high care. The advantages of ageing in place for care recipients are significant and include less disruption and continuity of care in a familiar environment. Ageing in place is not available in all circumstances, as it is dependent on the capacity of individual aged care homes to accommodate increased care requirements within their physical environment and staffing arrangements. Table 18 gives information on the utilisation of residential care places for low level care and high level care.

Table 18: Utilisation of operational residential care places, as at 30 June 2011, 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	68.9%	46.1%
VIC	68.0%	47.7%
QLD	68.3%	52.1%
WA	68.3%	48.1%
SA	76.9%	58.6%
TAS	66.4%	42.5%
ACT	67.5%	51.4%
NT	69.7%	43.0%
Aust.	**69.2%**	**48.9%**

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.

As at 31 December 2010, there were 18,463 residential care places approved for Extra Service status. The total number of places approved for Extra Service

represented nine per cent of all allocated mainstream residential care places and comprised 14,956 high care places and 3,507 low care places.

5.2 Who provides 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 receive payment for care (subsidies) only for the specified number and type of aged care places allocated through the Australian Government's allocation processes.

In general, residential care in Australia is delivered by providers from the religious and charitable, community, private for profit and government sectors. In 2010-11, the not-for-profit group (comprising religious, charitable and community-based providers) were responsible for around 58.5 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 19: Operational residential care places, other than flexible care places, by provider type, as at 30 June 2011, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	17,285	14,282	9,775	20,453	612	637	63,044
VIC	7,016	3,410	6,551	23,611	5,923	732	47,243
QLD	12,405	5,685	3,381	9,876	1,501	170	33,018
WA	4,961	2,490	1,898	5,391	66	327	15,133
SA	4,612	4,628	2,022	4,105	832	429	16,628
TAS	2,043	971	1,012	531	87	16	4,660
ACT	761	610	225	435	0	0	2,031
NT	344	135	66	0	0	0	545
Aust.	**49,427**	**32,211**	**24,930**	**64,402**	**9,021**	**2,311**	**182,302**
% of Total	27.1%	17.7%	13.7%	35.3%	4.9%	1.3%	100%

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 2010-11, a total of 219,588 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 2011.

Table 20: Number of permanent residents, as at 30 June 2011, by state and territory, by level of care

Care level	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust.
High	42,504	31,846	22,322	10,228	12,537	3,047	1,346	365	124,195
Low	14,151	10,889	7,560	3,703	3,012	1,196	488	82	41,081
Total	**56,655**	**42,735**	**29,882**	**13,931**	**15,549**	**4,243**	**1,834**	**447**	**165,276**

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

People entering into Australian Government subsidised residential care must first be approved as a care recipient under Part 2.3 of the Act. Under these arrangements, comprehensive assessments are conducted to take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs. This assessment is undertaken by an Aged Care Assessment Team (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 21 (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 21: Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry, during 2010-11

	2 days or less	7 days or less	Less than 1 month	Less than 3months	Less than 9 months
High care	8.3%	23.0%	51.0%	74.0%	87.9%
Low care	4.0%	11.0%	31.4%	59.8%	85.7%
All residents	6.5%	17.9%	42.6%	67.9%	86.9%

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.

[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).

- 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.

What the Government pays

The Australian Government subsidises the provision of residential care to approved residents. The payment for each resident consists of a basic subsidy plus any relevant supplements. Since 20 March 2008, the amount of basic subsidy payable for permanent residents has been assessed 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).

[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.

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.

Australian Government funding for residential care subsidies and supplements has risen from $7.097 billion in 2009-10 to $7.954 billion in 2010-11 (see Table 22). 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 22: Australian Government recurrent residential care funding, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	1,959.8	2,084.2	2,248.1	2,429.6	2,734.4	12.5%
VIC	1,396.4	1,495.4	1,626.8	1,801.4	2,032.8	12.8%
QLD	1,005.0	1,058.8	1,127.9	1,268.6	1,407.5	11.0%
WA	465.2	495.5	536.7	594.2	669.1	12.6%
SA	590.8	632.1	680.2	736.1	800.7	8.8%
TAS	153.3	161.5	167.7	177.8	196.1	10.3%
ACT	54.2	57.7	61.3	68.9	80.9	17.4%
NT	17.3	17.9	18.6	20.5	25.1	22.6%
Aust.	**5,655.5**	**6,002.9**	**6,474.0**	**7,097.1**	**7,954.4**	**12.1%**

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].

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

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

Table 23: Summary of Australian Government payments by subsidy and supplements, from 2006-07 to 2010-11

Type of payment	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m
Basic Subsidy					
Permanent	4,762.7	5,006.4	5,325.5	5,844.0	6,560.3
Respite	101.5	106.6	128.2	140.0	153.7
Conditional Adjustment Payment	250.0	353.8	471.0	518.0	581.9
Primary care Supplements [1]					
Oxygen	8.4	9.2	10.2	11.9	12.8
Enteral Feeding	11.0	10.8	10.2	10.0	8.6
Payroll Tax	94.4	99.3	104.1	111.5	126.4
Respite Incentive	8.5	8.4	10.1	11.7	12.9
Hardship					
Hardship	5.6	5.9	5.0	4.4	4.0
Hardship (Accommodation)	0.0	0.0	0.4	1.2	2.1
Accommodation Supplements					
Accommodation Supplement	0.0	4.7	104.1	216.0	328.7
Interim Accommodation Supplement	0.0	95.8	0.0	0.0	0.0
Transitional accommodation supplement	0.0	1.6	28.8	59.3	80.4
Viability	15.7	15.1	14.8	15.9	20.6
Supplements relating to grandparenting					
Concessional	308.1	307.0	267.6	219.3	175.2
Transitional	46.4	36.2	28.1	21.8	17.4
Charge Exempt	3.0	2.7	2.2	2.1	1.8
Pension	297.6	300.6	247.1	188.7	146.2
Income testing reduction	-213.5	-251.1	-242.9	-233.7	-304.1
Other reductions	-57.1	-57.1	-61.8	-57.6	-60.4
Other	13.3	-52.8	21.3	12.8	86.1
Total	**5,655.5**	**6,002.9**	**6,474.1**	**7,097.4**	**7,954.4**

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 24: Average Australian Government payments (subsidy plus supplements) for each permanent residential care recipient, from 2006-07 to 2010-11

	2006-07	2007-08	2008-09	2009-10	2010-11	Increase: 2009-10 to 2010-11
High care residents	$45,100	$46,350	$48,500	$51,550	$55,100	6.9%
Low care residents	$16,300	$16,750	$17,700	$20,150	$23,000	14.1%
All residents	**$33,950**	**$37,350**	**$40,000**	**$43,050**	**$46,900**	**8.9%**

Care Payments

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

The ACFI has three funding categories or domains: Activities of Daily Living (ADL), Behaviour (BEH) and Complex Health Care (CHC). Funding in each of these domains is provided at four levels, namely high, medium, low or nil. The defined funding rates are set out in Table 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 2011, 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 ended on 30 June 2011.

Table 25: Daily ACFI subsidy rates as at 30 June 2011

Level	Activities of daily living (ADL)	Behaviour Supplement (BEH)	Complex Health Care Supplement (CHC)
Nil	$0.00	$0.00	$0.00
Low	$30.32	$6.93	$13.64
Medium	$66.03	$14.36	$39.86
High	$91.47	$30.25	$56.11

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 2010 calendar year; and
- satisfying the CAP audited financial reporting requirements, by lodging a written notice in respect to the 2009-10 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 2009-10. The CAP continued at this level of 8.75 per cent of the basic subsidy in 2010-11 and is expected to continue at this level over the following two 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

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

can seek financial hardship assistance with their basic daily fees, the income tested fee, accommodation charge or bond (see section 7.5).

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 replaced 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 for 1 July 2010 to 19 September 2010, $28.72 for 20 September 2010 to 19 March 2011 and $30.55 for 20 March 2011 to 30 June 2011 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 26 shows the estimated increase in the maximum daily rate of the accommodation supplement to 19 March 2012.

Table 26: 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).

As part of the 2011–2012 Budget, measures were introduced to expand existing funding under the Viability Supplement to provide additional support to:

- aged care homes in very remote to moderately accessible locations that target low care;
- eligible aged care homes that provide specialist aged care services to Indigenous Australians; and
- eligible aged care homes that provide specialist aged care services to people with a history of (or who may be at severe risk of) homelessness.

Table 27: Australian Government expenditure for residential viability supplement, and the number of aged care homes receiving residential viability supplement, during 2010-11, 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	104	4,304.1	2	117.6	52	3,451.1
VIC	92	3,208.6	0	0.0	7	544.8
QLD	97	5,834.1	3	396.4	27	2,578.1
WA	31	2,723.6	1	195.7	30	2,722.2
SA	50	2,001.6	4	692.1	14	2,482.5
TAS	24	997.6	0	0.0	3	212.0
ACT	0	0.0	0	0.0	0	0.0
NT	11	1,513.3	9	1,776.4	1	53.7
Aust.	**409**	**20,582.9**	**19**	**3,178.2**	**134**	**12,044.4**

1. Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement.

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 high care (nursing home) on 30 September 1997 and who move to another home where they would otherwise be eligible to pay an accommodation charge. Aged care providers cannot ask 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 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 in accordance with the User Rights provisions; and
- 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** (standard resident contribution). 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 basic daily fee 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.

There are four rates of basic daily fee, these are:

Standard Rate

Applies to most aged care residents, including full pensioners and some part-pensioners with lower amounts of private income.

Protected Rate

Applies to people who were in permanent care on 19 September 2009, including part-pensioners with private income amounts above the income threshold and self-funded retirees.

Non-standard Rate

Applies to certain people who entered care prior to 20 March 2008, including: self-funded retirees, pensioners who have agreed to pay a large bond, or residents who chose not to disclose their financial information to Centrelink.

Phased rate

Applies to people who enter permanent care from 20 September 2009, including part-pensioners with private income amounts above the income threshold for phased residents and self-funded retirees.

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, and 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 until 19 March 2010, the phased resident contribution 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 28).

Table 28: 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 care subsidies going to the provider (called the income test reduction amount) based on the amount that the resident's income exceeds the threshold amount. The provider can increase the amount of fee charged to the resident up to or equal to the income test reduction amount. 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 Government 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. All entrants to Extra Service can be asked to pay an accommodation bond.

The Australian Government assists those residents who do not have sufficient means 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 2010-11, providers received up to a maximum of $26.88 for 1 July 2010 to 19 September 2010, $28.72 for 20 September 2010 to 19 March 2011 and $30.55 for 20 March 2011 to 30 June 2011 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 $39,000 (from 20 March 2011) in assets. For those with more assets, the Government supplement reduces, with the supplement cutting out altogether for those with more than $102,544 (from 20 March 2011) in assets. This system replaced a number of previous accommodation payments paid for pensioners, and people with low assets.

In 2010-11, an estimated 77.1 per cent of homes collected accommodation charges, compared with 73.9 per cent in 2009-10. The average daily charge to new residents was $25.14 compared with $22.51 in 2009-10.

Table 29: Accommodation charges, 2006-07 to 2010-11

	2006-07	2007-08	2008-09	2009-10	2010-11[1]
Homes collecting charges	65.5%	68.3%	71.2%	73.9%	77.1%
Average daily accommodation charge for new residents	$16.02	$17.19	$19.82	$22.51	$25.14

1. These figures are preliminary and may be subject to change.

An **accommodation bond** is payable by all low care residents who can afford to pay at the time of their entry to aged care. Residents who enter permanent high level care in an Extra Service 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, with the agreement of the second facility, 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 85.7 per cent of aged care homes held accommodation bonds at 30 June 2011, compared with 83.9 per cent at 30 June 2010. The average accommodation bond agreed with a new resident in 2010-11 was $248,850 compared with $232,276 in 2009-10. The median bond amount in 2010-11 was $236,000 compared with $220,000 in 2009-10[15].

[15] Accommodation bond and charge data for 2010-11 are based on preliminary results of the 2011 Survey of Aged Care Homes and are subject to further refinement following detailed analysis of the survey results.

In about 10.9 per cent of the aged care homes that received new bonds in 2010-11, the average new bond amount agreed for the home was $100,000 or less. In an estimated further 12.5 per cent of such homes, the average amount for new bonds was in the range $100,001 to $150,000.

As shown in Table 30, the method of payment of bonds most frequently used was payment by lump sum.

Table 30: Method of payment of accommodation bonds, as percentage of all bond-paying new residents, 2006-07 to 2010-11

	2006-07	2007-08	2008-09	2009-10	2010-11[1]
Lump sum	91.1%	91.0%	89.3%	89.6%	90.3%
Periodic payments	3.6%	3.1%	3.5%	4.1%	3.7%
Combination of lump sum and periodic payments	5.3%	5.9%	7.4%	6.3%	5.9%

1. These figures are preliminary and may be subject to change.

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 200 422.

The **Extra Service amount** is the maximum amount a provider can charge a resident for receiving Extra Service in a residential care facility with Extra Service status (see section 5.1). A resident in an Extra Service place pays an Extra Service amount in addition to other fees, which may include the basic daily fee and the income tested fee.

As part of an application for Extra Service status, providers must apply to set an Extra Service fee which must be approved in accordance with the Act. The Extra Service amount equals the approved Extra Service fee plus 25 per cent of the approved fee. Extra Service agreements between the resident and the provider should specify the circumstances under which the Extra Service amount can be increased.

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

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 31 sets out details[16] .

An estimated total of $1.05 billion of new building, refurbishment and upgrading work was completed during 2010-11, involving about 12.8 per cent of all homes. An estimated further $907 million of work was in progress at 30 June 2011, involving about 5.6 per cent of all homes. At June 2011, an estimated 14.2 per cent of homes were planning building work.

Table 31: Estimated building work expenditure by residential care services, 2006-07 to 2010-11[17]

	2006-07	2007-08	2008-09	2009-10	2010-11
Building Work					
Estimated total building work completed during the year or in progress at 30 June ($m)	$2,988	$3,381	$3,005	$2,358	$1,957
Proportion of homes that completed any building work during the year	15.2%	13.4%	16.9%	13.3%	12.9%
Proportion of homes with any building work in progress at the end of the year	12.3%	9.8%	10.0%	7.5%	5.7%
New building work[1]					
Proportion of homes that completed new building work during the year	2.7%	3.1%	3.1%	2.7%	2.2%
Proportion of homes with new building work in progress at the end of the year	3.2%	2.7%	2.4%	1.5%	1.6%
Estimated new building work completed during the year ($m)	$629	$873	$968	$1,028	$750
Estimated new building work in progress at the end of the year ($m)	$801	$854	$731	$441	$431
Proportion of homes that were planning new building work	4.6%	3.4%	3.2%	3.1%	4.3%

[16] Building activity data for 2010-11 are preliminary and are subject to further refinement following detailed analysis of the Survey of Aged Care Homes results.

[17] Source: Surveys of Aged Care Homes, 2007, 2008, 2009, 2010 and 2011. Building data for 2010-11 are preliminary and are subject to further refinement following detailed analysis of the 2011 survey results.

	2006-07	2007-08	2008-09	2009-10	2010-11
Rebuilding work[2]					
Proportion of homes that completed rebuilding work during the year	0.7%	0.81%	0.78%	0.98%	0.40%
Proportion of homes with rebuilding work in progress at the end of the year	1.7%	1.31%	1.19%	0.64%	0.90%
Estimated rebuilding work completed during the year ($m)	$97	$184	$280	$155	$116
Estimated rebuilding work in progress at the end of the year ($m)	$556	$546	$342	$216	$245
Proportion of homes that were planning rebuilding work	2.7%	1.5%	1.5%	1.7%	2.2%
Upgrading work[3]					
Proportion of homes that completed upgrading work during the year	11.8%	9.9%	13.2%	10.0%	10.4%
Proportion of homes with upgrading work in progress at the end of the year	7.4%	6.0%	6.7%	5.5%	3.3%
Estimated upgrading work completed during the year ($m)	$307	$394	$322	$257	$183
Estimated upgrading work in progress at the end of the year ($m)	$497	$530	$362	$261	$230
Proportion of homes that were planning upgrading work	7.9%	7.2%	7.2%	6.6%	8.9%

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.

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 2011 Aged Care Approvals Round, up to $58.5 million in capital grants has been made available nationally to approved providers to undertake necessary capital works to establish, upgrade or expand residential aged care services.

In addition, the Zero Real Interest Loans initiative (see Section 2.3), introduced by the 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 encourage 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 funding round which was run in 2008, $150 million in loans was offered to providers to build a total of 1,348 new residential care beds in areas of need. In the second round, run in conjunction with the 2009-10 Aged Care Approvals Round, over $147 million was offered to providers to build a total of 819 new residential care beds in areas of need.

In 2010, the Government announced an extension to the program of a further two funding rounds to provide an additional $300 million in loans and 2,500 residential aged care places. The loans will be made available in two equal rounds of $150 million each in conjunction with the 2011 and 2012 Aged Care Approvals Rounds.

As part of the extension, the Government has also modified the program to:

- allow providers to apply for loans in respect of provisionally allocated residential aged care places for services within identified areas of need;
- extend the loan repayment period from the 12 years to 22 years;
- expand the definition of an area of need to include those with relatively higher numbers of Long Stay Older Patients.

The results of the first expansion round and the 2011 Aged Care Approvals Round are expected to be announced in late 2011.

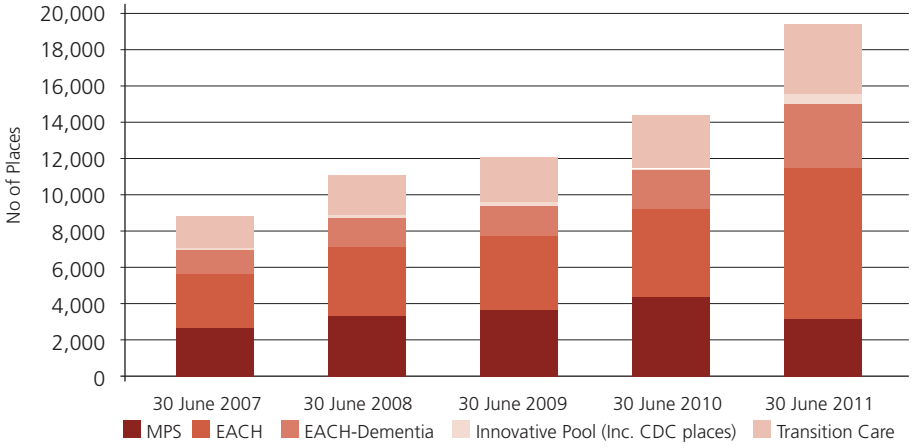
6 Flexible Care

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*.

As they are community based, EACH and EACHD services provided under flexible care arrangements have been discussed in more detail in Chapter 4 – Community Care.

Figure 3 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 2011.

Figure 3: Operational flexible care places, from 30 June 2007 to 30 June 2011.



Note: The number of flexible care places does not include places allocated under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Innovative Pool places included 500 Consumer Directed Care (CDC) places in 2010-11.

The Australian Government is funding Consumer Directed Care (CDC) in Australian Government community aged care programs to test an alternative model of care. CDC is a two year initiative which commenced in 2010-11 and provides older people and their carers with greater involvement and control over the design and delivery of community care services provided to them.

In addition, flexible models of care are also 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 have the flexibility to determine service delivery models for transition care that best respond to local service and individual care recipient needs. All state and territory governments have entered into partnership arrangements with non-government organisations for the provision of transition care.

Commencing in 2005, the Australian Government provided a total of 2,000 transition care places to all states and territories. 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 Aboriginal and Torres Strait Islander people aged 50 or over. In the 2008 Federal Budget, the Australian Government committed to provide an additional 2,000 transition care places that would be provided in four releases to be made operational by June 2012.

At 30 June 2011, the Australian Government had allocated all 4,000 transition care places, and 3,349 of these places were operational.

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

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

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 2010-11, the average length of stay for completed episodes of transition care was 61 days.

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

As at 30 June 2011, 2,830 people were receiving transition care. Overall 17,859 people received transition care in 2010-11 (see Table 32). When all 4,000 places are fully operational, the program may assist up to 30,000 older people each year.

Table 32: Number of transition care recipients by area of remoteness

Remoteness Area	Number of people receiving care at 30 June 2011	Number of people who received care during 2010-11
Major Cities of Australia	1,890	12,199
Inner Regional Australia	748	4,568
Outer Regional Australia	191	1,060
Remote Australia	n.p.*	n.p.*
Very Remote Australia	n.p.*	n.p.*
Australia	**2,830**	**17,859**

Note: 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.
*n.p. not published

Australian Government funding for the program is provided in the form of a flexible care subsidy for each person receiving transition care. In 2010-11, the Australian Government met, on average, 61 per cent of the recurrent costs of the program. In 2011-12, the Australian Government will be meeting up to 75 per cent of the recurrent costs of transition care in all states and territories.

Table 33: Expenditure on transition care, in 2010-11, by state and territory

	NSW $m	VIC $m	QLD $m	WA $m	SA $m	TAS $m	ACT $m	NT $m	Aust. $m
Australian Government	49.1	38.4	27.6	12.3	14.5	3.3	1.7	1.0	147.9
States and Territories	22.3	31.9	18.1	8.3	7.4	4.1	1.4	0.4	93.8
Total	**71.4**	**70.4**	**45.7**	**20.6**	**21.9**	**7.3**	**3.1**	**1.4**	**241.8**

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 2011, there were 134 operational Multi-Purpose Services, with a total of 3,216 flexible care places (with some of the Multi-Purpose Services serving more than one location). During 2010-11, five new Multi-Purpose Services were established and the number of operational aged care places in Multi-Purpose Services increased by 3.1 per cent.

Table 34: Multi-Purpose Services and operational places, as at 30 June 2011, 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	52	636	230	105	971
VIC	7	225	131	14	370
QLD	27	208	133	115	456
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.	**134**	**1,752**	**1,042**	**422**	**3,216**

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 the 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 $104.5 million in 2009-10 to $108.2 million in 2010-11.

Table 35: Australian Government expenditure for Multi-Purpose Services, from 2006-07 to 2010-11, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	2009-10 $m	2010-11 $m	Increase: 2009-10 to 2010-11
NSW	20.9	24.2	30.8	32.9	36.7	11.7%
VIC	8.6	9.2	9.8	12.8	8.6	-33.0%
QLD	10.1	12.0	12.7	13.8	15.8	14.3%
WA	19.9	20.7	21.6	22.2	23.3	4.8%
SA	7.0	9.0	16.5	19.1	20.1	5.3%
TAS	2.7	3.0	3.3	3.4	3.5	3.3%
ACT	0.0	0.0	0.0	0.0	0.0	n/a
NT	0.0	0.2	0.3	0.3	0.3	0.4%
Aust.	**69.2**	**78.3**	**95.0**	**104.5**	**108.2**	**3.6%**

Note: 1st quarter payment of 2010-11 was pre-paid in 2009-10.

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 - established in 2001-02, 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, and have controlled methods of service delivery. Evaluation is an integral element of all projects.

As at 30 June 2011, there were 10 operational services with a total of 124 operational innovative care places. These services were operated by Approved Providers from the community care sector across six states.

To further test an alternative model of care, the Australian Government is funding Consumer Directed Care (CDC) in Australian Government community aged care programs. CDC is a two year initiative which commenced in 2010-11 and provides older people and their carers with a greater say and more control over the design and delivery of community care services provided to them.

At 30 June 2011, a total of 500 CDC packaged care places had been allocated providing 300 CDC Low Care, 128 CDC High Care and 72 CDC High Care Dementia places. A further 500 places will be released in 2011-12.

The Australian Government spent a total of $3.4 million nationally on projects funded under the Innovative Pool program in 2010-11. A total of $7.4 million was spent on all Innovative Pool programs including the CDC Initiative.

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); people who are homeless or at risk of becoming homeless; and people who are care leavers.

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 all applicants seeking new places through the Aged Care Approvals Round, or a transfer of places, to demonstrate their understanding of the particular care needs 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.

In particular, providers need to have regard to the particular physical, psychological, social, spiritual, environmental and other health related care needs of individual care recipients. Establishing and maintaining links with representatives of relevant community groups and other support agencies and organisations is regarded as an integral part of providing relevant levels of care and facilitating the provision of culturally appropriate care.

7.1 People from Aboriginal and Torres Strait Islander communities

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

As well as having access to aged care services funded under the Act, Aboriginal and Torres Strait Islander people also have access to services funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. These services are funded, and operated outside, the regulatory framework of the Act. At 30 June 2011, there were 28 aged care services funded through this program, with funding to deliver over 600 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.

In addition, the Australian Government provided funds to develop an independent quality framework with a set of culturally appropriate standards for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Funding is also provided for capital grants in order to support aged care services in remote areas and those providing care to Aboriginal and Torres Strait Islander people.

Support Services for Remote and Indigenous Aged Care

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

The support 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.

A panel of organisations is available 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 2010-11, funds of over $2.1 million, which included emergency support, were provided under the program.

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

The independent National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework includes:

- standards for health and personal care; safety and physical environment;
- culturally appropriate lifestyle; and
- effective management and governance.

From November 2010 to May 2011, the Department piloted the Quality Framework with the National Aboriginal and Torres Strait Islander Flexible Services to ensure that the framework and associated tools were both applicable and usable in the cultural context within which Indigenous services operate. The Quality Framework has been finalised and the assessment and monitoring arrangements for the Quality Framework are being developed.

The first assessments against the framework will be completed in 2011-12.

7.2 People from non-English speaking (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.

In the 2011-12 Budget, a number of existing initiatives aimed at supporting aged care services and promoting healthy and active ageing were consolidated in to the Aged Care Service Improvement and Healthy Ageing Grants Fund (the Fund), this includes initiatives that support people from culturally and linguistically diverse backgrounds. The establishment of the Fund will enable the Australian Government to better support activities that promote healthy and active ageing, better respond to existing and emerging challenges including dementia care, better support those services targeting Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds.

The Government funds an organisation in each state and territory to equip aged care providers to deliver culturally appropriate care to older people from culturally and linguistically diverse backgrounds. The organisations provide culturally appropriate training to staff of aged care services, disseminate information on high quality aged care practices, and support aged care service providers to develop new services such as clusters, ethnospecific and multicultural aged care services.

Funding is also provided to the organisations to assist older people from culturally and linguistically diverse communities to gain access to aged care information and services. Some of the activities undertaken by the organisations include translations, referrals, and information sessions for culturally and linguistically diverse communities.

The Australian Government provides financial support to government funded residential aged care services to access interpreting services. The Department of Immigration and Citizenship's Translating and Interpreting Services (TIS National) provides the interpreting services. TIS National is available 24 hours a day, seven days a week and provides both telephone and onsite interpreting.

7.3 People who are 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 they have access to health and other care services that promote and maintain self-sufficiency, well-being and quality of life.

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

There were 27,244 gold or white treatment card holders in residential care as at June 2011, an increase from 25,273 at June 2010.

Table 36: Number of gold or white treatment card holders in residential care, as at June 2011, by state and territory (preliminary)

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust.
9,613	6,743	5,352	1,957	2,437	798	321	23	**27,244**

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

7.4 People who live in rural or remote areas

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

In 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 129 services in June 2010 to 134 services in June 2011. 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 2010-11, the Australian Government provided viability supplement funding for mainstream residential care ($20.6 million), community care ($5.16 million), Multi-Purpose Services ($12.04 million), and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program ($3.82 million).

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 supported, concessional and assisted residents.

Supported residents are those who:

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

Concessional residents are those who:

- entered care before 20 March 2008 and who have not re-entered care on or after 20 March 2008 after a break of more than 28 days; and
- receive an 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 2010-11 was $30.55 per day.

Of the 219,588 people receiving residential care during the 2010-11 financial year, financial support with accommodation costs was being provided for 54,543 supported residents, 29,837 concessional residents and 4,014 assisted residents. In 2010-11, a total of $328.7 million was paid to Approved Providers as supplements for accommodation costs for residents who were unable to meet the full cost of their accommodation (Table 23).

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 2010-11, the Department processed 1,221 applications for financial hardship assistance. Of these, 55 per cent were approved and 6 per cent were rejected as ineligible. Following advice from the Department, the remaining 39 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 $6.1 million in hardship supplements during 2010-11.

7.6 People who are homeless or at risk of becoming homeless

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

During 2010-11, Australian Government funding of $4.4 million was provided to the program, supporting 41 service providers across Australia to supply ACHA services.

In response to the White Paper on Homelessness, *The Road Home*, released in December 2008, the Australian Government has formally defined homeless older people as a 'special needs' group to recognise their unique requirements. The Australian Government also made a commitment to allocate aged care places and a capital grant for at least one specialist aged care service for people who are homeless, or at risk of becoming homeless, in an area of need, each year, for four years. The Department of Health and Ageing is also working with other Australian Government portfolios to strategically and collaboratively develop integrated ways of addressing homelessness. This is being coordinated through the Homeless Delivery Review Board.

As part 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. The review found that, while the ACFI had not adversely impacted on access to care, it can be difficult to accommodate the needs of some residents, including those associated with homelessness, within the aged care framework. As part of the 2011-12 Budget, the Australian Government announced changes to the viability supplement that will increase the support available for eligible residential services specialising in care for people at risk of homelessness, low care in rural and remote areas, and care for Indigenous Australians. This measure came into effect on 1 July 2011.

7.7 People who are 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]. Institutional care refers to residential care provided by a government or non-government organisation, including (but not limited to) orphanages; children's homes; industrial, training or farm schools; dormitory or group cottage houses; juvenile detention centres; and mental health or disability facilities.

The experiences of care leavers while in institutional or out-of-home care may affect their ongoing well-being and have an impact on 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 through amendment of the *Allocation Principles 1997* with effect from 1 December 2009 to include care leavers as a 'special needs' group to formally recognise their unique care 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.

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.

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

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.

Supporting a Professional Aged Care Workforce

The 2010-11 Budget measure *Supporting a Professional Aged Care Workforce* combined with the *Building Nurse Careers* measure, provides support for the aged care workforce through:

- Grant funding to registered training organisations and institutes of technical and further education to deliver aged care certificate qualifications, short courses and training for personal care workers and enrolled nurses in aged care.
- Grant funding to Approved Providers, research institutes and universities and peak bodies for student nurse clinical placements, nurse graduate placement, encouraging better practice in aged care and support for the development of teaching nursing homes.
- Undergraduate and postgraduate scholarships in nursing for aged care employees.

In 2010-11, the Department allocated 19,199 vocational education and training courses, 715 scholarships and 1,300 clinical and graduate placements.

In the 2011-12 Budget, these activities were consolidated into the Aged Care Workforce Fund to provide a larger, flexible funding pool for initiatives aimed at improving the quality of aged care by developing the skills of the aged care workforce. The Aged Care Workforce Fund will provide a continuum of training, education and support for the aged care workforce, facilitate

collaborations between the aged care, training and research sector, and provide targeted training strategies for Aboriginal and Torres Strait Islander peoples to support the delivery of culturally appropriate care.

In December 2010, the Better Oral Health in Residential Care Training project concluded. Between December 2009 and December 2010, more than 88,000 aged care workers received training to strengthen dental and oral care in more than 2,500 aged care homes.

Nurse Practitioner – Aged Care Models of Practice Projects

In 2010-11, the Department developed guidelines and invited applications for funding for the Nurse Practitioner – Aged Care Models of Practice program. These demonstration projects are designed to test models of practice that improve access to primary health care services and build career paths for nurse practitioners in the aged care sector. The University of Canberra has been engaged to measure the effectiveness, financial viability and sustainability of these projects.

Aged Care Education and Training Incentives

In 2010-11, the Department implemented the Aged Care Education and Training Incentives Program which encourages existing aged care workers to undertake approved aged care certificates or nursing qualifications. It provides an incentive payment directly to the individual that can be claimed through Medicare Australia. In 2010-11, 5,265 incentive payments were processed.

Aboriginal and Torres Strait Islander community care

In 2010-11, the Department continued to build and support the Aboriginal and Torres Strait Islander aged care workforce, which in turn supports the provision of quality and culturally appropriate services to Aboriginal and Torres Strait Islander clients, through the following programs:

- Building an Indigenous Workforce in Community Care
- the Northern Territory Jobs Package
- the Cape York Welfare Reform Trial
- the National Jobs Creation Package.

The Department also implemented the Torres Strait Islands Jobs Package in 2010-11.

Together, these initiatives delivered more than 750 permanent part-time positions in services delivering home and community care, community aged care programs and flexible aged care services. The take up of positions has been over 90 per cent nationally.

Eighty Indigenous Australians across the country commenced traineeships in business or management in remote Indigenous aged care services. These traineeships range from certificate level to advanced diploma courses.

8.2 Quality improvement

Encouraging Better Practice in Aged Care initiative

As part of the 2010-11 Budget measure titled *Supporting a Professional Aged Care Workforce* (SPACW), the Encouraging Best Practice in Residential Aged Care (EBPRAC) initiative was expanded to include community aged care. To reflect this change and to acknowledge the shifting nature of evidence, the name of the initiative has been changed to: *Encouraging Better Practice in Aged Care* (EBPAC).

The EBPAC initiative aims to encourage and support the uptake of evidence-based, person-centred better practice in Australian Government subsidised aged care services, through a focus on improving staff knowledge and skills and developing supporting resources, to improve outcomes for aged care recipients.

In the 2011-12 Budget, a number of existing initiatives aimed at supporting aged care services and promoting healthy and active ageing were consolidated into the Aged Care Service Improvement and Healthy Ageing Grants Fund (the Fund), including the EBPAC initiative. The establishment of the Fund will enable the Australian Government to better support activities that promote healthy and active ageing, better respond to existing and emerging challenges including dementia care, better support those services targeting Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds.

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

To date, there have been 13 evidence translation projects funded under two funding rounds. All funded applicants were required to establish a consortium that included residential aged care facilities (RACF), researchers and educators to implement up-to-date, evidence-based clinical care in a specific area of practice for residents of aged care homes. A total of 108 RACF from all states participated in an EBPAC project.

Under Round One projects were funded until December 2009. The five projects focused on falls management, pain management, medication management, nutrition and hydration and oral health. The eight projects funded under Round Two were completed in 2010-11 and targeted the clinical areas of palliative care (three projects), behaviour management (three projects), wound management and infection control.

In addition to evidence translation projects, EBPAC has also funded resource development and maintenance activities and a national rollout project to

promulgate the work achieved under Round One. Under the national rollout of the Better Oral Health in Residential Aged Care training resources and strategies developed under a Round One EBPRAC project that focused on better practice in oral health for residents in RACF, were rolled out across all jurisdictions in 2010. The training was designed to strengthen dental and oral care across residential aged care and was offered to all RACF, Multi-Purpose Services and Indigenous flexible care services of which 89 per cent participated. These kinds of activities will continue to be pursued under EBPAC for Round One and Two projects.

A national evaluator – the Centre for Health Service Development, University of Wollongong – completed an evaluation in March 2011 of all projects implemented under Rounds One and Two of the EBPRAC initiative as well as of the overall program. The final National Evaluation Report is available on the Department of Health and Ageing website. It will be used to inform future funding rounds and the Department is in the process of considering ways that the strategies and resources developed under EBPAC and key lessons learnt can best be disseminated to the sector.

The following findings from the national evaluation are being used as a part of the EBPAC Funding Round Three;

- Clinical leadership was found to be a critical factor in ensuring a receptive context for change and sustained evidence-based practice. To this effect, clinical leadership has been designated as a priority area under Funding Round Three.
- Some of the original objectives were not easily understood by projects in Rounds One and Two and were difficult to assess. The aims and objectives have been modified to reflect this.

Community care better practice

During 2010-11, in consultation with key stakeholders, a resource including principles on better practice in the community was finalised. Further work is underway to publish and disseminate this resource. In response to the expansion of the EBPAC initiative to include community aged care Funding Round Three (mentioned above) will target evidence translation projects in community aged care as the second priority area.

Additional 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.

Risk Management for Emergency Events

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

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

In January and February 2011, the Department monitored and provided support to state government agencies during five emergency events that led to the partial or complete evacuation of residents from a total of 42 aged care facilities responsible for almost 1,700 residents. Community care service provision was also affected during some of the events.

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 2010-11, services under the National Aged Care Advocacy Program undertook 4,836 advocacy cases, handled 5,354 general enquiries and provided 1,572 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.

In 2010-11, the Department funded, monitored and supported 156 community-based organisations who reported that visitors undertook more than 178,000 visits to more than 12,200 residents in aged care facilities.

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 2010-11, the Department received 97 applications by entities seeking approval as providers. Of these 43 were approved, 44 are still being considered, two were not approved and eight were withdrawn. At 30 June 2011, there were 1,414 Approved Providers in total.

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 2010-11, Approved Providers notified 4,976[20] changes; ceasing 2,285 and commencing 2,691 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 2010-11, it was not necessary to revoke this status for any Approved Provider.

9.2 Community Care Quality Reporting

'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 the Community Care Common Standards and complete a Quality Report at least once during a three year cycle.

In 2010-11, 34 per cent of community care services completed quality reviews.

The Community Care Common Standards have been developed jointly by the Australian Government and state and territory governments as part of broader community care reforms to develop common arrangements that simplify and

[20] Data from the National Approved Provider System as at 11 August 2011.

streamline the way community care is delivered. The Common Standards draw together the differing community care standards into one set of quality standards which reduces the administrative burden for service providers.

The Community Care Common Standards came into effect on 1 March 2011 and apply to packaged care programs, the NRCP and aged care services under the Home and Community Care program.

Before the Common Standards were implemented, communication with the sector was undertaken, with about 70 presentations conducted nationally. Over 3,500 community care service provider representatives attended the presentations

Information resources were developed and made available through service providers to individual service recipients in 2010-11. The resources provide plain English information on consumer rights and responsibilities, decision making, choice and access to independent advice, complaints and dispute resolution and service standards and how they are monitored.

The Charter of Rights and Responsibilities for Community Care for recipients of Australian Government funded packages (CACP, EACH or EACH-D) is included in the resources.

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.

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

- managing the accreditation process using the Accreditation Standards;

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

- 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 2010-11, the Accreditation Agency conducted industry education and learning activities including:

- Better Practice conferences, attended by a total of 1,004 delegates
- a series of one-day courses, attended by 727 participants, covering *Continuous improvement, Managing risk to avoid non-compliance* and *Achieving compliance in expected outcome 1.8 Information systems*
- a new one-day Person-centred care course, developed by TIME for dementia at La Trobe University and NSW/ACT Dementia Training and Study Centre at University of Wollongong and launched in April 2011, attended by 164 participants
- a three-day *Understanding Accreditation: a practical toolkit for homes* program directed at aged care managers, attended by 1,418 participants
- Quality Education on the Standards (*QUEST*) sessions, delivered to 7,170 aged care staff, in topics including privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers - your role in aged care, continuous improvement for residential aged care, turning data into results and using resident feedback
- various presentations at industry conferences were made by Accreditation Agency executives.

The Accreditation Agency also developed an e-Learning framework for aged care managers and staff to have improved access to learning programs run by the Accreditation Agency.

Aged care homes must remain accredited to receive Australian Government subsidies. During 2010-11, the Agency conducted visits to assess and monitor the performance of Australian Government subsidised aged care homes against the Accreditation Standards. These visits included:

- 476 accreditation site audits
- 69 review audits, of which 25 were unannounced
- 5,121 assessment contacts, of which 3,463 were unannounced.

All homes received at least one unannounced visit, totalling 3,488 during the year.

During 2010-11, 71 review audit decisions were made, including two outstanding from 2009-10:

- 27 homes were the subject of a decision not to revoke or vary the period of accreditation
- 37 homes were the subject of a decision to vary accreditation
- 7 homes were subject to a decision to revoke accreditation.

During 2010-11, the Accreditation Agency identified 264 homes as not having met one or more of the 44 expected outcomes of the Accreditation Standards. Homes found to have not met the Accreditation Standards were placed on a timetable for improvement, providing them with an opportunity to meet the Accreditation Standards.

As at 30 June 2011, 2,592 of the 2,768 accredited homes (93.6 per cent) were accredited for three years.

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

The Australian National Audit Office tabled its report "Monitoring and Compliance Arrangements Supporting Quality of Care in Residential Aged Care Homes" in June 2011. The report acknowledged that the Department and the Accreditation Agency have effective compliance and monitoring systems and processes in place to ensure that aged care homes comply with the standard of care and services required under the Act. The report made three recommendations:

- that the Department develop a Service Charter and report annually against it and the Accreditation Agency report annually against its existing Charter of Commitment to Service Quality;
- that the Department develop a common risk profile for each accredited home and analyse, at an aggregated level, the information contained in these risk profiles; and
- that the Department identify Key Performance Indicators that assist stakeholders to assess the contribution to quality improvement made by the Accreditation Agency's compliance monitoring role and the Department's regulatory role.

The Department and the Accreditation Agency agreed to the recommendations and are progressing work to implement the recommendations. The Accreditation Agency reported against its Charter of Commitment to Service Quality in its 2010-11 Annual Report.

Accreditation reform

During 2010-11, the Department, in consultation with the Accreditation Agency, progressed reviews of the Aged Care Accreditation Standards (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.

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

The Department undertook broad national consultation on the draft Accreditation Standards with representatives from industry, consumer and carer groups, unions and health professional organisations, advocacy groups and special needs groups during March, April and May 2011. The workshops were well attended and participants provided valuable input to the draft Accreditation Standards. The Department also received more than 60 submissions on the draft Accreditation Standards from a range of stakeholders and members of the public.

Feedback from the workshops and from individual submissions has been considered by the TRG and further refinement of the draft Accreditation Standards undertaken as appropriate. It is anticipated that the draft Accreditation Standards will be piloted in a range of differing services before implementation.

Following public consultation held with the sector, a number of potential enhancements to the accreditation process were identified and a further consultation paper outlining the proposed changes to the Accreditation Grant Principles 1999 was provided to the sector through the Ageing Consultative Committee in 2010. The review of the process found that amendments to the Accreditation Grant Principles 1999 would be desirable in order to remove or amend outdated provisions, streamline the accreditation process, enhance consumer engagement and provide greater clarity and consistency of administrative processes. Given the extent of the changes proposed, the existing Principles were repealed and replaced with a new set of Principles, the Accreditation Grant Principles 2011, on 20 May 2011. The new principles improve the accreditation process by increasing the involvement of consumers in the audit process, clarifying the responsibilities of approved providers and removing duplication and outdated provisions.

9.4 Residential care certification

Residents expect high quality and safe accommodation in return for their direct and indirect contributions. The Department grants Certification to those residential aged care services that are able to provide suitable accommodation and care. An

aged care service must be certified to be able to charge accommodation bonds or accommodation charges. Furthermore, to be eligible to receive the maximum level of the accommodation supplement, aged care services must meet the fire safety and privacy and space requirements.

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

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

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

Table 37 shows the summary of services that have met the fire safety and privacy and space requirements as at 30 June 2011.

In response to a recommendation in the Productivity Commission's *Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure,* the Department submitted a Proposal for Change to the Australian Building Codes Board to incorporate the privacy and space requirements in the Building Code of Australia. The Board did not support the proposal for change.

Table 37: Services that have met the privacy and space and fire safety requirements, as at 30 June 2011, by state and territory

	Total Number of Services	Number of Compliant Services	Percentage of Services that are Compliant Services
NSW	888	884	99.5%
VIC	761	761	100.0.%
QLD	483	480	99.4%
WA	245	245	100.0%
SA	263	263	100.0%
TAS	79	79	100.0%
ACT	26	26	100.0%
NT	15	15	100.0%
Aust.	**2,760**	**2,753**	**99.7%**

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 residential aged care facility with non-compliance is currently under the supervision of the local council.

The Department implemented 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. Approved Providers are now only required to report on an exception basis to confirm their compliance with fire safety requirements.

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 Accreditation Agency and the Department have a role in monitoring residential care services. In broad terms, the Accreditation Agency manages the accreditation process and assesses performance against the Accreditation Standards. The Department is responsible for managing the community care quality reporting program and monitors compliance with the Community Care Common Standards. The Department assesses performance of 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 Accreditation 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 2010-11, the Department received notification of 1,815 alleged reportable assaults. Of those, 1,499 were recorded as alleged unreasonable use of force, 284 as alleged unlawful sexual contact and 32 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 2010 to 30 June 2011, there were 817 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 2010-11, the Department issued 11 Notices of Decision to Impose Sanctions to nine Approved Providers. On 30 June 2011, four of these sanctions remained in place. Details of sanctions imposed in 2010-11 are included at Appendix D. The Department also issued 79 Notices of Non-Compliance against aged care services in relation to quality of care and an additional 10 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 primary 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 2010, Approved Providers reported through their Annual Prudential Compliance Statements that they held over 63,000 bonds with a total value of around $10.6 billion. This is an increase of around $1.47 billion (or 16.5 per cent) in bonds held on 30 June 2009. The average holding per Approved Provider was $11.2 million and the 10 largest bond holders (including company groups) held approximately 21.4 per cent, or around $2.2 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 2010-11, 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 2009-10 reporting year, 1,150 Approved Providers were asked to complete and lodge an Annual Prudential Compliance Statement by 31 October 2010.

Table 38: Annual Prudential Compliance Statement outcomes, 2008-09 and 2009-10

Annual Prudential Compliance Statement Reported compliance	2009-10	2008-09
Approved Providers that reported non-compliance	127	129
Approved Providers that reported non-compliance with the Records Standard	3	22
Approved Providers that reported non-compliance with the Disclosure Standard	30	21
Approved Providers that reported non-compliance with the Liquidity Standard	7	17
Approved Providers that reported they refunded accommodation bonds after due dates	87	90

Analysis of the 2009-10 Annual Prudential Compliance Statement (Table 38) 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 Disclosure Standard, due to some Approved Providers failing to correctly disclose information to residents within the required timeframe or failing to lodge their 2009-10 Annual Prudential Compliance Statement to the Secretary within the required timeframe.

Following the 2009-10 Annual Prudential Compliance Statement reporting period, the Department issued six Notices of Non-Compliance to Approved Providers for non-compliance with the prudential requirements. All six of the Notices of Non-Compliance related to the failure to supply an Annual Prudential Compliance Statement.

As a result of the Notices of Non-Compliance, four Notices to Remedy Non-Compliance were issued to three Approved Providers to ensure lodgement of 2010-11 Annual Prudential Compliance Statement by the due date.

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 in the final stages of implementing the ANAO's findings.

On 26 July 2011, *the Aged Care Amendment Act 2011* (the Amending Act) received the Royal Assent. The amending Act delivers the Government's April 2010 commitments as part of the National Health and Hospitals Network reform to strengthen the prudential regulation of accommodation bonds. The prudential reforms include limiting the permitted uses of bonds, the introduction of criminal penalties for significant bond misuse and the introduction of new information gathering powers. The *User Rights Principles 1997* have been amended to introduce a new governance standard and improve disclosure arrangements. These reforms, which commenced on 1 October 2011, improve protection of the over 63,000 aged care recipients who pay bonds.

The Department considered 60 submissions to issues and consultations papers and conducted more than 45 face-to-face visits with stakeholders, including approved providers, peak bodies, financiers and consumer advocacy groups, in the development of the prudential reforms. Overall, the response has been supportive of the objectives of the prudential reforms, with stakeholders acknowledging the balance that the proposed changes strike between enabling approved providers access to capital and protecting the life savings of care recipients.

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 not triggered during 2010-11.

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

Approved Providers are accountable for the subsidies they receive based on the Aged Care Funding Instrument (ACFI) appraisals 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 2010-11, 23,067 reviews of funding claims under the ACFI were completed. Of these reviews, 3,825 (17 per cent) resulted in reductions in funding and four per cent resulted in increased funding. The Department has analysed the cause of the 17 per cent funding reductions and found that questions relating to pain management in residents accounted for a significant proportion of changes to funding classifications at review. This clinical area was identified in the Review of the Aged Care Funding Instrument as an area for further examination.

If an Approved Provider is dissatisfied with a change to a funding classification made by a departmental review officer, the provider can appeal that decision. Decisions were appealed for 169 residents, four per cent of the downgraded classifications. In the 169 cases the Department reconsidered, 49 (29 per cent) of departmental review officer decisions were confirmed. In 84 cases (50 per cent) 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.

During 2010-11, there was one application made by an Approved Provider to the Administrative Appeals Tribunal in relation to the Department's review of an ACFI appraisal. This matter was settled without proceeding to a full Tribunal hearing.

10 Complaints Investigation Scheme

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

The aim of the Scheme 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 Scheme 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 Scheme 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.

Reforms to the Scheme

In 2009, the Australian Government commissioned Merrilyn Walton, Associate Professor of Medical Education at the University of Sydney, to conduct an independent review of the Scheme. Associate Professor Walton made a number of recommendations, including improving risk assessment, increasing options for resolving concerns, improving consumer and stakeholder communication and providing ongoing training and support for Scheme staff.

The Government accepted the majority of Associate Professor Walton's recommendations and allocated $50.6 million in the 2010–11 Budget as part of the Building an Australian Aged Care System: Improving Consumer Focus and Protection in Aged Care reform program to improve the Scheme.

This reform program is being implemented over four years from 2010-11 to 2013-14, and will strengthen complaints handling through:

- increasing options to resolve complaints, for example early resolution and conciliation
- implementing risk assessment tools to help Scheme staff appropriately manage complaints
- improving the timeliness of complaints resolution
- improving communication with aged care consumers and the industry
- better access to seek review of a Scheme decision.

Many reforms will be delivered in 2011-12, however a number of improvements were implemented in 2010-11, including:

- a greater focus on achieving quality and timely outcomes for both parties, including addressing some concerns during the intake phase
- establishing a clinical unit to provide advice to Scheme staff on issues of a clinical nature and to ensure decision making is consistent and evidence-based
- early written notification to both parties about the issues the Scheme will examine
- improved communication with both parties throughout the complaints process
- clearer written feedback to both parties at the end of the process
- comprehensive training and improved procedures for Scheme staff, with a strong focus on applying the principle of natural justice
- improved engagement with the aged care sector on reform activities.

Complaints and contacts

The Scheme received a total of 13,606 contacts in 2010-11, with 8,468 contacts being in-scope for the Scheme, representing 62.2 per cent of all contacts. A contact is in-scope when it relates to an Approved Provider's responsibilities under the Act, including complaints, notifications and compulsory reports.

Of the 8,468 in-scope contacts, the Scheme received 4,013 complaints relating to Australian Government subsidised residential and community aged care in 2010-11.

Some 80 per cent of contacts were open, that is, the person disclosed their name and contact details to the Scheme.

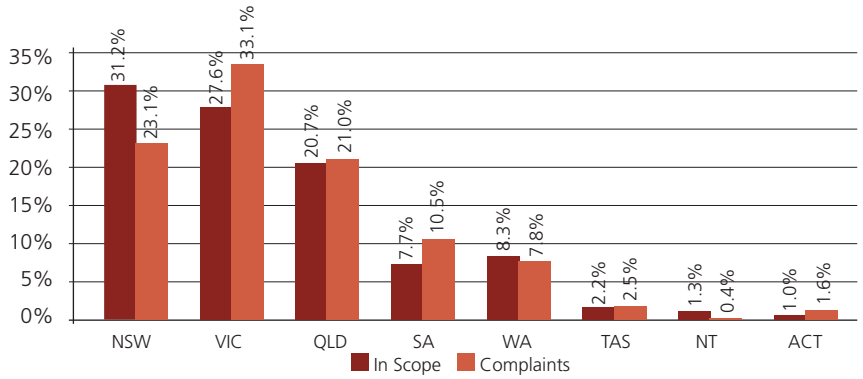
Of in-scope contacts, 40 per cent were from the Approved Provider and 25 per cent were from a representative or family member of a care recipient.

A total of 5,138 contacts were out-of-scope, representing 37.8 per cent of all contacts. A contact is out-of-scope when it is not related to an Approved Provider or an Approved Provider's responsibilities under the Act. The Scheme will normally provide the person making the contact with information about their options or they will be referred to the appropriate organisation.

Examples of out-of-scope contacts include:

- a complaint about an aged care service that does not receive Australian government funding
- a request for information that is not related to the Scheme
- questions about choosing a retirement village
- questions about financial, legal or health matters on behalf of a person receiving care
- questions about industrial matters such as wages or employment conditions
- requests for legal advice.

Figure 4: Proportion of total national in-scope contacts (excluding complaints) and complaints in 2010-11, by state and territory

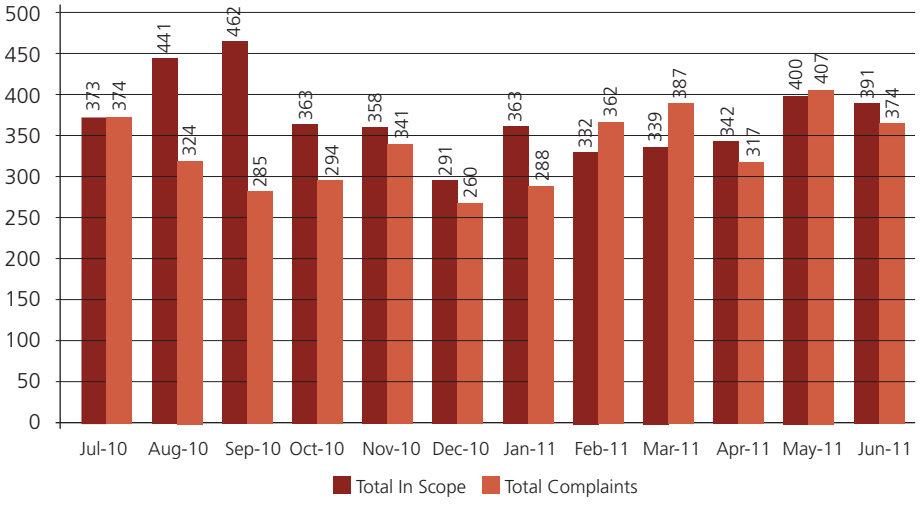


Complaints and in-scope contacts received by month

In 2010-11, the Scheme received an average of 334 complaints and 706 in-scope contacts each month, nationally.

The following graph shows the number of complaints and in-scope contacts received by the Scheme each month during 2010-11. December 2010 recorded the fewest in-scope contacts and complaints, with a marked reduction in the last week of December.

Figure 5: Number of in-scope contacts (excluding complaints) and complaints received in 2010-11, by month



Average number of in-scope cases per care service

Of the 8,468 in-scope cases received in 2010-11:

- 96 per cent of cases (8,130 cases) related to residential care services
- 2.1 per cent (176 cases) related to community care services
- 1.9 per cent (162 cases) either had no service or related to an Approved Provider.

In 2010-11, the average number of in-scope cases per residential care service ranged from 3.5 in New South Wales, Western Australia and Tasmania to 8.3 in the Northern Territory.

The national average was 3.8 in-scope cases per residential care service. These figures are based on those residential care services that were operational on 30 June 2011.

In 2010-11, the national average was 1.4 cases per community care service. The average number of in-scope cases per community care service ranged from 1.0 in South Australia to 3.0 in the Northern Territory.

Figure 6: Average number of in-scope cases per residential care service in 2010-11, by state and territory

Number of contacts received over the last four financial years

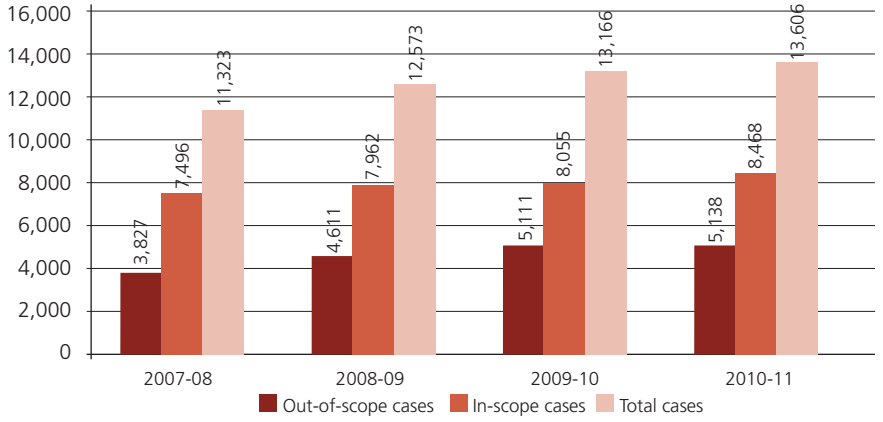
Over the last four financial years, the number of contacts received by the Scheme has increased, however this increase is in line with the increase in the number of people receiving Australian Government subsidised aged care.

The total number of in-scope and out-of-scope contacts increased from 11,323 in 2007-08 to 13,606 in 2010-11. This was an increase of 2,283 contacts over the last four financial years, equating to an increase of 20 per cent since 2007-08. The increase from 2009-10 (13,166 contacts) to 2010-11 (13,606 contacts) was small when compared to increases in previous years.

The number of in-scope cases increased from 7,496 in 2007-08 to 8,468 in 2010-11. This is an increase of 972 in-scope cases, equating to an increase of about 13 per cent since 2007-08.

These increases are proportionate to the increase in the number of people receiving Australian Government subsidised aged care. In 2007-08, 208,079 people received aged care, compared with 219,588 people in 2010-11. This equates to a 5.5 per cent increase in people receiving aged care.

Figure 7: Comparison of in-scope and out-of-scope contacts received over the last four financial years



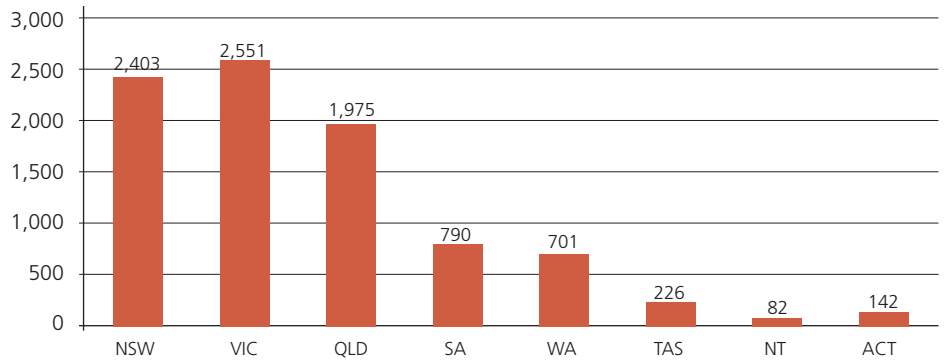
Cases finalised in 2010-11

In 2010-11, the Scheme finalised 14,031 in-scope and out-of-scope cases, which is an average of 1,169 cases per month. This number includes a small number of cases which were received in 2009-10.

Of finalised cases, 63.2 per cent (8,870 cases) were in-scope and the remaining 36.8 per cent (5,161 cases) were out-of-scope.

In all, 67 per cent of cases were completed within 40 days and an additional 25 per cent of cases were completed within three months.

Figure 8: Cases finalised in 2010-11, by state and territory



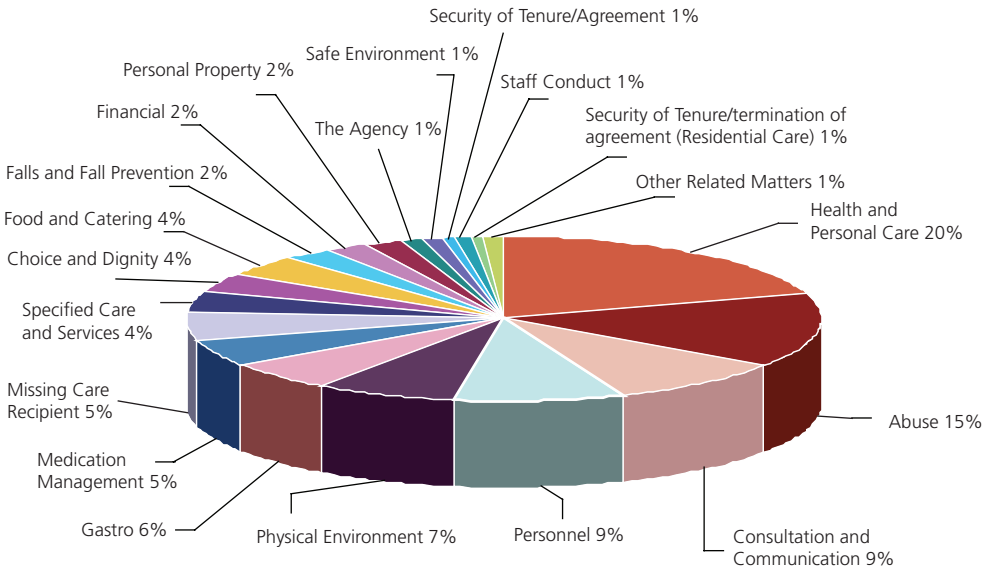
Most commonly reported issues

In 2010-11, 15,753 individual issues were identified within in-scope cases. Cases examined by the Scheme often incorporate more than one issue.

Twenty issue keywords were identified and reported against, with 60 per cent of issues grouped under five keywords. These were:

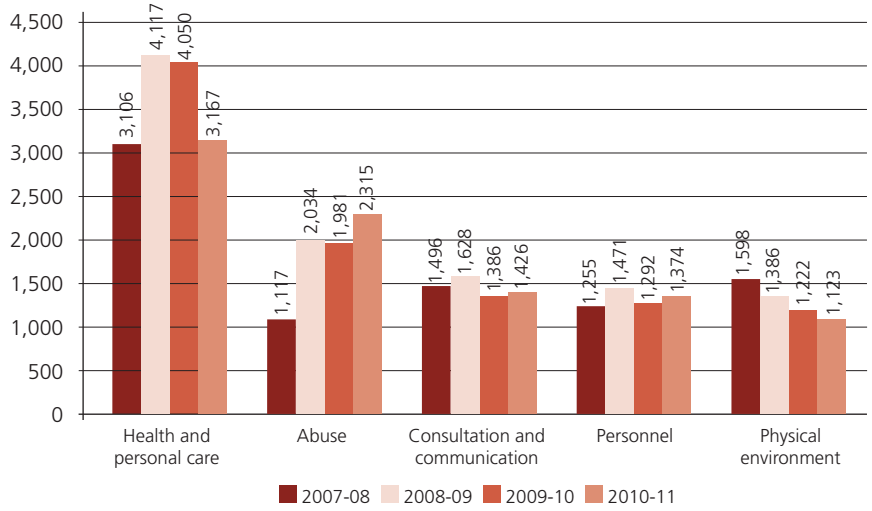
1. **Health and personal care** for example infections, infection control, infectious diseases, clinical care, continence management, behaviour management and personal hygiene
2. **Abuse** for example compulsory reports of physical and sexual abuse and allegations of discrimination, verbal abuse and financial mismanagement
3. **Consultation and communication** for example internal complaints process, information, family consultation and failing to advise enduring powers of attorney or guardians
4. **Personnel** for example conduct, number of staff and training/skills/qualifications
5. **Physical environment** for example call bells, cleaning, equipment, safety and temperature

Figure 9: Issues recorded in in-scope cases in 2010-11



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

Figure 10: Comparison of the five most commonly reported issues, from 2007-08 to 2010-11



Referrals to external agencies

At any time, the Scheme may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal matters are referred to the relevant state or territory police service, while concerns 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 2010-11, the Scheme made 1,905 referrals to external agencies.

Of these referrals, 94.4 per cent (1,798) were made to the Aged Care Standards and Accreditation Agency Ltd (the Accreditation Agency).

If the Scheme finds a problem that may affect more than one person in care, it may refer the matter to the Accreditation Agency while continuing to examine the original complaint. The Accreditation Agency will consider this information as part of its case management of homes. It may bring forward a visit already scheduled, change the scope of the planned visit or hold the information for the next planned visit.

Of these 1,798 referrals, the Scheme:

- requested an Accreditation Agency support contact or asked the Accreditation Agency to consider information at the next support contact in 69 per cent of referrals
- provided the Accreditation Agency with information about matters considered to be non-urgent in 30 per cent of referrals

- requested the Accreditation Agency conduct a review audit of a home in 0.9 per cent of referrals.

A breakdown of referrals to the Accreditation Agency by state and territory is provided below.

Approximately 5.6 per cent of total referrals were to other external agencies, such as the Health Care Complaints Commission, coroner or relevant health professional regulatory body.

Figure 11: Referrals to the Aged Care Standards and Accreditation Agency Ltd in 2010-11, by state and territory

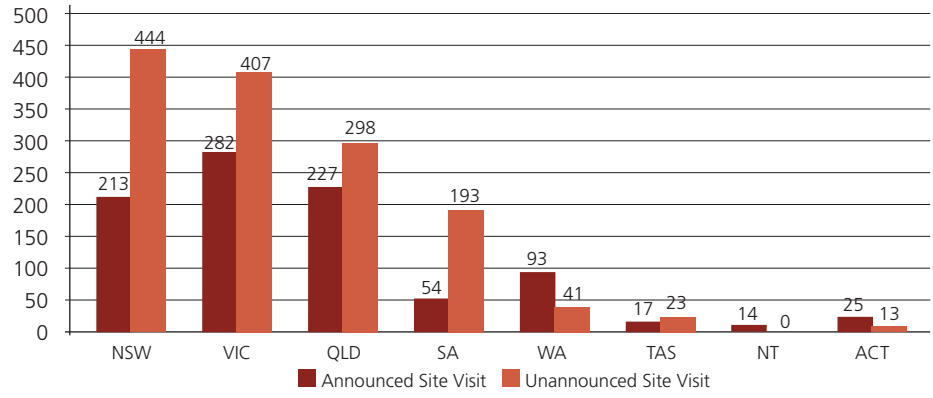
Investigations involving site visits

Scheme 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, depending on the nature of the issue being investigated.

In 2010-11, the Scheme conducted one or more site visits in 27.7 per cent of in-scope cases in a total of 2,344 site visits. Approximately 39.5 per cent of visits (925 visits) were announced and 60.5 per cent (1,419 visits) were unannounced.

Site visit figures for each of the states and territories are shown in Figure 12.

Figure 12: Site visits conducted in 2010-11, by state and territory

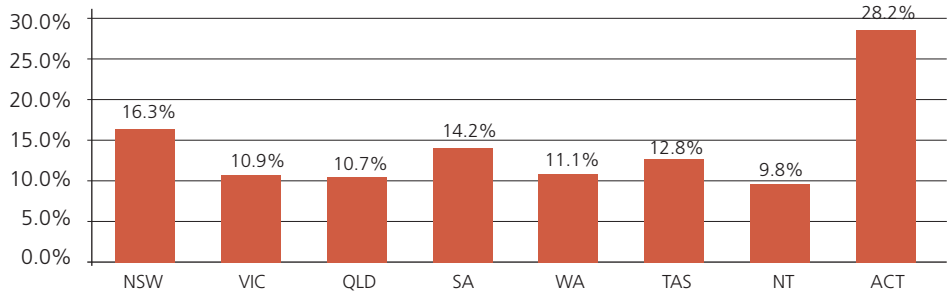


Breaches identified

In 2010-11, 1,148 breaches were identified nationally because of an investigation. This equates to a breach being identified in approximately 13 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 13.

New South Wales had the highest number of breaches with 392; Victoria reported 277 breaches; Queensland reported 212 breaches; South Australia reported 112 breaches; Western Australia identified 78 breaches. The remaining 77 breaches were in Tasmania, the Australian Capital Territory and the Northern Territory.

Figure 13: Breaches identified as a percentage of finalised in-scope cases in 2010-11, by state and territory



Notices of Required Action

The Scheme will issue a Notice of Required Action (NRA) when the Scheme determines an Approved Provider has breached its responsibilities under the Act or Principles, and has not already taken action to address the breach.

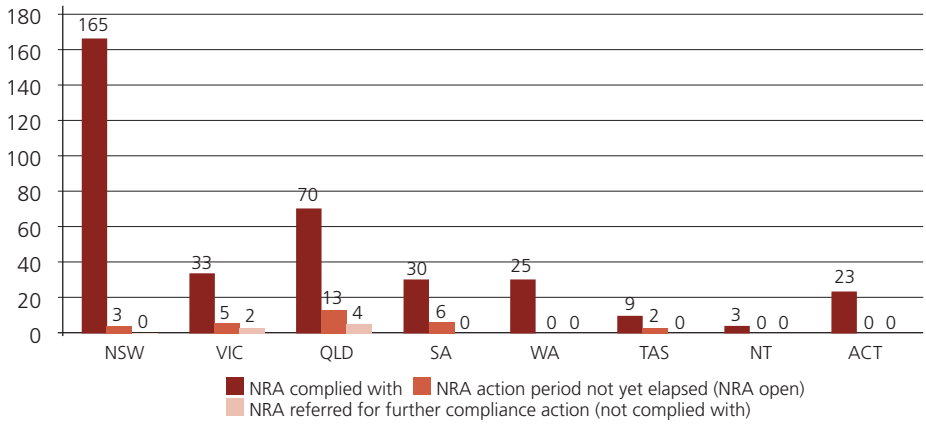
The intention of an NRA is to give the Approved Provider an opportunity to address the breach before compliance action is considered. Each NRA sets out the details of the breach, what the Approved Provider must do to address the breach and the timeframe in which this action must be taken. An NRA may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

Of the 1,148 breaches identified in 2010-11, 755 did not result in an NRA being issued because the Approved Provider immediately remedied the matter.

In 2010-11, the Scheme issued 393 NRAs, which equates to approximately 4.4 per cent of finalised in-scope cases. Of those, 353 were complied with at 30 June 2011, resulting in no further action against the Approved Provider; six were referred for further compliance action; and for the remaining 23, 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 14).

Figure 14: Notices of Required Action issued in 2010-11, 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 Scheme's processes for handling matters under the Investigation Principles 2007
- examining decisions made by the Scheme 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 Scheme'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 Ltd (the 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 Commissioner can also conduct an 'own motion' examination, that is, undertake a review of the Scheme's processes and the conduct of the Accreditation Agency or a person carrying out functions on behalf of the Accreditation Agency, even when a request for a review has not been received.

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

Reviews of examinable decisions

In 2010-11, the Aged Care Commissioner reviewed 96 of the Scheme's examinable decisions, representing approximately 1.1 per cent of finalised in-scope cases. Of the 96 reviews, 43 confirmed the Scheme's decision (44.8 per cent), 39 varied the Scheme's decision (40.6 per cent) and 14 set aside the Scheme's decision and substituted a new one (14.6 per cent).

After the Scheme receives a recommendation from the Commissioner about an examinable decision, the Scheme must reconsider the original decision within 21 days. In 2010-11, the Scheme completed 103 reconsiderations, including nine that the Commissioner completed in 2009-10. Due to the statutory timeframes associated with reconsidering the Commissioner's recommendations, two of those received by the Scheme in 2010-11 will not be finalised until 2011-12.

In 2010-11, the Scheme fully accepted the Commissioner's recommendations in all but three instances. In two of those cases, the Scheme partially accepted the Commissioner's recommendations. Partial agreement is when the Scheme agrees with some but not all of the Commissioner's recommendations.

At 30 June 2011, the Scheme was considering nine recommendations from the Commissioner about an examinable decision. The legislated timeframe for responding to these falls within the 2011-12 reporting period.

Reviews of Scheme processes

The Aged Care Commissioner provided 16 final reports to the Scheme resulting from reviews of Scheme processes undertaken in 2010-11. At 30 June 2011, the Scheme had responded to all of these final reports.

In 2010-11, the Commissioner made related findings in three cases in relation to the Scheme's processes in the course of examining decisions. These findings covered investigative processes, statement of reasons and natural justice.

The Commissioner did not commence any 'own motion' reviews during 2010-11.

Recommendations arising from these reviews, including where the Commissioner makes related findings, were used to refine and improve the Scheme and its processes.

Appendix A: Aged care legislation

Legislative framework for aged care

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

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

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

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

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 2011	These Principles revoked the *Accreditation Grant Principles 1999.* These Principles set out the procedures to be followed, and the matters to be taken into account, by the Aged Care Standards and Accreditation Agency Limited (the accreditation body) for accreditation of residential care services, the accreditation body's responsibilities for services that have received accreditation, and the conditions to which the accreditation grant is subject.
Advocacy Grant Principles 1997	These Principles set out the requirements to be met in making advocacy grants to organisations under Part 5.5 of the Act. Advocacy grants support activities to allow care recipients to understand and exercise their rights as care recipients.
Allocation Principles 1997	These Principles deal with a number of aspects of the process for allocating aged care places to Approved Providers.
Approval of Care Recipients Principles 1997	These Principles deal with a number of matters about approving care recipients for residential care and 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 Common Standards for Community Care; 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.

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

http://www.comlaw.gov.au/

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.

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 2010-11 are listed below. Unless they had been rescinded, Determinations made in previous years also were in effect during 2010-11.

Aged Care (Residential Care Subsidy – Basic Subsidy Amount) Determination 2010 (No.1)	This Determination revokes the Aged Care (Residential Care Subsidy - Basic Subsidy Amount) Determination 2009 (No.1) and specifies the rates of basic subsidy payable in respect of a day, with effect from 1 July 2010.
Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Oxygen Supplement) Determination 2009 (No.1) and sets the amount of oxygen supplement payable in respect of a day, with effect from 1 July 2010.
Aged Care (Residential Care Subsidy – Amount of Enteral Feeding Supplement) Determination 2010 (No.1)	This Determination revokes the Aged Care (Residential Care Subsidy – Amount of Enteral Feeding Supplement) Determination 2009 (No. 1) and 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 2010.
Aged Care (Residential Care Subsidy – Adjusted Subsidy Reduction) Determination 2010 (No.1)	This Determination revokes the Aged Care (Residential Care Subsidy – Adjusted Subsidy Reduction) Determination 2009 (No. 1) and sets the adjusted subsidy reduction amount for a day with effect form 1 July 2010.

Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2010 (No.1)	This Determination revokes the Aged Care (Residential care subsidy - amount of viability supplement) Determination 2009 (No.2) and sets the amount of the viability supplement payable in respect of a day, with effect from 1 July 2010.
Aged Care (Community Care Subsidy Amount) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Community Care Subsidy Amount) Determination 2009 (No. 1) and sets the amount of community care subsidy payable in respect of a day including an additional amount for eligible care recipients in rural and remote areas, with effect from 1 July 2010.
Aged Care (Amount of Flexible Care Subsidy – Extended Aged Care at Home) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy – Extended Aged Care at Home) Determination 2009 (No. 1) and sets the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home and specifies the method for working out the amount of flexible care subsidy for a day in respect of an EACH care recipient, with rate effective from 1 July 2010.
Aged Care (Amount of Flexible Care Subsidy – Extended Aged Care at Home – Dementia) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy – Extended Aged Care at Home – Dementia) Determination 2009 (No. 1) 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 2010.
Aged Care (Amount of Flexible Care Subsidy – Multi-Purpose Services) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy - multi-purpose services Determination 2009 (No.2) 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 2010.
Aged Care (Amount of Flexible Care Subsidy – Innovative Care Services) Determination 2010 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy – Innovative Care Services) Determination 2009 (No. 1) and specifies the amount of flexible care subsidy payable from 1 July 2010 in respect of different types of innovative care, including consumer directed care.
Aged Care (Amount of Flexible Care Subsidy – Transition Care Services) Determination 2010 (No.1)	This Determination revokes the Aged Care (Amount of flexible care subsidy - Transition Care) Determination 2009 (No.1) and sets the amount of flexible care subsidy payable for a day in respect of transition care, with effect from 1 July 2010.

Aged Care (Amount of Flexible Care Subsidy – Innovative Care Service – Congress Community Development and Education Unit Ltd) Determination 2010 (No. 1)	The purpose of the Aged Care (Amount of Flexible Care Subsidy – Innovative Care Service – Congress Community Development and Education Unit Ltd) Determination 2010 (No. 1) (the Determination) is to extend the provision of flexible care subsidy in respect of the places allocated to the approved provider through the Aged Care Innovative Pool 2010-11 until 6 July 2011.
Aged Care (Residential Care – Subsidy – Amount of Accommodation Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of accommodation supplement) Determination 2010 (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 need or do not meet building requirements, with effect 20 September 2010.
Aged Care (Residential Care Subsidy —Amount of Accommodation Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Accommodation Supplement) Determination 2010 (No. 2) and sets out a method for working out the amount of the accommodation supplement of a day. It also sets the maximum rate of accommodation supplement for services that meet or do not meet building requirement, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy – Amount of Transitional Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of transitional supplement) Determination 2010 (No.1) and sets the amount of transitional supplement payable in respect of a day, with effect from 20 September 2010.
Aged Care (Residential Care Subsidy — Amount of Transitional Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Transitional Supplement) Determination 2010 (No. 2) and sets the amount of transitional supplement payable in respect of a day, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy – Amount of Pensioner Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of pensioner supplement) Determination 2010 (No.1) and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 September 2010.

Aged Care (Residential Care Subsidy —Amount of Pensioner Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Pensioner Supplement) Determination 2010 (No. 2) and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy – Amount of Respite Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of respite supplement) Determination 2010 (No.1) and sets the amount of respite supplement payable in respect of a day, with effect from 20 September 2010.
Aged Care (Residential Care Subsidy — Amount of Respite Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Respite Supplement) Determination 2010 (No. 2) and sets the amount of respite supplement payable in respect of a day, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy – Amount of Concessional Resident Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of concessional resident supplement) Determination 2010 (No.1) and sets the concessional resident supplement in respect of a day, with effect from 20 September 2010.
Aged Care (Residential Care Subsidy — Amount of Concessional Resident Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy - Amount of Concessional Resident Supplement) Determination 2010 (No. 2) and sets the concessional resident supplement in respect of a day, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2010 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy - amount of accommodation supplement) Determination 2010 (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 need or do not meet building requirements, with effect 20 September 2010..
Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential care subsidy - amount of accommodation supplement) Determination 2010 (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 need or do not meet building requirements, with effect 20 March 2011.

Appendix B:
Legislative amendments made in the reporting period

Legislative reform

In 2010-11 there were no changes to the *Aged Care Act 1997* that came into effect; however, other reforms, policies and indexation required amendments to the Principles, including:

Routine indexation of the maximum daily accrual amount of accommodation charge for specified types of post-2008 reform residents through the *User Rights Amendment Principles 2010 (No. 2)* and *User Rights Amendment Principles 2011 (No. 1).*

Introduction of the *Accreditation Grant Principles 2011*, revoking the Accreditation Grant Principles 1999 and setting out the procedures to be followed, and the matters to be taken into account, by the Aged Care Standards and Accreditation Agency Limited (the accreditation body) for accreditation of residential care services, the accreditation body's responsibilities for services that have received accreditation, and the conditions to which the accreditation grant is subject.

A number of minor consequential amendments to various Principles to reflect changes described in the *Accreditation Grant Principles 2011.*

Amendments to the *Quality of Care Principles 1997*, which took effect in March 2011, to introduce new Community Care Common Standards and provide greater clarity for service providers in relation to the expectations for quality service provision.

The Aged Care Principles were amended by:

Residential Care Subsidy Amendment Principles 2010 (No.1)	These Principles amend the Residential Care Subsidy Principles 1997 to reduce regulatory burden on Commonwealth funded aged care providers by implementing changes to reporting requirements for the Conditional Adjustment Payment, as agreed by the Government response to the Productivity Commission's Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Service.
Quality of Care Amendment Principles 2010 (No.1)	The purpose of these Amending Principles is to reduce regulatory burden on the aged care industry by abolishing the annual fire safety declaration for those aged care homes that have met state, territory and local government authority fire standards.

Flexible Care Subsidy Amendment Principles 2010 (No.1)	Amendments were made to the Flexible Care Subsidy Principles to specify consumer directed care as a kind of innovative care service for which flexible care subsidy may be payable and provision for a new Determination was also made to specify the amount of flexible care subsidy payable in respect of different types of consumer directed care. The Amending Principles also made a minor change to the definition of 'Aged Care Assessment Team' which references the Aged Care Assessment and Approval Guidelines.
User Rights Amendment Principles 2010 (No. 2)	The purpose of these Amending Principles is to specify for the purposes of paragraph 57A-6(1)(c) of the Act the maximum daily accrual amount of accommodation charge for specified types of post-2008 reform residents, with effect 20 September 2010. The accommodation charge has been increased in accordance with previously announced Australian Government policy.
User Rights Amendment Principles 2011 (No.1)	The purpose of these Amending Principles is to specify for the purposes of paragraph 57A-6 (1) (c) of the Act the maximum daily accrual amount of accommodation charge for specified types of post-2008 reform residents, with effect 20 March 2011. The accommodation charge has been increased in accordance with previously announced Australian Government policy.
Accreditation Grant Principles 2011 (No.1)	The Accreditation Grants Principles 1999 were revoked and the Accreditation Grants Principles 2011 were introduced to: • remove or amend outdated provisions • streamline the accreditation process • make the Principles more logical, consistent and better able to understand • enhance consumer engagement, and • provide greater clarity and consistency of administrative processes
Residential Care Subsidy Amendment Principles 2011 (No. 1)	The purpose of these Amending Principles is to make minor consequential amendments to the Residential Care Subsidy Principles to replace existing references to the Accreditation Grant Principles 1999 with references to the Accreditation Grant Principles 2011.

Information Amendment Principles 2011 (No. 1)	The purpose of these Amending Principles is to make a minor consequential amendment to the Information Principles 1997 to replace an existing reference to the Accreditation Grant Principles 1999 with a reference to the Accreditation Grant Principles 2011.
Investigation Amendment Principles 2011 (No. 1)	The purpose of these Amending Principles is to make minor, consequential amendments to the Investigation Principles 2007 to reflect changes described in the Accreditation Grant Principles 2011.
Accountability Amendment Principles 2011 (No. 1)	The purpose of these Amending Principles is to make a minor consequential amendment to the Accountability Principles 1998 to replace an existing reference to the Accreditation Grant Principles 1999 with a reference to the Accreditation Grant Principles 2011.
Quality of Care Amendment Principles 2011 (No. 1)	Amendments were made to the Quality of Care Principles 1997 to introduce the Common Standards for Community Care for Australian Government community care programs, including community care in the form of Community Aged Care Packages (CACPs), and flexible care in the form of Extended Aged Care at Home (EACH) and Extended Aged Care at Home – Dementia (EACH-D).
Residential Care Subsidy Principles 2011 (No. 2)	The Residential Care Subsidy Amendment Principles 2011 (No. 2) (the Amending Principles) make consequential amendments to insert new section 21.5A which specifies kinds of payment that are capital payments for the purposes of section 43-6 of the Act. The kinds of payment that are specified are the kinds of payment specified in paragraphs 43-6(5)(b) to (f) of the Act, which are to be repealed.
Allocation Amendment Principles 2011 (No. 1)	Amendments were made to the Allocation Principles 1997 to align the information about capital payments that an approved provider must include in an application to transfer allocated places, and the information about capital payments the Secretary may give to the proposed transferee with the list of kinds of capital payments specified in the Residential Care Subsidy Principles for the purposes of section 43-6 of the Aged Care Act 1997.

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 2010 to 30 June 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
New South Wales					
Daintree Aged Care	Calendula 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. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	14-Jul-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 1 September 2010, transfer of places to a new Approved Provider - Christadelphian Homes Limited. Sanctions on Calendula Pty Ltd expired on 13 January 2011
Fairfield Nursing Home	Fairfield Nursing Home Holdings 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. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	8-Jul-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 7 January 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Northern Territory					
Hetti Perkins Home for the Aged NB: this is a co-located service	Aboriginal Hostels Limited	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. The approved provider is not eligible to receive Australian Government subsides for any new residents. This sanction will cease to have effect 7 days after the adviser required under the sanctions commences work at the homes. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	18-Apr-11	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanction 2 expired on 9 May 2011. Sanctions 1 and 3 expire on 17 October 2011
Hetti Perkins Home for the Aged NB: this is a co-located service	Aboriginal Hostels Limited	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. The approved provider is not eligible to receive Australian Government subsides for any new residents. This sanction will cease to have effect 7 days after the adviser required under the sanctions commences work at the homes. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	18-Apr-11	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanction 2 expired on 9 May 2011. Sanctions 1 and 3 expire on 17 October 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Queensland					
Star of the Sea	Torres Strait Home for the Aged Association Inc	1. Approval as an Approved Provider of aged care services revoked unless an administrator 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.	7-Oct-10	The Department's Complaints Investigation Scheme Officers identified non-compliance which posed an immediate and severe risk to the health, safety and well-being of residents	Sanctions expired 6 April 2011
Torres Strait Home for the Aged	Torres Strait Home for the Aged Association Inc	1. Approval as an Approved Provider of aged care services revoked unless an administrator 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.	7-Oct-10	The Department's Complaints Investigation Scheme Officers identified non-compliance which posed an immediate and severe risk to the health, safety and well-being of residents	Sanctions expired 6 April 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Shalom Toowoomba	Deepthi Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. 4. Prohibit the charging of accommodation bonds or the accrual of accommodation charges for the entry of any care recipients for a period of 6 months.	25-Aug-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired 24 February 2011
Mornington Island Aged Persons Hostel	Mornington Shire Council	1. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 2. Vary the conditions of allocation of places to not be eligible to receive Commonwealth subsidy for new high care residents admitted to the Service for a period of 6 months.	12-Oct-10	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 6 December 2010, transfer of places to a new Approved Provider - D and R Community Services Pty Ltd. Sanctions on Mornington Shire Council expired on 12 April 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Hopevale Aged Hostel	Hope Vale Aboriginal Council	1. Revocation of approved provider status unless an adviser, with nursing experience, approved by the Commonwealth, who has the appropriate skills, qualifications and background to assist the home to comply with their responsibilities, is appointed by the approved provider for a period of 6 months. 2. Vary the conditions to the allocation of places at the home so that the payment of subsidy is restricted to care recipients who are already receiving care at the home and to any care recipient who enters the service after the date of the Sanction if the care recipient does not require a high level of residential care. This sanction will cease to have effect 7 days after the adviser required under the Sanction commences work at the home. 3. Revocation of approved provider status unless the approved provider agrees to provide training for its officers, employees and agents particularly in the areas of: • delivery of clinical care; roles and responsibilities of staff; and • clinical record-keeping.	3-Mar-11	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expire on 2 September 2011

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Noosa Nursing Centre	Noosa Nursing Home Pty Ltd	1. Revocation of approved provider status, unless an adviser, with nursing experience, approved by the Commonwealth, who has the appropriate skills, qualifications and background to assist the home to comply with their responsibilities appointed by the approved provider for a period of 6 months. 2. The approved provider is not eligible to receive Australian Government subsides for any new residents admitted during the period of the sanctions for a period of 6 months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	9-Apr-11	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expire on 8 October 2011.

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Victoria					
Ashleigh House Hostel	Sale Elderly Citizens Village Inc	Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of 3 months.	8-Feb-11	The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of • Continuing non-compliance in relation to the Accreditation Standards Outcomes; and • The Approved Provider did not comply with an Undertaking to Remedy non-compliance within the agreed time frame.	Sanction expired on 8 May 2011.

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.

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All information in this publication is correct as of November 2011
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