Australian Government
Department of Health

2015–16 Report on the Operation of the *Aged Care Act 1997*

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MINISTER'S FOREWORD

Minister's Foreword

By the Assistant Minister for Health and Aged Care, the Hon Ken Wyatt AM MP

This is an exciting time to be Assistant Minister for Health and Aged Care.

Aged care is undergoing transformational reform with the Australian Government implementing its plan to create a consumer-focussed system which is fair, transparent and sustainable.

In 2015–16 the reform process focussed on:

- improving access and choice for consumers
- building system sustainability through fiscally responsible management
- continued sector engagement to ensure the system's integrity.

My Aged Care – the entry point to the aged care system – has expanded significantly to facilitate consistent, timely assessment of clients, better access to service and client information for all users, and streamlined referrals for assessment.

The Commonwealth Home Support Programme (CHSP) was introduced to provide streamlined access to entry level home assistance services to help older Australians to stay independent and live in their home and community for longer.

The Government has been consulting with the sector since August 2015 on the need for reforms to the Aged Care Funding Instrument (ACFI) to ensure fiscal sustainability and protect the integrity of the funding arrangements for the residential aged care sector.

In 2015–16, the Department began development of a single quality framework that will support an aged care system which has an increased focus on quality outcomes for consumers and reduces the complexity of regulatory compliance for providers.

As part of our commitment to supporting providers and consumers to meet the opportunities of the ongoing aged care reforms, in the 2015–16 Budget, the Australian Government redirected more than $311 million over the 2015-2019 financial years to establish the Dementia and Aged Care Services (DACS) Fund. This fund replaced the Aged Care Service Improvement and Healthy Ageing Grants (ACSIHAG) Fund on 1 July 2015.

The Government will continue to work with stakeholders, in both the public and private health and aged care sectors, to ensure that training and education numbers and pathways meet Australia's future health and ageing workforce needs.

Looking Ahead

- In 2016-17, the Australian Government will further enhance services and programs to help older people stay independent and in their own homes longer.
- The Victorian Home and Community Care (HACC) services for Victorians aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander People) will be fully funded through the CHSP.
- From 1 July 2016, CHSP and Multi-Purpose Services will be offered to all eligible residents on Norfolk Island.
- Increasing Choice in Home Care will allow home care package funding to follow eligible consumers, and enable consumers to choose their service provider. Portable home care packages will allow the consumer to change their provider, including where the consumer moves to another location.
- From 27 February 2017, there will be a national system to manage eligible consumers' access to home care packages within My Aged Care. In the new system, consumers will be placed on a national prioritisation system when they have been approved for home care.

The Australian Government's vision is that Australia's aged care system will:

- be sustainable and affordable, long into the future
- offer greater choice and flexibility for consumers
- support people to stay at home, and remain part of their communities, for as long as possible
- encourage aged care businesses to invest and grow
- provide diverse and rewarding career options.

We are making good progress towards achieving these objectives and I look forward to continuing to work with the Hon Sussan Ley MP, Minister for Health and Aged Care, and the aged care sector to that end.

I am pleased to present this Report on the Operation of the *Aged Care Act 1997* 2015–16.

Ken Wyatt
Assistant Minister for Health and Aged Care

KEY FACTS

Key Facts

Expenditure

- Australian Government expenditure on aged care throughout 2015–16, totaled $16.2 billion, an increase of 6.6 per cent from the previous year.
- $11.4 billion (more than two-thirds of the total) was for residential aged care.
- Expenditure for residential care is estimated to grow at 5.1 per cent per annum.
- 17,385 new aged care places were allocated in 2015.
- In 2015–16, the average Australian Government payment for each permanent residential aged care recipient was $63,400.

Aged Care Providers

At 30 June 2016 there were:

- 283,268 operational aged care places
  - 199,449 residential care places
  - 78,956 home care places
  - 4,000 restorative care places.
- 949 approved providers of residential aged care
- over 350,000 workers in the aged care sector.

Aged Care Consumers

In 2015–16;

- 15 per cent of Australia's population was aged 65 years and over (3.7 million people) and 2.0 per cent was aged 85 years and over (488,000 people). By 2026, it is estimated that 18 per cent of the population will be aged 65 years and over (5.0 million people) and 2.3 per cent (644,000 people) will be 85 years and over;
- Over 1.3 million older people received some form of aged care:
  - More than 640,000 older people received home support through the Commonwealth Home Support Programme (CHSP)
  - 285,432 older people received support through the Commonwealth-State HACC program (Victoria and WA)

  - 56,852 people received residential respite care
  - 88,875 people received care through a home care package
  - 234,931 people received permanent residential aged care.
- the average age on entry for new admissions to permanent residential aged care was 82.0 years for men and 84.5 years for women
- around 50 per cent of all residential aged care residents had a diagnosis of dementia
- a total of 192,087 Aged Care Assessment Team (ACAT) assessments were administered.

INTRODUCTION

Introduction

Purpose of this report

This report details the operation of Australia's aged care system during the 2015–16 financial year. It is the eighteenth report in the series. The report is delivered to Parliament by the Minister in accordance with section 63–2 of the *Aged Care Act 1997 (the Act).*

Scope

In addition to meeting the reporting requirements specified in the Act, the report provides an overview of the components of the Australian aged care system (including those not governed by the Act), in order to present a comprehensive snapshot of the system as a whole during 2015–16.

Structure of the report

Chapter 1 provides an overview of the aged care system in Australia.

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

Chapters 3–7 describe the various types of service provision on a continuum from low to high level care, including flexible care options and respite care.

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

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

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

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

Data Sources

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

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1. Overview of the Australian Aged Care System

1.1. Introduction

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

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

Commonwealth Home Support Programme (CHSP)

This program provides services focussed on supporting individuals to undertake tasks of daily living. The services support these people to be more independent at home and in the community, to reduce early admission to residential care. Services under the program are provided on an on-going or episodic basis, depending on need.

For more information on the CHSP see Chapter 3.

Home Care

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

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

For more details on Home Care see Chapter 4.

Respite Care

Respite care is an important support service for frail older people and their carers, and is provided in a number of settings to allow greater flexibility for carers and consumers.

For more details on respite care, see Chapter 5.

Residential Care

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

For more information on residential care see Chapter 6.

Flexible care

Flexible care acknowledges that in some circumstances an alternative to mainstream residential and home care is required. There are currently three types of flexible care arrangements, with a fourth, announced in the 2015–16 Budget due to start in 2016–17:

- Transition Care;
- Multi-Purpose Services;
- Innovative Care; and
- Short-Term Restorative Care (announced in 2015–16 Budget).

For more information on flexible care see Chapter 7.

Summary

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

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

Each person's life experience is unique and therefore there is no 'typical' aged care consumer. The aged care system is designed to be flexible and responsive to these varying needs.

1.2. Managing supply and demand

Supply

The Australian Government's needs-based planning framework aims to ensure sufficient supply of residential and home care places by ensuring that the growth in the number of aged care places matches growth in the aged population. It also seeks to ensure

balance in the provision of services among metropolitan, regional rural and remote areas, as well as among people needing differing levels of care.

The Australian Government manages the supply of home care packages and residential care by specifying a national provision target of subsidised operational aged care places for every 1,000 people aged 70 years or over, known as the aged care provision ratio. In 2015–16 this figure was 113.2.

The aged care provision ratio is set to grow from the current level to 125 by 2021–22. As the number of places increases, the balance of care types within the ratio will also change. The target for home care packages will increase from 27 to 45, and the residential target will reduce from 86 to 78. In addition, a restorative care target of two places has been implemented.

The change in mix of care types to 45 home care places, 78 residential care places and two restorative care places is intended to respond to the reported consumer preference to stay at home, where possible, and to accommodate the introduction of the new Short-Term Restorative Care program.

The Australian Government does not regulate the supply of home support services (CHSP and the Victorian and Western Australian HACC programs) in the same way as it does home care and residential care, as these services are funded through grant-funding arrangements, although the supply is affected by overall funding levels.

Current Provision

The total number of operational aged care places increased from 273,503 at 30 June 2015 to 283,268 at 30 June 2016, an increase of four per cent. This includes 199,449 residential care places, 79,819 home care places, and 4,000 restorative care places, which became a part of the overall ratio from 30 June 2016.

Table 1: Aged Care Operational Provision Ratio

Date	Residential Care	Home Care	Restorative Care	Overall Ratio
30 June 2011	85.8	27.0	..	**112.8**
30 June 2012	84.4	27.4	..	**111.8**
30 June 2013	84.5	27.2	..	**111.7**
30 June 2014	82.6	28.7	..	**111.3**
30 June 2015	81.1	30.4	..	**111.5**
30 June 2016	79.7	31.9	1.6	**113.2**

.. = no data.

Allocation of places

Each year, new aged care places for residential and home care are made available for allocation through a competitive process, the Aged Care Approval Rounds (ACAR).

2015 Aged Care Approvals Round (ACAR)

Competition for new residential care places was much stronger than in previous rounds. The Department received applications for 38,859 new residential care places, more than double the number sought in 2014. This represents a ratio of applications to available places of nearly 4:1.

Competition for new home care places was extremely high with 126,808 applications received for the available 6,445 places, a ratio of 20:1.

A total of 17,385 new aged care places (10,940 residential aged care places and 6,445 home care places) were allocated across Australia in the 2015 ACAR.

Table 2: 2015 ACAR results

State/territory	Residential places	Home care places	Estimated annual recurrent funding ($M)	Capital grants ($M)
NSW	2,875	2,424	$268.9	$1.7
VIC	3,080	1,789	$257.4	$27.7
QLD	3,120	914	$222.8	$20.5
WA	1,260	438	$91.2	$3.1
SA	250	640	$40.2	$4.7
TAS	80	164	$10.9	$5.5
ACT	210	61	$14.8	-
NT	65	15	$4.5	$3.8
Australia	**10,940**	**6,445**	**$910.7**	**$67**

These new places have an estimated annual recurrent funding value of over $910 million. In addition, $67 million in capital grants was allocated to assist aged care providers to build new or improve existing residential aged care services.

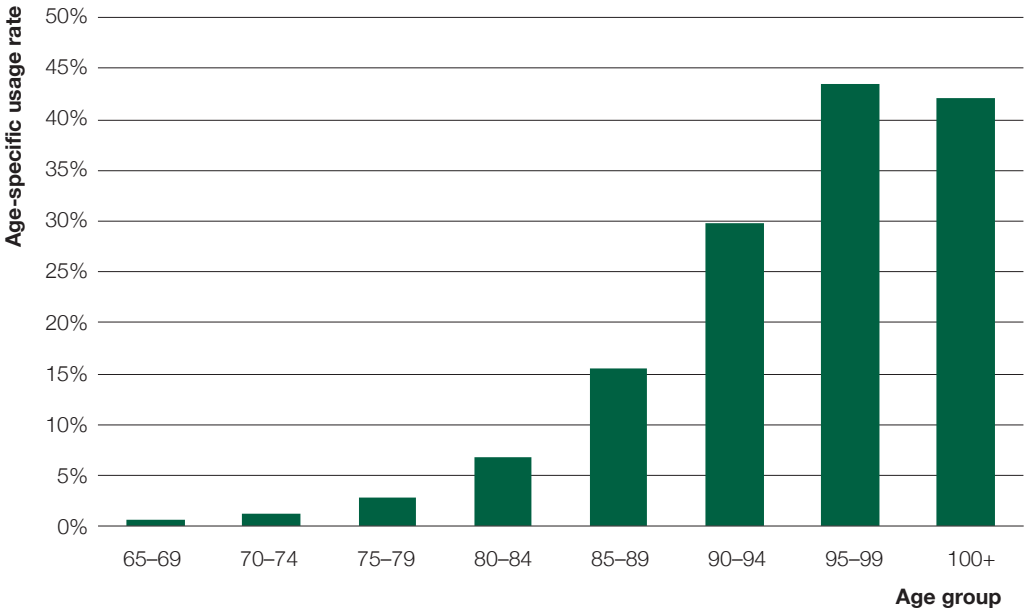
The 2015 ACAR is expected to be the last year in which providers will have to apply for new home care places. From 27 February 2017, funding for a home care package will follow the consumer, allowing eligible consumers to choose their approved provider. Packages will also be portable, allowing consumers to change their provider, including where the consumer moves to another location. The changes will increase competition in the home care sector, allowing more consumer focused and innovative providers to expand their business to meet local demand and consumer expectations.

Demand

Age

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

Figure 1: Age-specific usage rates of residential aged care, 30 June 2016



As at 30 June 2016, 15 per cent of Australia's population was aged 65 years and over (3.7 million people) and 2 per cent were aged 85 years and over (488,000 people). By 2026, it is estimated that 18 per cent of the population will be aged 65 years and over (5.0 million people) and 2.3 per cent (644,000 people) will be 85 years and over.

While older age groups have greater utilisation of aged care services, it is not age per se that determines access, rather assessed need.[1]

1 However certain age cohorts are typically used for planning purposes and are referenced in this report:

- 65 years plus (50 years plus for Aboriginal and Torres Strait Islander people) - is the 'traditional' definition of an older person and constitutes the aged care target population that the Commonwealth has sole responsibility for funding (except in Victoria and Western Australia where funding responsibility for home support services is shared;
- 70 years plus is used for planning purposes, such as determining ratios of residential care places; and
- 85 years plus is considered 'very old' and more closely reflects the target population of the high-end of aged care.

Access to home care packages[2] and residential aged care services is through a comprehensive assessment performed by one of the 80 Aged Care Assessment Teams (ACAT) which operate in all States and Territories. The ACAT are funded by the Australian Government and administered by the relevant State/Territory government. In 2015–16 a total of 192,087 ACAT assessments were administered.

Access to CHSP is through an assessment by a Regional Assessment Service (RAS). In 2015–16, access to HACC services in WA and Victoria was determined by the respective jurisdictions.

Dementia

Dementia is an umbrella term describing conditions associated with an ongoing decline of the brain and its abilities, characterised by the impairment of brain function, including language, memory, perception, personality and cognitive skills.

Dementia usually occurs in people who are aged 65 or over. Currently the prevalence of dementia in Australia is 10 per cent of people aged 65 or over, rising to 30 per cent of people 85 years and over. After the age of 65 the likelihood of developing dementia doubles every five years. At 30 June 2016, half of all residential aged care residents with an ACFI assessment had a diagnosis of dementia.

In 2016 there were an estimated 353,800 Australians with dementia, nearly half of whom were aged 85 years or over. The number of people with dementia is anticipated to grow to nearly 900,000 by 2050.[3]

1.3. Legislative framework

The Aged Care Act 1997

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

2 If a person has been assessed as eligible for a particular level of package, but there are none available, the person can be offered a lower level package as an interim measure until a higher level package is available.

3 AIHW 2012. *Dementia in Australia*. Cat. no. AGE 70. Canberra: AIHW.

Aged Care Principles

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

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

Australian Aged Care Quality Agency Act 2013

This Act, and its delegated legislation – the *Quality Agency Principles 2013* – sets out the obligations that aged care providers must comply with in order to be approved providers.

Outside the Act

The operation of the CHSP is governed by the CHSP Program Manual 2015.

Funding arrangements for the jointly funded Commonwealth-State HACC programs in Victoria and Western Australia are governed by the HACC Review Agreement 2007 (the Review Agreement).

1.4. Funding

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

Total Australian Government expenditure for aged care throughout 2015–16, totaled $16.2 billion, an increase of 6.6 per cent from the previous year.

Figure 2: Australian Government Outlays for Aged Care, 2012–13 – 2015–16

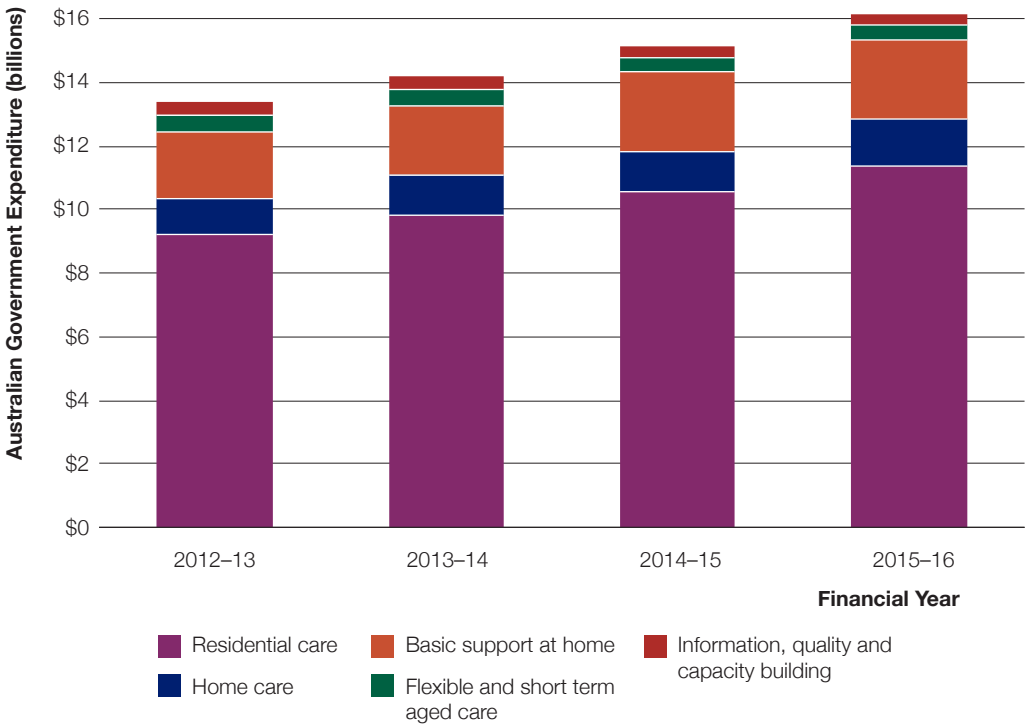
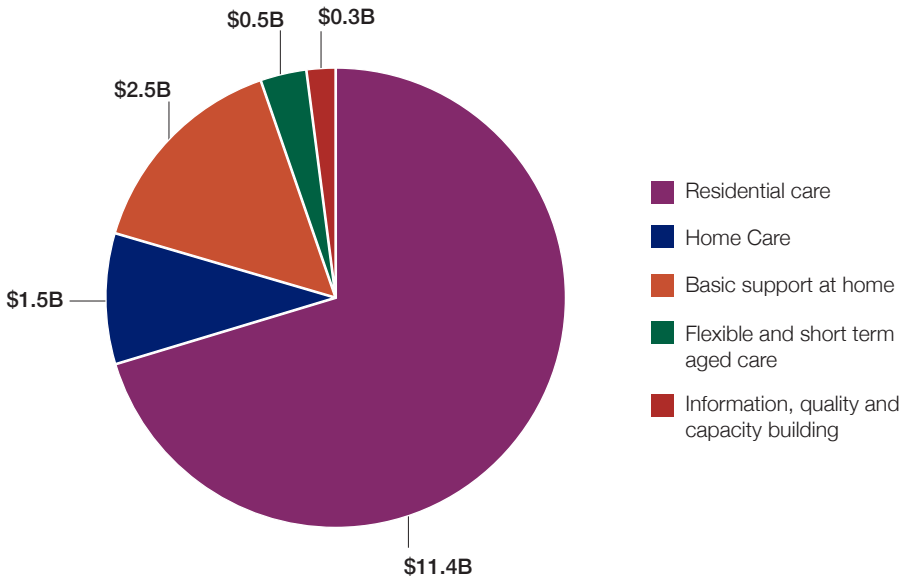


Figure 3: Australian Government aged care expenditure by type of care, 2015–16



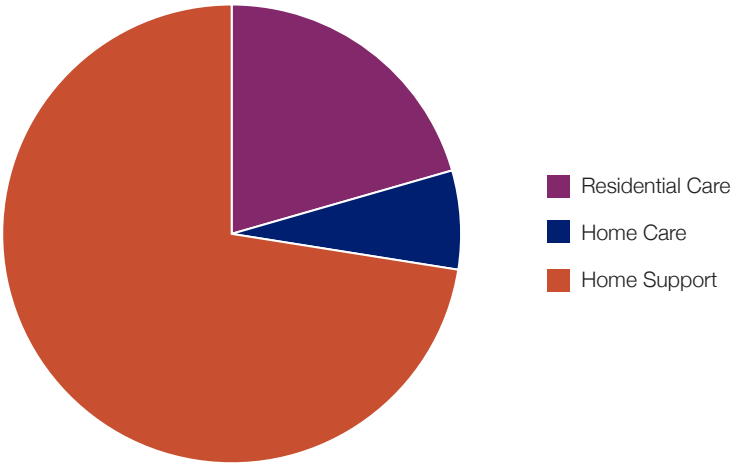
1.5. Aged Care Consumer

In 2015–16, over 1.3 million older people received some form of aged care. The great majority received home-based care and support, and relatively few lived in residential care:

- more than 640,000 older people received home support through the CHSP;
- 285,432 older people received support through the Commonwealth-State HACC program (Victoria and WA)
- 56,852 people received residential respite care, of whom 29,538 (approximately 52 per cent) were later admitted to permanent care
- 88,875 people received care through a home care package
- 234,931 people received permanent residential aged care.

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

Figure 4: Consumers of Aged Care by service type, 2015–16



Average age on entry

- The average age at admission into a home care package was 79.5 years for men and 80.6 years for women.
- The average age for new admissions to permanent residential aged care was 82.0 years for men and 84.5 years for women.

People with special needs

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

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

1.6. Informed access for consumers

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

- information about aged care to consumers, family members and carers;
- information for service providers
- service finders that provide information about aged care service providers and assessors
- access for consumers to compliance information about providers
- fee estimators for pricing on home care packages and residential care
- assessment and referral systems.

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

1.7. Support for consumers

National Advocacy Scheme

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers. The Program underwent a review in 2015–16.

Community Visitor Scheme (CVS)

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

For more information on services which support consumers, see Chapter 2.

1.8. Aged Care Workforce

The aged care workforce numbers over 350,000 and includes nurses, personal care workers, support staff and allied health professionals. Workforce training and education is a shared responsibility between Government and industry with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. Volunteer workers also make a significant contribution across the sector.

1.9. Regulatory and prudential oversight

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

Providers of Government-funded aged care services must comply with responsibilities specified in the Act and the Aged Care Principles. These responsibilities encompass quality of care, user rights, accountability and allocation of places. The Aged Care Quality Agency and the Department have a role in monitoring the compliance of aged care services and where non-compliance is identified the Department assesses the performance of providers against their responsibilities under the Act. The Department takes appropriate regulatory action in response to the non-compliance to bring providers back into compliance.

For more information about governance and quality, see Chapter 9.

1.10. Aged Care Pricing Commissioner

Throughout the year, the Aged Care Pricing Commissioner received applications from providers who wished to charge an accommodation price above the threshold determined by the Minister (currently $550,000). Further information on the Aged Care Pricing Commissioner's operations for the year will be available from the Aged Care Pricing Commissioner's Annual Report.[4]

4 Aged Care Pricing Commissioner Publications, http://www.acpc.gov.au/internet/acpc/publishing.nsf/Content/publications

1.11. Looking ahead

In the next reporting period a number of significant changes will occur.

Commonwealth Home Support Programme

The Victorian Home and Community Care (HACC) services for Victorians aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander People) will be fully funded by the CHSP.

From 1 July 2016, CHSP and Multi-Purpose Services will start to be offered to all eligible residents on Norfolk Island.

Home Care

From 27 February 2017, funding for a home care package will follow the consumer, allowing eligible consumers to choose their approved provider. Packages will also be portable, allowing consumers to change their provider, including when the consumer moves to another location.

When these changes come into effect, providers will no longer have to apply for home care places through the ACAR, significantly reducing red tape. The 2015 ACAR is expected to be the last ACAR in which providers will have to apply for new home care places. The changes will increase competition in the home care sector, allowing more consumer focused and innovative providers to expand their business to meet local demand and consumer expectations.

The Australian Government has also announced that from July 2018 it intends to better integrate the Home Care Packages Programme with the CHSP, to simplify the way that services are delivered and funded. This will make the system easier for consumers to navigate and further reduce red tape for providers.

The Department is working closely with stakeholders to co-design how these changes will be implemented.

Flexible Care

In the 2015–16 Budget, the Short-Term Restorative Care (STRC) Program was announced as a new program that builds on the success of the Transition Care Program. STRC is a flexible care program under the *Aged Care Act 1997* that will provide restorative care to older people, to improve their capacity to stay independent and living in their homes.

Following the announcement of this program, work has been undertaken to prepare for the commencement of services. To this end, STRC places will be allocated through a combined residential/STRC Aged Care Approvals Round in 2016–17.

Aged Care Funding Instrument

In response to a higher than anticipated growth in residential aged care funding, the Government announced a range of changes to those funding arrangements in the 2015 Mid Year Economic and Fiscal Outlook (MYEFO), and the 2016–17 Budget.

After these changes are implemented, funding to the residential aged care sector is estimated to continue to grow in aggregate by an average of 5.1 per cent per annum to 2019–20.

The changes will be implemented in two stages from 1 July 2016 and 1 January 2017.[5]

1 July 2016

- Half indexation of the Complex Health Care (CHC) domain for 12 months, until 1 July 2017
- Changes to the CHC scoring matrix from 1 July 2016 – 31 December 2016 (for new appraisals or reappraisals only).

1 January 2017 (applies to new appraisals and reappraisals only)

- A redesigned CHC scoring matrix will take effect
- Changes to scores and eligibility requirements for certain CHC procedures in Question 12 of the ACFI.

Viability Supplement

From 1 January 2017 funding for aged care services in rural and remote areas will be improved by the introduction of a more modern methodology incorporating more recent Census data for classifying providers in regional, remote and rural areas. The viability supplement will increase for most remote non-flexible residential services.[6]

5 More information on these changes can be found in the Changes to residential aged care funding arrangements factsheet (http://www.health.gov.au/internet/budget/publishing.nsf/Content/budget2016-factsheet48.htm).

6 More information on these changes can be found in the Changes to the Viability Supplement fact sheet (http://www.health.gov.au/internet/budget/publishing.nsf/Content/budget2016-factsheet47.htm).

2.
INFORMED ACCESS TO AGED CARE

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2. Informed Access to Aged Care

The Australian Government provides support and assistance to older people and their carers in the community to ensure people are fully informed and their needs are properly assessed.

Useful 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.

2.1. Enabling older people to make informed choices

My Aged Care is the entry point for older Australians seeking aged care services. My Aged Care provides assistance for older people, their families and carers to access information on aged care, receive referrals for assessments and identify Commonwealth-funded aged care services in their local area. The contact centre operates 8am–8pm weekdays and 10am–2pm on Saturdays across Australia and has a separate helpline for My Aged Care assessors and service providers.

In 2015–16 a number of significant changes to My Aged Care occurred, including:

- from 1 July 2015, Commonwealth Home Support Programme (CHSP) service providers and Regional Assessment Services (RAS) started using the system. Assessors are able to manage referrals and perform assessments using the new National Screening and Assessment Form, and service providers are able to receive referrals for services
- from February 2016, Aged Care Assessment Teams (ACATs) transitioned nationally onto the system to manage referrals and provide assessments for clients with complex needs using the National Screening and Assessment Form
- from 30 June 2016, in addition to the Box Hill (VIC) and Gold Coast (QLD) contact centre sites a third contact centre site opened in Wollongong (NSW) to support the growth in My Aged Care usage.

Calls, Correspondence and Website Data

In 2015–16, the My Aged Care contact centre answered 690,544 calls and received 293,718 pieces of web and fax correspondence, while the website had a total of 3,009,377 visits. The percentage of views by category are provided in Table 3.

Table 3: Visits to My Aged Care website by page type

Page Category	Percentage
Service Finders	50.6
Home Care Information	17.0
Aged Care Homes	11.0
General Aged Care Information	10.9
Fee Estimators	10.5

Publications

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

Over 500,000 individual information products were distributed to consumers during 2015–16 including:

- 218,578 items from the Department's stock of aged care information products, such as the *5 Steps to Entry into Residential Aged Care and the 5 Steps to Accessing a Home Care Package*
- 289,777 information resources about services available to older people.

2.2. Support for consumers

National Aged Care Advocacy

The Department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program (NACAP). There are nine NACAP services that provide information to consumers, their families and carers about their rights and responsibilities when accessing aged care services. Advocacy services are free, confidential and independent, and can be accessed by contacting the National Aged Care Advocacy Line on 1800 700 600.

In 2015–16, the NACAP managed more than 5,300 advocacy cases and more than 3,000 general enquiries, and provided over 1,700 facetoface education sessions, for a funding amont of more than $3.9 million. A review of Commonwealth aged care advocacy services was also undertaken in 2015–16, and explored how consumers can best be supported by individual advocacy to effectively interact with the aged care system, exercise increased choice, and have their rights protected. The outcomes of the review will inform the design of a nationally consistent, end-to-end aged care advocacy program focussed on individual advocacy support and accessible to all consumers of

Australian Government aged care services. The final report for the review is available from the Department's website.[7]

Community Visitors Scheme

The Community Visitors Scheme (CVS) provides support to older Australians by funding community-based organisations to recruit volunteers to make regular one-on-one and group visits to consumers of Australian Government subsidised residential aged care services, and one-on-one visits to consumers of home care packages. Any aged care consumers who are socially or culturally isolated, or at risk of isolation, and whose quality of life would be improved by the companionship of a regular community visitor, can be referred to the CVS. In 2015-15, the Department funded over 220,000 visits to consumers of Australian Government subsidised residential aged care services and Home Care packages.

CVS organisations work with aged care providers to match individuals with CVS volunteers based on a range of consumer preferences, including language or cultural preferences.

2.3. Access to subsidised care

Regional Assessment Service

The Australian Government established the Regional Assessment Service (RAS) to deliver regional level assessments of older people seeking entry-level support at home, provided under the CHSP. Thirteen RAS organisations were selected through an open tender process to deliver assessment services in all states and territories (except Victoria and Western Australia) from 1 July 2015.

Aged Care Assessment Program

The Australian Government engages state and territory governments to manage and administer the Aged Care Assessment Program (ACAP), including 80 ACATs to deliver assessment services across all regions in each state or territory. Australian Government expenditure in 2015–16 for the ACAP was $114.3 million.

ACATs comprehensively assess the care needs of older people and assist them to access services most appropriate to meet those needs. This includes approving the person as eligible for Australian Government subsidised aged care services under the *Aged Care Act 1997* such as for residential aged care, home care and/or flexible care

7 Final Report of the Review of Commonwealth Aged Care Advocacy Services; https://agedcare.health.gov.au/support-services/aged-care-advocacy/final-report-of-the-review-of-commonwealth-aged-care-advocacy-services

services. If a person has been assessed as eligible for a particular level of home care package, but there are none available, the person can be offered a lower-level package as an interim measure, until a higher level package is available.

Assessments are conducted in accordance with the aged care legislation and Commonwealth guidelines for the ACAP. Requirements for the approval of care recipients are outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 2014.*

From early 2016, all ACATs transitioned to using the My Aged Care system to conduct assessments and approvals and make referrals to services or to service provider waitlists. Aged care service providers are also able to receive these referrals through the My Aged Care system. Table 4 provides an overview of the number of ACAT assessments from 2011–12 to 2015–16, broken down by state and territory. This data includes reassessments.

Table 4: Number of ACAT assessments: 2011-12 to 2015–16

State/Territory	2011–12	2012–13	2013–14	2014–15	2015–16
NSW	70,278	69,092	71,343	67,271	59,307
VIC	61,471	64,707	66,453	62,805	55,246
QLD	39,271	39,876	38,441	42,623	35,574
WA	23,110	22,281	21,663	20,902	18,737
SA	16,335	15,096	15,543	16,283	15,459
TAS	5,888	5,649	5,916	5,763	4,675
ACT	2,354	2,592	3,116	2,531	2,233
NT	1,248	1,033	1,174	1,029	856
Australia	**219,955**	**220,326**	**223,649**	**219,207**	**192,087**

Note: The data was extracted from the Ageing and Aged Care Data Warehouse in July 2016. Future extracts of this data may change and thus alter final numbers.

Jointly-funded HACC services in Victoria and WA

Access to jointly-funded HACC services in Victoria and Western Australia was managed by those jurisdictions.

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HOME SUPPORT

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3. Home Support

Home Support provides entry-level support services for frail, older people aged 65 years and older (or 50 years and older for Aboriginal and Torres Strait Islander people) who need assistance to keep living independently at home and in their community. In 2015–16 these services were delivered through the Commonwealth Home Support Programme (CHSP), and the jointly funded, state operated, Home and Community Care (HACC) programs in Victoria and Western Australia.

On 1 July 2015, the CHSP was introduced by the Australian Government to provide streamlined access to services through the consolidation of four former Commonwealth-funded aged care programs. These programs include the Commonwealth Home and Community Care (HACC) program[8], the National Respite for Carers Program (NRCP), the Day Therapy Centres (DTC) program and the Assistance with Care and Housing for the Aged (ACHA) program.

3.1. What is provided?

The objective of the program is to maximise the independence of older people and help them stay in their homes and communities for longer. The CHSP provides high quality support at a low intensity on a short-term or on-going basis, or higher intensity services delivered on a short-term episodic basis to frail, older people. The CHSP is underpinned by a strong emphasis on wellness and reablement to help older people to stay living in their homes for as long as they can and wish to do so.

The CHSP provides a range of services including:

- transport
- social support
- assistance with food preparation in the home and delivery of meals
- nursing care and personal care
- allied health services like podiatry, physiotherapy and speech pathology
- domestic assistance including help with cleaning, washing and shopping
- support for carers including respite services
- home maintenance and modifications.

These services focus on supporting different areas of need that an individual may have due to a limitation in their ability to undertake tasks of daily living. CHSP services support

8 Except in Victoria and Western Australian where the joint Commonwealth-State HACC programs continued to operate separately to the CHSP in 2015–16.

older people to be more independent at home and in the community, and to reduce early admission to residential care.

In 2015–16, Victorian and Western Australian home support services for older Australians continued to be delivered under the state-administered HACC programs.

3.2. Who provided care?

Over 1,160 service providers received grant funding from the Australian Government to deliver CHSP services nationally. These providers range from not-for-profit organisations such as meals providers to non-government organisations.

Volunteers play an important role in the delivery of vital services to older people. Volunteers make a significant contribution to the lives of those they support, and are involved extensively in delivering meals, providing transport and social interaction at day care centres and in the community.

In Victoria and Western Australia there were a total of 526 HACC service providers funded to deliver services in 2015–16, (421 in Victoria and 105 in Western Australia).

3.3. Who received care?

The CHSP supported more than 640,000 older clients aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) through direct delivery of home support services.

In Victoria and Western Australia, 371,459 people received services through the joint HACC programs, of which 285,432 were aged over 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people).

3.4. How were these services funded?

The CHSP is a grant-funded program. During 2015–16, the Australian Government contributed $1.45 billion to the CHSP for service delivery activities to assist eligible clients to remain living independently in their homes and communities. An additional $147.5 million of funding was spent on My Aged Care and Regional Assessment Service (RAS) to support the implementation of the CHSP. In total, Australian Government expenditure for the Home Support program group in 2015–16 was $1.6 billion.

In addition, from October 2015, the Australian Government released the Client Contribution Framework (the Framework) for the CHSP. The Framework outlines the principles providers need to adopt in setting and implementing their own client contribution policy with a view to ensuring that those who can afford to contribute to the cost of their care do so while protecting those who are most vulnerable.

The Framework is designed to support the future financial sustainability of the CHSP, including the expansion of existing and new services, while creating fairness and consistency in the way in which both new and existing clients contribute to the cost of their care.

Table 5: Australian Government expenditure for CHSP during 2015–16, by State and Territory

State/Territory	2015–16 $M
NSW	564.3
VIC	74.4
QLD	484.4
WA	27.7
SA	195.1
TAS	56.8
ACT	29.1
NT	19.7
Australia	**1,451.4**

Note: The above table captures the combined expenditure from the former Commonwealth HACC, DTC, NRCP and ACHA programs with CHSP. The Commonwealth HACC, DTC, NRCP and ACHA programs were extended from 1 July 2015 to 31 October 2015 to allow organisations to transition to the CHSP. CHSP expenditure is captured from 1 November 2015 to 30 June 2016.

The above table includes Commonwealth expenditure for home support services in Victoria and Western Australia, but excludes expenditure provided under the jointly-funded Commonwealth–State HACC programs in those states. These details are provided in Table 6.

Funding arrangements for the jointly-funded Commonwealth–State HACC programs in Victoria and Western Australia are governed by the HACC Review Agreement 2007 (the Review Agreement). Under this Agreement the Australian Government contributes approximately 60 per cent of funding and maintains a broad strategic role, the remaining 40 per cent of funding is provided by the state governments.

In 2015–16 the Australian Government's contribution to these programs was $609.0 million.

Table 6: Australian Government Expenditure for HACC Services during 2015–16, by State and Territory

State/Territory	2015–16 $M
VIC	$426.6
WA	$182.4
Australia	**$609.0**

Note: the Victorian and Western Australian Governments contributed a further $394.5 million to support the jointly funded HACC programs in their state.

4.
HOME CARE

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4. Home Care

The Australian Government recognises that people want to remain living independently in their own homes for as long as possible. To support this, the Government subsidises packages to provide home-based care that can improve older Australians' quality of life and help them to remain active and connected to their communities.

A total of 6,445 new home care places were allocated across Australia in the 2015 Aged Care Approvals Round (ACAR). These new places had an estimated annual recurrent funding value of over $230 million.

4.1. What is provided?

The Home Care Packages Programme provides four levels of packages:

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

Under a home care package, a range of personal care, support services, clinical services and other services is tailored to meet the assessed needs of the consumer. A summary list of the types of services available can be found on the My Aged Care website.[9]

Packages are available in all states and territories, including rural and remote locations. As at 30 June 2016, there were 78,956 operational home care packages (Table 7), with an occupancy of 83.2 per cent. A key focus of the 2015 ACAR was the release of significantly more Level 3 and Level 4 home care packages relative to lower level packages, in recognition of consumer demand for higher level home care and sector feedback. In the 2015 ACAR, 126,808 applications were received for the available 6,445 places, a ratio of 20:1.

Table 7: Number of operational home care packages, by level and state and territory, as at 30 June 2016

State/ Territory	Level 1	Level 2	Level 3	Level 4	Total	% of Total
NSW	758	17,508	2,437	4,907	**25,610**	32.4
VIC	572	13,244	1,902	3,766	**19,484**	24.7

9 Home Care Package – Care and Services, http://www.myagedcare.gov.au/aged-care-services/home-care-packages/home-care-packages-care-and-services

State/ Territory	Level 1	Level 2	Level 3	Level 4	Total	% of Total
QLD	423	9,704	1,354	3,043	**14,524**	18.4
WA	214	4,825	752	2,911	**8,702**	11.0
SA	190	4,346	625	1,216	**6,377**	8.1
TAS	59	1,312	191	397	**1,959**	2.5
ACT	28	693	73	487	**1,281**	1.6
NT	10	783	35	191	**1,019**	1.3
Australia	**2,254**	**52,415**	**7,369**	**16,918**	**78,956**	**100.0**
% of Total	2.9	66.4	9.3	21.4	**100.0**	

Note: Data show the state/territory of service delivery.

4.2. Who provided care?

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

Home care packages are primarily (81.9 per cent) provided by religious, charitable and community-based (not-for-profit) providers (Table 8).

Table 8: Operational home care packages, by provider type and state and territory, as at 30 June 2016

State/ Territory	Religious	Charitable	Community Based	For Profit	State/ Territory and Local Govt.	Total
NSW	7,399	9,178	5,193	2,689	1,151	**25,610**
VIC	6,746	4,673	3,337	1,266	3,462	**19,484**
QLD	5,819	3,976	3,062	1,352	315	**14,524**
WA	2,873	3,304	400	1,753	372	**8,702**
SA	1,631	3,167	687	367	525	**6,377**
TAS	558	498	566	329	8	**1,959**
ACT	201	593	316	171	0	**1,281**
NT	197	8	295	255	272	**1,027**
Australia	**25,424**	**25,389**	**13,856**	**8,182**	6,105	**78,956**
% of Total	32.2	32.2	17.5	10.4	7.7	**100.0**

Note: Data show the state/territory of service delivery.

4.3. Who received care?

Although there are no minimum age requirements for eligibility purposes, the Home Care Packages Programme is primarily designed to assist frail older Australians to remain in their homes. In 2015–16, the average age of admission into a package was 80.2 years, a decrease from an average of 82.5 years in 2014–15.

The number of home care consumers as at 30 June 2016 was 64,069 (Table 9).

Table 9: Number of home care consumers, by care level and state, as at 30 June 2016

Care Level	Level 1	Level 2	Level 3	Level 4	Total	% of Total
NSW	439	14,742	1,572	4,463	**21,216**	33.1
VIC	402	12,125	1,269	3,369	**17,165**	26.8
QLD	152	7,145	875	2,863	**11,035**	17.2
WA	23	2,748	487	2,775	**6,033**	9.4
SA	84	3,444	443	1,068	**5,039**	7.9
TAS	46	1,235	127	361	**1,769**	2.8
ACT	14	496	52	480	**1,042**	1.6
NT	5	578	23	164	**770**	1.2
Australia	**1,165**	**42,513**	**4,848**	**15,543**	**64,069**	**100.0**
% of Total	1.8	66.4	7.6	24.3	**100.0**	

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

4.4. How were these services funded?

What the Australian Government pays

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

The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time the Australian Government's Age Pension changes). The current rates of payment are available on the Schedule of Subsidies and Supplements on the Department's website[10] and from My Aged Care.

10 Current Australian Government subsidies and supplements, https://agedcare.health.gov.au/aged-care-funding/aged-care-subsidies-and-supplements

The following Home Care supplements were available in 2015–16:

Supplement type	Description
Oxygen Supplement	A supplement paid to home care services on behalf of eligible care recipients to reimburse costs associated with provision oxygen therapy.
Enteral Feeding Supplement	A supplement paid to home care services on behalf of eligible care recipients to reimburse costs associated with provision of enteral feeding.
Dementia and Cognition Supplement	A supplement paid to home care services on behalf of eligible care recipients assessed as having cognitive impairment due to dementia or other causes.
Veterans' Supplement in Home Care	A supplement paid on behalf of care recipients with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Top Up Supplement	A supplement paid to home care services on behalf of care recipients formerly in receipt of an Extended Care at Home Dementia (EACHD) package, to ensure no disadvantage in funding as a result of the transition to the Home Care Packages Programme.
Hardship Supplement	A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.
Viability Supplement	A supplement paid to home care services on behalf of eligible care recipients living in regional and remote areas to assist with the extra costs of providing services in those areas.

The Australian Government's expenditure on subsidies and supplements for home care packages increased substantially from $1.28 billion in 2014–15 to $1.49 billion in 2015–16, an increase of 16 per cent (Table 10).

Table 10: Australian Government expenditure (in $millions) for home care packages 2011–12 to 2015–16, by state and territory

State/ Territory	2011–12	2012–13	2013–14	2014–15	2015–16	Increase 2014–15 to 2015–16
NSW	329.7	352.2	383.1	389.0	452.2	16.2%
VIC	257.7	275.4	299.9	313.8	364.0	16.0%
QLD	201.2	219.3	246.6	244.0	283.2	16.1%
WA	129.1	153.6	174.9	161.2	187.0	16.0%
SA	76.2	83.8	88.7	92.2	107.0	16.0%
TAS	27.0	29.2	29.0	32.3	37.4	15.9%
ACT	21.6	25.6	29.5	29.7	34.4	15.9%
NT	15.8	17.6	19.2	18.6	21.4	15.3%
Australia	**1,058.2**	**1,156.6**	**1,270.9**	**1,280.7**	**1,486.6**	**16.1%**

What the consumer pays

Consumers who have taken up a home care package on or after 1 July 2014 are required to pay one or both of:

- a basic daily fee – the basic daily fee is equal to 17.5 per cent of the single rate of the basic age pension ($9.93 as at 30 June 2016); and
- an income-tested care fee – paid by those assessed as having sufficient income to contribute to the cost of their care. The income-tested care fee reduces the amount of the subsidy paid by the Australian Government to the provider.

There are annual and lifetime limits to how much a consumer has to pay in income-tested care fees. Once these limits have been reached, the Australian Government will pay the consumer's share of income-tested care fees to the provider. Safeguards are also available through the financial hardship provisions administered by the Department of Human Services (DHS).

These fee arrangements do not apply to consumers who were receiving a home care package on or before 30 June 2014.

Consumers who were receiving a home care package on or before 30 June 2014 can still be asked to pay a basic daily fee, up to the maximum of 17.5 per cent of the single rate of the basic age pension as well as an additional fee calculated on income they receive above the basic age pension. However, as the income test was conducted by the provider, there was no subsequent reduction to the Australian Government contribution to the cost of their care. In addition, providers are able to reduce the consumer's fees if they are at risk of suffering from financial hardship from paying the full amount of their fees.

Further information on the fee arrangements for home care packages can be found on the Department's website.[11]

Consumer Directed Care

From 1 July 2015, all home care packages were required to be delivered on a consumer directed care (CDC) basis. CDC provides greater transparency to consumers about what funding is available under their package and how those funds are spent through the use of an individualised budget. CDC also gives a consumer more choice and flexibility about the types of care and services they access and how the care is delivered to best meet their needs.

More information on the reforms to home care packages can be found on the department's website.[12]

11 Aged Care fees and charges, https://agedcare.health.gov.au/aged-care-funding/aged-care-fees-and-charges

12 Home Care Packages – reform https://agedcare.health.gov.au/aged-care-reform/home-care/home-care-packages-reform

5.
RESPITE CARE

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5. Respite care

The Australian Government recognises the vital role that carers play by providing care and support to family and friends who are frail aged, disabled, or have a mental or physical illness. Respite care is an important support service for frail older people and their carers and is provided in a number of settings to allow greater flexibility for carers and consumers.

5.1. What is provided?

Commonwealth Home Support Programme (CHSP)

The CHSP provides respite services including:

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

Residential care respite

Residential respite provides short-term care in Australian Government subsidised aged care facilities. The ACAT can recommend someone for either high care or low care residential respite.

A person can receive residential respite in aged care facilities for up to 63 days in a financial year. However, with approval from an ACAT, extensions can be granted if necessary.

Residential respite care may include assistance with meals, laundry, room cleaning, personal grooming, as well as nursing care and a variety of services such as physiotherapy or podiatry.

5.2. Who provided care?

In 2015–16, 462 CHSP service providers delivered respite services to clients. These providers range from small not-for-profit organisations to large non-government organisations.

Providers of residential respite care do not have a separate allocation of residential respite places. Rather, a portion of each permanent allocation of residential care places is used for the provision of respite care. It is a matter for the provider as to what mix of respite and permanent residential care places to deliver within the financial year. In 2015–16, there were 2,438 residential aged care homes that provided residential respite services.

Table 11: Respite service providers in 2015–16, by state and territory

State/Territory	Residential Respite
NSW	831
VIC	692
QLD	372
WA	190
SA	249
TAS	69
ACT	24
NT	11
Australia	**2,438**

5.3. Who received care?

In 2015–16, there were 73,335 admissions to residential respite care, and the number of residential respite days used in 2015–16 was 1.9 million (Table 12). On average, each recipient received 1.3 episodes of residential respite care during 2015–16, and their average length of stay per episode was 25.5 days.

Throughout 2015–16, a total of 56,852 people received residential respite care, and on 30 June 2016 there were 5,059 people receiving residential respite.

Table 12: Residential respite days by level of care, during 2015–16, by state and territory

State/Territory	High Care Respite	Low Care Respite	Total
NSW	559,809	243,731	803,540
VIC	195,974	260,861	456,835
QLD	155,889	71,907	227,949
WA	57,095	31,883	88,978
SA	191,016	42,428	233,444
TAS	27,198	11,477	38,675
ACT	10,379	5,607	15,986
NT	8,837	2,828	11,665
Australia	**1,206,197**	**670,722**	**1,877,072**

Note: The total column includes some days where respite care level is recorded as 'unknown'.

5.4. How were these services funded?

What the Government pays

In 2015–16, the Australian Government provided grant funding of $196.5 million to service providers who delivered respite services under the CHSP, and subsidies and supplements totalling $295.1 million to service providers who delivered residential respite care.

What residents pay

The Australian Government sets the maximum level of the basic daily fee that providers may ask residential respite care recipients to pay. However, it is at the providers' discretion if they charge the residential respite care recipient the maximum level of basic daily fees. This fee is used by the approved provider to cover costs such as cleaning, maintenance and laundry.

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

6.
RESIDENTIAL CARE

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6. Residential Care

6.1. What is provided?

Residential care is provided on a permanent or respite basis (see Chapter 5 for respite). The services provided through residential care include 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. For people who need almost complete assistance with most activities of daily living, residential care can provide 24-hour care.

A person with a permanent residential aged care approval may be admitted to any residential aged care place that meets the resident's needs, subject to availability of places, the provider's ability to deliver the required care and services, and the provider's agreement. Each aged care home must deliver care and services in accordance with the care recipient's care needs, as outlined in the *Quality of Care Principles 2014*.

6.2. Who provided care?

Residential aged care is delivered to older Australians by service providers who have been approved under the Act. Providers consist of those from religious and charitable, community, for-profit and government sectors. At 30 June 2016, there were 2,669 residential aged care services, a decrease of 0.4 per cent from the previous year. At the same time, there were 949 residential aged care providers. In 2015–16, the Department approved 54 applications to provide residential aged care. One application was not approved and four applications were withdrawn by the applicant. A total of 78 applications were received from organisations seeking approval for residential care.

At 30 June 2016 there were a total of 195,825 operational residential aged care places (excluding places offered in flexible care programs – see Chapter 7) with an occupancy rate of 92.4% per cent over 2015–16. The not-for-profit group (comprising religious, charitable and community-based providers) was responsible for 56.3 per cent of operational residential care places, for-profit providers were responsible for 39.1 per cent, and government providers were responsible for 4.6 per cent (Table 13).

Table 13: Operational residential care places, other than flexible care places, by provider type, at 30 June 2016, by state and territory

State/ Territory	Religious	Charitable	Community Based	For-Profit	State/ Territory Govt	Local Govt	Total
NSW	17,120	15,582	10,452	23,224	405	377	**67,160**
VIC	6,697	4,737	7,468	27,260	5,204	173	**51,539**
QLD	12,132	5,243	3,496	13,364	1,112	111	**35,458**
WA	4,895	2,756	1,967	5,886	66	301	**15,871**
SA	5,004	3,864	2,178	5,678	864	317	**17,905**
TAS	2,144	1,353	914	412	87	0	**4,910**
ACT	538	790	474	671	0	0	**2,473**
NT	85	0	289	135	0	0	**509**
Australia	**48,615**	**34,325**	**27,238**	**76,630**	**7,738**	**1,279**	**195,825**
% of Total	24.8	17.5	13.9	39.1	4.0	0.7	**100.0**

6.3. Who received care?

The following is a snapshot of permanent residential care recipients in 2015–16:

- a total of 234,931 people received care at any time during the year
- the average age (on entry) was 82.0 for men, 84.5 for women
- the average completed length of stay was 34.7 months
- around 50 per cent of residents at 30 June 2016 had a diagnosis of dementia.

At 30 June 2016 there were 175,989 people receiving permanent residential care (Table 14).

Table 14: Number of permanent residents at 30 June 2016, by state and territory

State/Territory	Permanent residential
NSW	59,778
VIC	46,243
QLD	32,089
WA	14,668
SA	16,198
TAS	4,385

State/Territory	Permanent residential
ACT	2,183
NT	445
Australia	**175,989**

6.4. How were these services funded?

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

What the Government pays

During 2015–16, the Australian Government paid $11.4 billion for residential care subsidies and supplements, an increase of 7.4 per cent over the previous year. (Table 15)

Table 15: Australian Government recurrent residential care funding, 2011–12 to 2015–16, by state and territory

State/ Territory	2011–12 $M	2012–13 $M	2013–14 $M	2014–15 $M	2015–16 $M	Increase 2014–15 to 2015–16
NSW	2,998.9	3,115.1	3,348.9	3,563.5	3,836.3	7.7%
VIC	2,237.8	2,363.3	2,539.8	2,758.6	2,976.2	7.9%
QLD	1,573.8	1,655.2	1,762.6	1,926.4	2,061.9	7.0%
WA	727.3	791.6	860.3	921.1	972.0	5.5%
SA	872.6	911.8	942.4	1,018.2	1,084.3	6.5%
TAS	215.3	234.7	239.9	258.0	278.5	8.0%
ACT	91.0	96.9	94.0	110.6	126.0	13.9%
NT	29.0	34.0	26.5	33.1	35.7	7.8%
Australia	**8,738.4**	**9,192.0**	**9,814.4**	**10,589.4**	**11,371.4**	**7.4%**

Note: Totals may not sum exactly, due to rounding. This table includes funding through the Department of Veterans' Affairs. This table presents recurrent funding to residential care providers using accrual based reporting. Due to accrual adjustments, for smaller jurisdictions in particular, this can lead to significant year on year variation. Based on claims data, recurrent funding for each state and territory grew between 5.9 per cent and 14.9 per cent between 2014–15 and 2015–16.

This is paid in the form of subsidy and supplement payments to approved providers, on behalf of the residents. A detailed breakdown of these payments is shown in Table 23 in Appendix A.

Average Government payment per resident

The average level of Australian Government payments for permanent residents in aged care was $63,400 per care recipient, an increase of 5.3 per cent per care recipient from 2014–15 (Table 16).

Table 16: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient, 2010–11 to 2015–16

2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	Increase 2014–15 to 2015–16
$46,900	$51,400	$53,100	$56,100	$60,200	$63,400	5.3%

Note: The arrangements for the calculation of the subsidy differ for continuing care recipients (pre-1 July 2014) and new residents (post-1 July 2014).

Subsidies and supplements

The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time the Australian Government's Age Pension changes). The current rates of payment are available on the Schedule of Subsidies and Supplements on the Department's website[13] and from My Aged Care.

Supplement type	Description
Respite Supplement	A supplement paid to residential care services for provision of residential respite care to eligible care recipients who normally live in the community.
Oxygen Supplement	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing oxygen therapy.
Enteral Feeding Supplement	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing enteral feeding.
Accommodation Supplement	A means tested supplement paid to residential care services on behalf of care recipients who entered care on or after 20 March 2008 who are eligible for assistance with their accommodation costs.
Hardship Supplement	A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.

13 Current Australian Government subsidies and supplements, https://agedcare.health.gov.au/aged-care-funding/aged-care-subsidies-and-supplements

Supplement type	Description
The Veterans' Supplement in Residential Care	A supplement paid on behalf of residents with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Viability Supplement	A supplement paid to aged care services in rural and remote locations to assist with the extra cost of delivering services in those locations.
Homeless Supplement	A supplement paid to aged care services that specialise in caring for people with a history of, or at risk of, homelessness.
Concessional Supplement	A means tested supplement paid on behalf of concessional and assisted residents who entered residential care between 1 October 1997 and 19 March 2008 who are eligible for assistance with their accommodation costs.
Transitional Supplement	A supplement paid on behalf of care recipients who entered residential care prior to 1 October 1997 and have remained in the same home.
Charge Exempt Supplement	A supplement paid on behalf of residents who were in high care on 30 September 1997 and who have subsequently moved to another home where they would be eligible to pay an accommodation charge.
Transitional Accommodation Supplement	A supplement paid on behalf of residents who entered low level care after 20 March 2008 and before 19 September 2011, to ensure no financial disadvantage from changes to the accommodation supplement introduced on 19 September 2011.
Accommodation Charge Top-Up Supplement	A supplement paid on behalf of high care residents who entered care from 20 March 2008 to 19 March 2010; and who were on income support.
Basic Daily Fee Supplement	A supplement paid on behalf of care recipients who entered care prior to 1 July 2012 to ensure no financial disadvantage resulting from the increase of the basic daily fee after this date.
Pensioner Supplement	A supplement payable for pre-March 2008 reform residents who either have a dependent child or receive an income support payment and have not agreed to pay a "big bond".

The following information relates to residents who entered into care on or after 1 July 2014 (new residents). For information on the payment arrangements for those who entered into care prior to that date (continuing care residents) please see Chapter 7 Part 4 of the 2014–15 Report on the Operation of the *Aged Care Act 1997.*

Residents who entered on or after 1 July 2014 are subject to the arrangements outlined in the Act. The Act sets out the following process for determining the payments for care recipients (as illustrated in Figure 5):

Figure 5: Process for determining the payments for care recipients

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

What residents pay

Depending on their income and assets, residents may be asked to make a contribution to their accommodation costs. The information that follows explains the arrangements for residents who entered care on or after 1 July 2014.

Accommodation payments

Accommodation payments are a contribution to the cost of accommodation and are used to maintain and upgrade the aged care facility. Accommodation payments are means-tested. Residents with income below $25,264.20 and assets below $46,000 are not required to make an accommodation contribution. The Australian Government pays the full accommodation cost.

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

Residents have the option of paying their accommodation contribution as:

- a refundable accommodation deposit (RAD) as a lump sum; or
- a daily accommodation payment (DAP); or
- a combination of both.

Australian Government contributions towards accommodation costs are by way of accommodation supplements. There is a range of accommodation supplement rates set by Ministerial determination. As at 30 June 2016, the highest of these, the Maximum Accommodation Supplement Amount was $54.29 per day for new homes or those which have been significantly refurbished since 20 April 2012.

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

The average accommodation price agreed with a new resident in 2015–16 was a refundable deposit of $370,541, equivalent to a daily payment of $58.47 with 52% agreeing to pay by lump sum, 22% by daily payment, and 26 per cent as a combination of both.[14]

More information about accommodation prices and choice of payment is available from the Aged Care Financing Authority's annual *Report on the Funding and Financing of the Aged Care Sector – July 2016* available on the Department's website.[15]

Fees

Basic Daily Fee

All residents in aged care homes can be asked to pay a basic daily fee (standard resident contribution), which is 85 per cent of the basic age pension. This fee is used by the approved provider to cover costs such as cleaning, maintenance and laundry.

The maximum basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension. Unlike the arrangements for continuing care recipients, there is only one rate of basic daily fee for residents who entered permanent care on or after 1 July 2014.

14 Information reported is based on 89 per cent provider response to the 'Survey of Aged Care Homes 2016'. Previous reports have been weighted to an assumed 100 per cent response rate..

15 2016 Report on the Funding and Financing of the Aged Care Industry: https://agedcare.health.gov.au/2016-report-on-the-funding-and-financing-of-the-aged-care-industry

The Australian Government sets the maximum level of the daily fees that providers may ask residents to pay. However, it is at the providers' discretion if they charge the resident the maximum level of fees and accommodation payments.

Means-Tested Care Fee

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

Extra Service Fees

The extra service amount is the maximum amount a provider can charge a resident for receiving extra service in a residential care home which has been approved to provide extra service. 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 or means-tested care fee.

Additional Service Fees

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

6.5. Building activity

Through accommodation payments, residential aged care providers can access funding to upgrade and maintain buildings. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Estimated building works completed during the year or in progress at June 2016 exceeded $4.5 billion.[16] See Table 27 in Appendix A for detailed information on estimated building work expenditure.

16 Information reported is based on 89 per cent provider response to the 'Survey of Aged Care Homes 2016'. Previous reports have been weighted to an assumed 100 per cent response rate.

6.6. Monitoring the impact of the July 2014 changes

The Aged Care Financing Authority (ACFA) has been asked by the Australian Government to monitor the impacts of the 1 July 2014 changes, specifically focusing on the impact of accommodation payments changes and the impact of changes to means testing arrangements on access to care. ACFA presented its 2016 Report on the Funding and Financing of the Aged Care Industry to the Government on 29 July 2016.[17] ACFA monitoring reports are showing there has been a substantial increase in the amount of lump sum held and receivable. This provides funds for providers to invest in the residential care sector. More broadly, there has also been a noticeable increase in investor interest in the residential care sector.

ACFA will continue to monitor the impact of the changes and is now reporting to the Minister on a quarterly basis.

17 2016 Report on the Funding and Financing of the Aged Care Industry; https://agedcare.health.gov.au/2016-report-on-the-funding-and-financing-of-the-aged-care-industry

7.
FLEXIBLE CARE

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7. Flexible Care

Flexible care acknowledges that in some circumstances a different care approach than that provided through mainstream residential and home care is required. The Act identifies four types of flexible care arrangements:

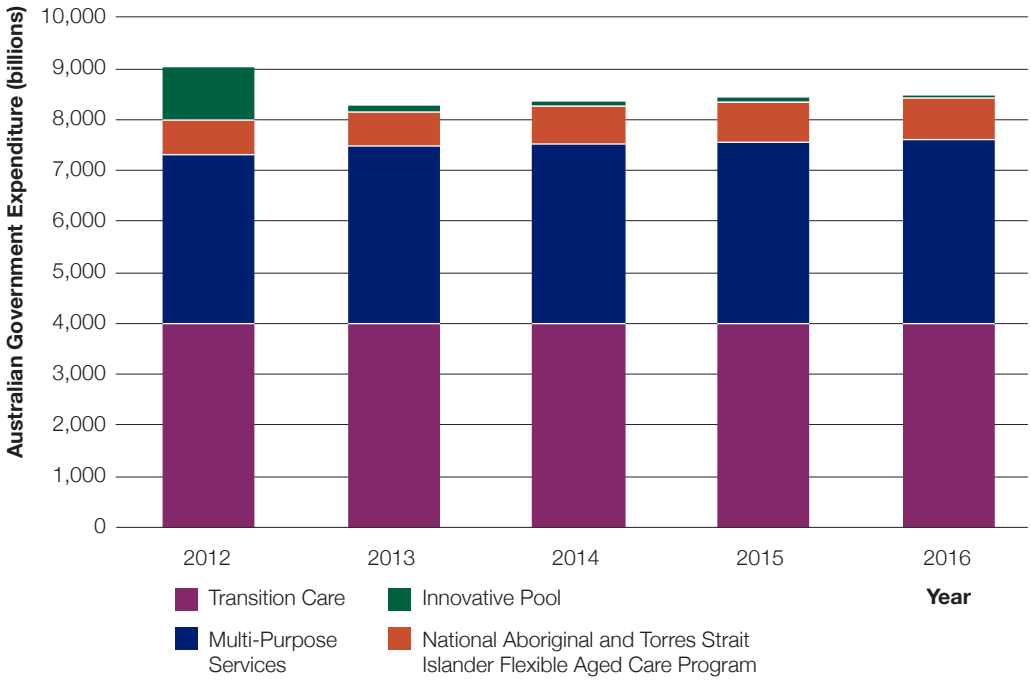
- Transition Care
- Multi-Purpose Services
- Innovative Care
- the new Short-Term Restorative Care, which has yet to commence.

Arrangements for the various types of flexible care are set out in the Subsidy Principles 2014.

In addition to flexible care provided under the Act, flexible aged care is also provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, which operates outside the Act.

At 30 June 2016, there were 8,487 operational flexible care places (Figure 6).

Figure 6: Operational Flexible Care Places as at 30 June each year between 2012 and 2016



7.1. Transition Care

The Transition Care Program enables older people to return home after a hospital stay, rather than prematurely entering a residential aged care home. A person can only enter transition care directly after being discharged from hospital. The program provides timelimited, goal-oriented and therapy-focused packages of services to older people after a hospital stay. More information on the program is available on My Aged Care.[18]

What is provided?

At 30 June 2016, there were a total of 4,000 operational transition care places nationally, with an occupancy rate of 88.2 per cent. Transition care is provided for up to 12 weeks (with a possible extension of another six weeks) in either a homelike residential setting or in the community. In 2015–16, the average length of stay for completed episodes of transition care was 60 days.

Who provided care?

As a jointly funded initiative, both the Australian Government and the state and territory governments contribute to the cost of the program. The Australian Government has agreements in place with each of the states and territories to manage the program in their respective jurisdictions. Most state and territory governments then subcontract the provision of transition care services.

Who received care?

At 30 June 2016, 3,552 people were receiving transition care. Overall, 24,665 people received transition care during 2015–16 (Table 17).

Table 17: Number of transition care recipients by state and territory, at 30 June 2016 and during 2015–16

State/Territory	Number of people receiving transition care at 30 June 2016	Number of people who received transition care during 2015–16
NSW	1,236	7,722
VIC	874	6,572
QLD	660	4,929
WA	309	2,248
SA	317	2,148
TAS	79	607

18 After-hospital care (transition care); http://www.myagedcare.gov.au/after-hospital-care-transition-care

State/Territory	Number of people receiving transition care at 30 June 2016	Number of people who received transition care during 2015–16
ACT	58	340
NT	19	129
Australia	**3,552**	**24,665**

Note: Data for numbers of recipients across the financial year shows a distinct count of individual clients with one or more episodes of transition care at any time in the 2015–16 financial year. An individual client may receive care in multiple states, but will be only counted once in the total for Australia.

How were these services funded?

Australian Government funding for the Transition Care Program is provided in the form of a flexible-care subsidy payable to the provider for each person who receives transition care.[19] In 2015–16, the Australian Government funding for the Transition Care Program was $259.1 million (Table 18).

Table 18: Australian Government expenditure on transition care, during 2015–16, by state and territory

State/Territory	Australian Government $M
NSW	86.4
VIC	63.8
QLD	48.0
WA	24.4
SA	22.8
TAS	5.6
ACT	2.2
NT	3.3
Australia	**259.1**

The state and territory governments, as the approved providers of transition care, also contribute to the delivery of the Transition Care Program through a mix of financial and inkind support. Additionally, providers are able to charge recipients a daily care fee for the services provided under this program. The maximum basic daily rate is an amount equivalent to:

- 85 per cent of the Age Pension for care delivered in a residential setting
- 17.5 per cent of the Age Pension for care delivered in a home or community setting.

19 Subsidy rates for the Transition Care Program can be found in section 106 of the *Aged Care (Subsidy, Fees and Payments) Determination 2014, available at* https://www.legislation.gov.au/Details/F2016C00689

7.2. Multi-Purpose Services

The Multi-Purpose Service Program is a joint initiative between the Australian Government and all states and territories (except the ACT). The program recognises that the delivery of some health and aged care services may not be viable in rural and remote communities if they are provided separately.

Multi-Purpose Services 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. At 30 June 2016, there were 177 operational Multi-Purpose Services, with a total of 3,592 flexible care places (Table 19).

Table 19: Multi-Purpose Services and operational places, at 30 June 2016, by state and territory

State/Territory	Multi-Purpose Services with Operational Places	Operational High Care Residential Care Places	Operational Low Care Residential Care Places	Operational Home Care Places	Total Operational Places
NSW	63	830	200	119	**1,149**
VIC	11	244	115	19	**378**
QLD	33	272	143	141	**556**
WA	40	318	317	159	**794**
SA	26	390	203	14	**607**
TAS	3	66	21	15	**102**
ACT	0	**0**	**0**	0	**0**
NT	1	4	0	2	**6**
Australia	**177**	**2,124**	**999**	**469**	**3,592**

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

There was continued growth in Australian Government expenditure for the Multi-Purpose Services Program, from $142.2 million in 2014–15 to $147.6 million in 2015–16 (Table 20).

Table 20: Australian Government expenditure for Multi-Purpose Services, 2011–12 to 2015–16, by state and territory

State/ territory	2011–12 $M	2012–13 $M	2013–14 $M	2014–15 $M	2015–16 $M	Increase 2014–15 to 2015–16
NSW	38.8	41.8	44.5	47.9	51.0	6.5%
VIC	12.4	12.6	12.8	13.4	14.0	5.0%
QLD	16.2	18.5	20.6	22.4	23.1	3.3%
WA	23.3	25.2	25.8	27.4	27.8	1.4%
SA	20.9	24.5	25.0	26.7	27.1	1.6%
TAS	3.6	3.8	3.9	4.1	4.2	1.8%
ACT	-	-	–	-	-	-
NT	0.3	0.3	0.3	0.3	0.3	1.6%
Australia	**116.2**	**126.7**	**133.0**	**142.2**	**147.6**	**3.8%**

Note: These figures include funding for additional places allocated in December 2015 as a result of the MPS places round.

7.3. Innovative Care Services

The Aged Care Innovative Pool Program was established in 2001–02 and provides opportunities to use flexible care places to provide care for specific target groups. Projects that are approved under the Innovative Pool have clear client eligibility criteria, and have controlled methods of service delivery.

At 30 June 2016, there were nine operational disability/aged care interface projects. These services were operated by approved providers from the home care sector through four services in New South Wales, two in South Australia, and one in each of TASania, Victoria and Western Australia. Throughout 2015–16 the Australian Government provided $1.9 million for these services, in the form of a flexible care subsidy specific to each service.[20]

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

In addition to those provided under the Act, flexible models of care are also provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

20 Subsidy rates for innovative care services are available in section 104 of the *Aged Care (Subsidy, Fees and Payments) Determination 2014, available at* https://www.legislation.gov.au/Details/F2016C00689

Services funded under this program provide culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to home, and are located mainly in rural and remote areas. These flexible aged care services operate outside the regulatory framework of the Act. As at 30 June 2016, 32 aged care services were funded $35.2 million to deliver 820 aged care places through this program.

7.5. Short-Term Restorative Care

In the 2015–16 Budget, the Short-Term Restorative Care (STRC) Program was announced as a new program that builds on the success of the Transition Care Program. STRC is a flexible care program under the *Aged Care Act 1997* that will provide restorative care to older people, to improve their capacity to stay independent and living in their homes.

Following the announcement of this program, work has been undertaken to prepare for the commencement of services. To this end, STRC places will be allocated through a combined residential/STRC Aged Care Approvals Round in 2016–17.

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8. Support for People with Special Needs

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

The special needs groups that are included in section 11–3 of the Act are:

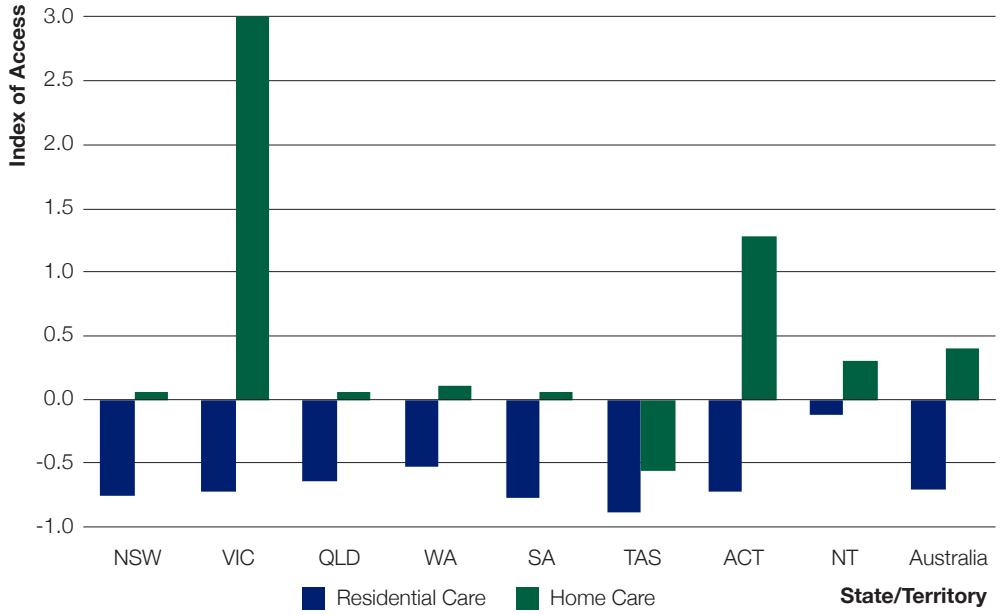
- people from Aboriginal and Torres Strait Islander communities
- people from culturally and linguistically diverse (CALD) backgrounds
- veterans
- people who live in rural or remote areas
- people who are financially or socially disadvantaged
- people who are homeless or at risk of becoming homeless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

8.1. People from Aboriginal and Torres Strait Islander Communities

Health conditions associated with ageing often affect Aboriginal and Torres Strait Islander people earlier than other Australians. To reflect this, the aged care target population includes the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 65 years or older for non-Indigenous Australians.

Figure 7 shows the representation of Aboriginal and Torres Strait Islander people in non-flexible aged care services, relative to their representation in the aged care target population. An index of 0 indicates equivalent representation in these aged care services compared to the broader population; indices above 0 indicate Aboriginal and Torres Strait Islander people have a higher proportional representation in these services; indices below 0 indicate a proportionally lower representation in these services. Broadly speaking, Aboriginal and Torres Strait Islander people have a proportionally higher representation in home care, and a proportionally lower representation in residential care (Figure 7).

Figure 7: Index of equity of access for non-flexible aged care services for older people from Aboriginal and Torres Strait Islander backgrounds, 2015–16



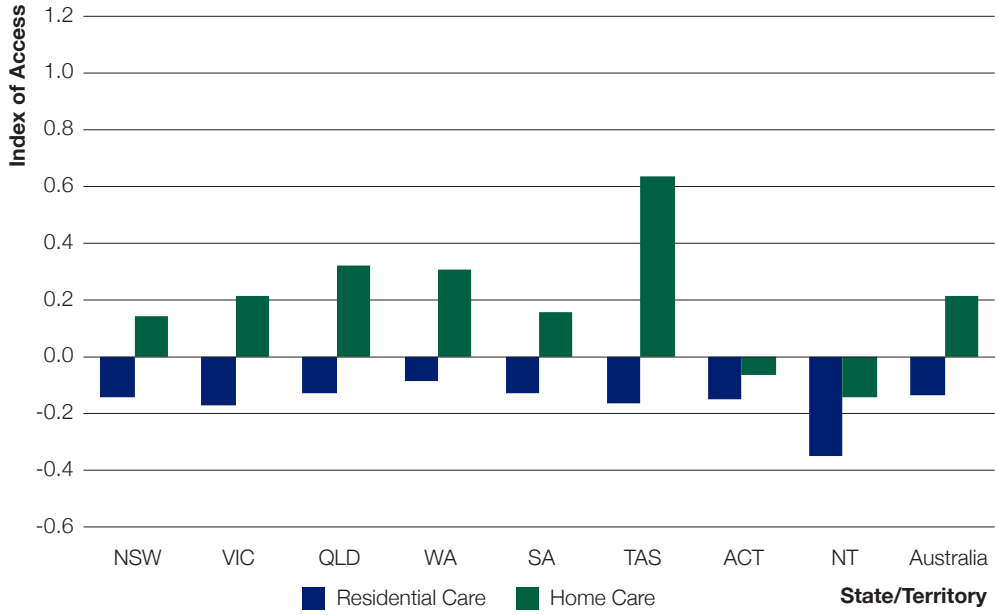
Flexible models of care are provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. This program funds culturally appropriate aged care to people close to home, and are located mainly in rural and remote areas. As at 30 June 2016, 32 aged care services were funded $35.2 million to deliver 820 aged care places through this program.

Funding for special measures for Aboriginal and Torres Strait Islander people is also provided under the Dementia and Aged Care Services Fund (DACS) (see Chapter 9.2).

8.2. People from culturally and linguistically diverse backgrounds

Australia is one of the most culturally diverse nations in the world with an estimated 22 per cent of people aged 65 years and over born overseas in countries other than main English speaking countries. Broadly speaking, people from culturally and linguistically diverse (CALD) backgrounds have proportionally higher representation in home care services and proportionally lower representation in residential care services (Figure 8).

Figure 8: Index of equity of access for for non-flexible aged care services for older people from Culturally and Linguistically Diverse backgrounds, 2015–16



The *National Ageing and Aged Care Strategy for people from Culturally and Linguistically Diverse Backgrounds* (CALD Strategy) informs the way the Australian Government responds to the special needs of older people and carers form CALD backgrounds, and better supports the aged care sector to deliver care that is sensitive, appropriate and inclusive. A major program supporting CALD communities is the Partners in Culturally Appropriate Care program. Funding to better support services targeting CALD people is also provided through the DACS fund.

8.3. People who are Veterans

Veterans are designated as people with special needs under the Act. In addition, the Department of Veterans' Affairs issues gold and white treatment cards to veterans, their war widows and widowers and dependents, and runs programs specifically for veterans, to ensure they have access to health and other care services that promote and maintain selfsufficiency, well-being and quality of life.

There were 19,281 gold or white treatment card holders in residential care at 30 June 2016 (Table 21), a decrease from 21,004 at 30 June 2015.

Table 21: Number of gold or white treatment card holders in residential care, at 30 June 2016, by state and territory

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
6,781	4,701	3,830	1,404	1,682	608	256	19	**19,281**

8.4. People who live in rural or remote areas

Providers of aged care services located in remote areas face particular challenges in service provision. These challenges can include issues related to the operation of small services which may be remote from professional assistance and support. There may also be higher infrastructure and supply costs and difficulties in attracting and retaining staff. In recognition of these challenges, the Department administers the Peer and Professional Support Program to provide funding to assist aged care providers delivering services to Aboriginal and Torres Strait Islander people located anywhere in Australia, and aged care providers located in remote and very remote areas

In recognition of the higher costs of providing care in those regions, some aged care services in rural and remote areas receive a viability supplement. The viability supplement aims to improve the capacity of small, rural aged care services to offer quality care to older people. In 2015–16, the Australian Government provided viability supplement funding for residential care ($35.6 million) and home care ($7.2 million), as well as for Multi-Purpose Services ($19.1 million), and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program ($8.5 million).

In addition, in 2015–16 changes were announced to improve the Viability Supplement by using a more modern methodology for classifying providers in regional, rural and remote areas. The viability supplement rate will also increase for most remote non-flexible residential services. The measure will be introduced on 1 January 2017.

The Australian Government also provides support to people who live in rural or remote areas through the Multi-Purpose Services Program and the DACS Fund.

8.5. People who are financially or socially disadvantaged

Arrangements established under the Act mean that older people can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of accommodation supplement payable for a supported resident, a service must have a supported resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra service places)

of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

In addition, financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying care fees and/or accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily fees, the income-tested or means-tested fee, accommodation charge, or accommodation bond. Hardship is payable if the person can demonstrate to the Department of Human Services (DHS) that they are in financial hardship as a result of paying their aged care fees and essential expenses. The Australian Government provided $9 million in hardship supplements for residential and home care during 2015–16.

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

In 2015–16, services that support older people who are homeless or at risk of becoming homeless were funded through the Commonwealth Home Support Programme (CHSP, see Chapter 3).

As part of the Viability Supplement, support was available for eligible residential services specialising in care for people at risk of homelessness, low-care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians (see Section 8.1). In addition, $7.6 million in additional funding is being provided under the Homeless Supplement to better support aged care homes that specialise in caring for people with a history of, or at risk of, homelessness.

In the 2015 Aged Care Approvals Round (ACAR), capital grants totalling $12.4 million were provided to two residential aged care services specialising in caring for people who have a history of homelessness or disadvantage, and 56 residential care places were allocated to those services with condition of priority access for people that are homeless or at risk of homelessness.

8.7. Care-leavers

A care-leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both). This includes the Forgotten Australians, Former Child Migrants and Stolen Generations. Institutional care refers to residential care provided by a government or non-government organisation, including (but not limited to) orphanages; children's homes; industrial, training or farm schools; dormitory or group cottage houses; juvenile detention centres; and mental health or disability facilities. The Department is developing an information package to raise the awareness of Care-leavers by aged care service providers.

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

Since 1 August 2013, parents separated from their children by forced adoption or removal have been included in the Act as a special needs group. This is in recognition of the traumatic experiences, health-issues and socio-economic disadvantage that these parents are likely to face. In addition to considering this group of people in the allocation of aged care places, the Department provides funding to improve access to specialist support services.

8.9. Lesbian, gay, bisexual, transgender and intersex (LGBTI) people

It is recognised that people who identify as LGBTI have specific needs, particularly as they age, stemming from decades of inequitable treatment and social isolation as a result of stigma and family rejection.

The *National LGBTI Ageing and Aged Care Strategy* informs the way the Australian Government responds to the needs of older people who identify as LGBTI and better supports the aged care sector to deliver care that is sensitive, appropriate and inclusive. The Department has successfully implemented a range of actions across the six goals of the strategy, including providing specific funding to peak bodies, and providing funding to better support services targeting LGBTI people through the DACS fund (see Chapter 9.2).

9.
AGED CARE WORKFORE SECTOR AND SUPPORT

9.1. AGED CARE WORKFORCE/HEALTH WORKFORCE ACTIVITIES FUNDED IN 2015–16 72

9.2. DEMENTIA AND AGED CARE SERVICES (DACS) FUND 73

9. Aged Care Workforce and Sector Support

The aged care workforce numbers over 350,000 and includes nurses, personal care workers, support staff and allied health professionals. Workforce training and education is a shared responsibility between Government and industry with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents.

However, the Act does not prescribe the qualifications required by staff, nor the number of staff required to be employed by an aged care service. There is therefore considerable diversity in staffing arrangements across aged care services.

Volunteer workers also make a significant contribution across the sector.

9.1. Aged Care Workforce/Health Workforce Activities funded in 2015–16

As announced in the 2015–16 MYEFO, the Australian Government combined funding for the aged care and health workforces into a single stream, recognising that a more flexible and integrated approach will better meet the health needs of the nation's ageing population.

The merging of these workforce funds represents a greater opportunity to collaborate across health and aged care.

In line with the Australian Government's high prioritisation of Indigenous employment issues, all existing Indigenous aged cage workforce specific activities have continued.

Title	Description	Funding $M
Indigenous Employment Initiatives (IEI)	Provides aged care jobs across Australia to more than 750 Aboriginal and Torres Strait Islander people in Indigenous-specific aged care services in rural and remote locations.	20.1
The Rural and Remote Training Program (RRTP), and the Northern Territory Training Program (NTTP)	These programs provide culturally appropriate, targeted and accredited aged care training to Aboriginal and Torres Strait Islander aged care workers in rural and remote locations in WA, SA, NT and QLD	7.1
Indigenous Remote Service Delivery Traineeships (IRSDT)	Aims to build business and management capacity of Indigenous aged care and primary health care services in remote areas. Approximately 295 trainees having received qualifications since the inception of the program.	4.8
Aged Care Education and Training Incentive (ACETI)	provides direct benefits to aged care workers who undertake further studies to enhance their career as a personal care worker, an enrolled nurse or a registered nurse. ACETI ceased for new students after 31 March 2016.	8.7

Title	Description	Funding $M
Aged Care Workforce Vocational Education Training (ACWVET) Initiative	provides training, education and support for the aged care workforce, ranging from nationally accredited short courses to aged care certificates in Vocational Education and Training. ACWVET ceased from 1 April 2016.	22.35

9.2. Dementia and Aged Care Services (DACS) Fund

In the 2015–16 Budget, the Australian Government redirected more than $311 million over the 2015–2019 financial years to establish the Dementia and Aged Care Services (DACS) Fund. This fund replaced the Aged Care Service Improvement and Healthy Ageing Grants (ACSIHAG) Fund on 1 July 2015.

In 2015–16 DACS increased focus on supporting and promoting high quality and more appropriate care to older people with dementia. Funding was also provided to support targeted measures for Indigenous Australians and ensure people from diverse backgrounds received the same quality of care as other older Australians. Activities provided under the Fund included (but were not limited to):

- Dementia Care Essentials (DCE), an initiative to improve the dementia care skills of care workers
- Dementia Training Study Centres (DTSC), a program to improve the quality of care and support provided to people living with dementia and their families through the development and upskilling of the dementia care workforce and the transfer of knowledge into practice
- the Dementia Behaviour Management Advisory Services (DBMAS), a network of services providing support for the carers of people living with dementia;
- cultural training for aged care workers to increase the ability of the sector to provide culturally appropriate and safe care, including the Partners in Culturally Appropriate Care program
- capital grants which increased the safety and built the capacity of aged care services in remote Australia to provide a high level of care.

Severe Behaviour Response Teams

The Government has provided $54.5 million over four years to fund Severe Behaviour Response Teams (SBRTs). These are a mobile workforce of clinical experts who provide timely and expert advice to residential aged care providers that request assistance with addressing the needs of people with the most severe behavioural and psychological symptoms of dementia. SBRTs commenced in every state and territory on Monday 2 November 2015.

10.
QUALITY AND REGULATION

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10. Quality and Regulation

Australians expect high standards in aged care services. The Australian Government's approach to quality and regulation emphasises providers' responsibility for providing, maintaining and improving services. Providers funded by the Australian Government to deliver aged care services must meet legislative and funding agreement or contract responsibilities. If a provider is not meeting its obligations, the Department may take regulatory action. This action is aimed at protecting current and future care recipients' health, welfare and interests as well as returning the provider to compliance.

While aged care regulation provides a safety net, from a consumer perspective, quality is also about choice and control. In 2015–16, the Department began development of a single quality framework that will include a single set of standards, streamlined quality assessment processes, and improved quality information to enable consumers to make choices about the care and services they need. The framework will support an aged care system which has an increased focus on quality outcomes for consumers and reduce the complexity of regulatory compliance for providers.

10.1. Approved provider regulation

To receive funding from the Australian Government under the Act, an aged care service must be operated by an approved organisation, and hold an allocation of places. In 2015–16, the Department approved 129 applications to provide aged care. Seven applications were not-approved and 21 applications were withdrawn by the applicant. A total of 202 applications were received from 187 organisations. At 30 June 2016, there were 1,217 operational approved providers of residential and home care services (excluding providers of flexible aged care services).

A provider and its key personnel must continue to be suitable under the legislative provisions. One of the obligations of a provider is to notify any changes in key personnel within 28 days. In 2015–16, the Department received notification of 7,872 changes in key personnel.

10.2. Quality Agency

The Quality Agency is an independent statutory agency responsible for quality monitoring of aged care providers subsidised or under contract to the Commonwealth. The Quality Agency's responsibilities include:

- conducting quality reviews of community care services (home care packages, the National Respite for Carers Program (NRCP) and Commonwealth HACC services) and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program

- managing the accreditation of aged care homes, including undertaking review audits, and assessment contacts, including unannounced visits
- promoting innovation in quality management and continuous improvement and providing information, education and training to industry
- liaising with the Department about aged care services that do not comply with the quality standards.

Quality reviews and accreditation processes are undertaken in accordance with the Quality Agency Principles established under the *Australian Aged Care Quality Agency Act 2013*.

10.3. Compliance

Providers of Australian Government-funded aged care must comply with the legislative obligations set out in the Act and the Quality Agency Principles 2013. These responsibilities encompass quality of care, user rights, accountability and allocation of places.

Both the Quality Agency and the Department have a role in monitoring the compliance of aged care services and where non-compliance is identified. The performance of providers is assessed against their responsibilities under the Act. The Department takes appropriate regulatory action in response to the non-compliance to bring providers back into compliance. Section 10-3 of the Act allows the Department to revoke a provider's approval when they are no longer suitable to provide care.

Notices of Non-Compliance and Sanctions

In 2015–16, the Department issued six Notices of Decision to Impose Sanctions to four providers for non-compliance with their legislative obligations. One sanction was in relation to prudential matters, and five were imposed due to quality of care. On 30 June 2016, five of these sanctions remained in place. Details of sanctions imposed are shown in Appendix A.

During 2015–16, the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and personal care.

Access to Compliance information

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

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

The information published about a Notice of Non-Compliance or sanction is found against the service and includes the status of the notice/sanction (current/archived), the date of issue (a sanction will include the date of expiry), the reason(s) for the notice/sanction and the outcome of the compliance action. Information is moved to the archived list when either the provider has resolved the non-compliance or has a sanction imposed on a service that was previously subject to a notice of non-compliance, or the sanction has expired.

10.4. Protecting residents' safety

Reportable assaults

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

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

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

In 2015–16, the Department received 2,862 notifications of reportable assaults. Of those, 2,422 were recorded as alleged or suspected unreasonable use of force, 396 as alleged or suspected unlawful sexual contact, and 44 as both. With 234,931 people receiving permanent residential care in 2015–16, the incidence of reports of suspected or alleged assaults was 1.2 per cent.

Missing residents

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

- a resident is absent from a residential aged care service

- the absence is unexplained
- the absence has been reported to police.

In 2015–16, there were 1,182 notifications of unexplained absences of residents.

10.5. Prudential

Approved providers of residential and flexible aged care services that hold refundable accommodation deposits (RADs, which include accommodation bonds and/or entry contributions) must comply with the prudential requirements stated in the Act and set out in the *Fees and Payments Principles 2014 (No.2)* (Fees and Payments Principles). The prudential requirements aim to protect RADs paid to providers by care recipients of aged care services.

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

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

Providers that have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements. In 2014–15, 991 providers were asked to complete and lodge an APCS by 31 October 2015. The APCS outcomes for 2013–14 and 2014–15 are in Appendix A.

The 941 providers that held RADs at 30 June 2015 reported through their APCS that they held 75,500 RADs with a total value of approximately $18.7 billion. These figures include the RADs held by ten providers that reported on an alternate financial year. This is an increase of $3.1 billion in RADs held on 30 June 2014. The average RAD holding per provider was 76 RADs, valued at approximately $18.9 million.

Accommodation Payment Guarantee Scheme

The Accommodation Payment Guarantee Scheme (Guarantee Scheme) was established under the *Aged Care (Accommodation Payment Security) Act 2006.* If a provider becomes insolvent and defaults on its obligation to refund a RAD, the Guarantee Scheme enables the Government to pay care recipients an amount equal to each RAD balance. The Guarantee Scheme is triggered if the provider has been placed into bankruptcy or liquidation and there is at least one outstanding RAD. The Secretary must then make and publish a default event declaration in order to enable payments to be made under the scheme. On receipt of their payment, the rights of each resident to recover the amount from their provider are transferred to the Commonwealth so it can pursue recovery of the funds.

The Guarantee Scheme was triggered twice during 2015–16, and the Department paid $125,000 during the 2015–16 financial year as a result of those triggers.

Validation of providers' appraisals under the Aged Care Funding Instrument

Approved providers receive Government funding for aged care service provision based on Aged Care Funding Instrument (ACFI) appraisals of their care recipients' level of need. To ensure residents are correctly funded for their care needs and to protect public expenditure, the Department conducted 15,763 reviews of ACFI claims in 2015–16. Of these reviews 2,500 (15.9 per cent) resulted in reductions in funding and 120 (0.8 per cent) resulted in increased funding.

If providers are dissatisfied with the outcome of the reviews, the provider can request reconsideration of the decision. In 2015–16 providers requested reconsiderations of 234 reviews. Of these reconsiderations: 67 (29 per cent) confirmed the Department's review decision; 132 (56 per cent) reinstated the provider's original classification; 35 (15 per cent) resulted in a new decision. The majority of new reconsideration decisions were because the provider supplied evidence after the review had occurred.

10.6. Quality Indicators

During 2015–16 the Department worked closely with the National Aged Care Alliance Quality Indicators Reference Group (QIRG), providers and consumers to develop and undertake the first national pilot of Quality Indicators in residential aged care. Following completion of the pilot in September 2015, the National Aged Care Quality Indicator (QI) Program commenced in January 2016 with three clinical indicators - Unplanned Weight Loss, Pressure Injuries and Physical Restraint.

In addition to commencing the QI Program, in the first half of 2016 the Department worked with QIRG, providers and consumers about next steps for the QI Program. Three tools to measure Consumer Experience and Quality of Life were piloted in residential aged care and home care. At the same time, the Department also undertook a pilot to measure consumer goal attainment in home care.

National Aged Care Quality Indicator Program

This is a voluntary quality indicators program for aged care providers which started on 1 January 2016. The program is being implemented in a phased approach and will expand over time to include a range of quality indicators and quality of life and consumer experience measures in both home and residential aged care. Quality indicator data will be published on the My Aged Care website when the data has been established as reliable and accurate and following stakeholder consultation.

APPENDIX A: REPORT AGAINST s63-2 OF THE *AGED CARE ACT 1997*

Appendix A: Report against s63-2 of the *Aged Care Act 1997*

The Act specifies the following annual reporting requirement:

63-2 Annual report on the operation of the Act

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

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

(a) the extent of unmet demand for places; and

(b) the adequacy of the Commonwealth subsidies provided to meet the care needs of residents; and

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

(ca) the amounts of accommodation payments and accommodation contributions paid; and

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

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

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

(f) the extent of building, upgrading and refurbishment of aged care facilities; and

g) the imposition of any sanctions for noncompliance under Part 4.4, including details of the nature of the noncompliance and the sanctions imposed;

but is not limited to information about those matters.

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

Data is not available which shows the extent of any unmet demand for residential aged care places, nor for any other type of aged care service. However, the Australian Government needs-based planning framework is designed to provide sufficient supply of residential and home care places by ensuring that the growth in the number of aged care places matches growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the ABS and demographic data

on previous years' utilisation. This produces a national provision target which forms the basis of an open, competitive round where aged care providers apply for the available places. This allocation process aims to ensure a sufficient supply of home care packages and residential aged care places, and achieve equitable access to services between metropolitan, regional, rural and remote areas. There is strong demand among providers to supply these places.

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

This process is subject to review[21] and is responsive to adjustment when required. While this does not guarantee that every individual will be able to immediately access the particular service of their choice, at a population level, it has been shown to be a robust and effective method for identifying and managing demand.

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

The average level of Australian Government payments (subsidies plus supplements) for permanent residents in aged care was $63,400 per care recipient, an increase of 5.3 per cent per care recipient from 2014–15 (Table 22).

Table 22: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient, 2010–11 to 2015–16

2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	Increase 2014–15 to 2015–16
$46,900	$51,400	$53,100	$56,100	$60,200	$63,400	5.3%

21 Audit Report No. 40 2008-09 Planning and Allocating Aged Care Places and Capital Grants; https://www.anao.gov.au/work/performance-audit/planning-and-allocating-aged-care-places-and-capital-grants

Table 23: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2011–12 to 2015–16

Type of Payment		2011–12 $M	2012–13 $M	2013–14 $M	2014–15 $M	2015–16 $M
Basic Subsidy	Permanent	7,288.50	7,561.60	8,027.40	9,662.4	10,507.7
	Respite	160	168	173.6	239.1	264.4
	Conditional Adjustment Payment*	645.5	674.9	716.4	0.0	0.0
Primary Care Supplements	Oxygen	13.4	14.6	15.3	16.4	16.5
	Enteral Feeding	8.6	8.3	7.8	6.7	6.3
	Payroll Tax**	147.1	178.8	191.3	107.4	0.0
	Respite Incentive	13.7	14.9	15.9	22.6	29.0
Other Supplements	Viability	28.4	28.6	29.8	35.4	35.6
	Veterans'			2.1	3.5	1.8
	Homeless			4.5	7.4	7.6
Hardship	Hardship	3.6	3.4	3.6	4.1	5.2
	Hardship Accommodation	2.9	3.7	4.1	4.1	3.6
Accommodation Supplements	Accommodation Supplement	446.9	525.2	580.9	677.2	845.7
Supplements Relating to Grandparenting	Concessional	132.4	101.7	76.1	72.3	64.0
	Transitional	14.2	11.3	9.2	7.4	6.0
	Accommodation Charge Top-up	10	6.9	4.7	3.1	2.1
	Charge Exempt	1.6	1.3	1.3	1.0	3.8
	Pension	112.1	83.8	63.7	48.0	36.3
	Resident Contribution Top-up***	12.6	5.2	0.03	0.0	0.0
	Basic Daily Fee		1.5	1.1	0.8	0.6
	Transitional Accommodation Supplement	76.1	58.3	44.8	31.7	22.3

Type of Payment		2011–12 $M	2012–13 $M	2013–14 $M	2014–15 $M	2015–16 $M
Reductions	Means Testing Reduction****	-323.1	-329.5	-320.5	-377.0	-455.7
	Other Reductions	-60.5	0	0	0.0	0.0
	Other	27.1	69.5	39.9	15.8	-30.5
Total ($million)		8,738.4	9,192.0	9,814.4	10,589.4	11,372.4

*On 1 July 2014, the Conditional Adjustment payment was rolled into the basic subsidy amount.
** The payroll tax supplement ceased on 1 January 2015.
*** The resident contribution top-up supplement ceased in March 2013.
**** New means testing arrangements (combined income and asset assessments) were introduced on 1 July 2014. Prior to these arrangements residents were subject to income testing only.

Table 24: Summary of Australian Government payments by subsidies and supplements for home care, 2015–16

Type of Payment		2015–16 $M
Subsidy	Home care subsidy	1,312.3
Supplements	Oxygen	1.8
	Enteral Feeding	0.5
	Dementia and Cognition	21.7
	Veterans'	0.2
	Hardship	0.2
	Viability	7.2
Reductions	Income testing reduction	-12.7
	Other	155.5
Total ($million)		1,486.6

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

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

Section 10-3 of the Act allows the Department to revoke a provider's approval when they are no longer suitable to provide care. In 2015–16, the Department revoked approval for one organisation.

In 2015–16, the Department also issued 50 Notices of Non-Compliance against aged care services. Twenty-eight Notices of Non-Compliance were issued in relation to quality of care matters, 19 Notices of Non-Compliance were issued in relation to prudential matters and 3 Notices of Non-Compliance were issued in relation to ACFI matters.

During 2015–16, the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and personal care.

Providers that have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year. In 2014–15, 991 providers were asked to complete and lodge an APCS by 31 October 2015. The APCS outcomes for 2013–14 and 2014–15 are in Table 25.

Table 25: Annual Prudential Compliance Statement outcomes, 2013–14 and 2014-15*

Annual Prudential Compliance Statement Reported NonCompliance	2013–14	2014-15
Reported instances of non-compliance with the Records Standard	5	6
Reported instances of non-compliance with the Disclosure Standard	12	19
Reported instances of non-compliance with the Liquidity Standard	5	5
Reported instances of non-compliance with the Governance Standard	5	10
Reported instances of non-compliance with refunding responsibilities**	106	103

* 2015–16 data is unavailable at the time of publication.

** 2013-14 and 2014–15 figures include reported instances of non-compliance with late refunds and applicable interest.

63-2 (2) (ca) the amounts of accommodation payments and accommodation contributions paid

The closing balance of lump sum bonds held by providers at June 2016 was $20.3 billion. There was a $3.2 billion (19.1 per cent) increase in bonds held by aged care homes across the 2015–16 financial year.[22]

63-2 (2) (cb) the *amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments*

The 941 providers that held RADs at 30 June 2015 reported through their APCS that they held 75,500 RADs with a total value of approximately $18.7 billion. These figures include the RADs held by ten providers that reported on an alternate financial year. This is an increase of $3.1 billion in RADs held on 30 June 2014. The average RAD holding per provider was 76 RADs, valued at approximately $18.9 million.

22 Information reported is based on 89 per cent provider response to the 'Survey of Aged Care Homes 2016'. Previous reports have been weighted to an assumed 100 per cent response rate.

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

The average accommodation price agreed with a new resident in 2015–16 was a refundable deposit of $370,541, equivalent to a daily payment of $58.47 with 52% agreeing to pay by lump sum, 22% by daily payment, and 26 per cent as a combination of both.[23]

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

Table 26 shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT.

Table 26: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment during 2015–16

2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 9 months
2.5%	8.3%	26.5%	52.0%	74.3%

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

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

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

23 Information reported is based on 89 per cent provider response to the 'Survey of Aged Care Homes 2016'. Previous reports have been weighted to an assumed 100 per cent response rate.

Table 27: Estimated building work expenditure by residential care services, 2011-12 to 2015–16

		2011-12	2012-13	2013-14	2014-15	2015–16
Building Work	Estimated building works completed during the year or in progress at June ($m)	$1,850.0	$2,533.0	$3,142.0	$3,820.0	$4,535.9
	Proportion of homes that completed any building work during the year	15.7%	16.4%	12.1%	19.6%	24.3%
	Proportion of homes with any building work in progress at the end of the year	6.9%	11.5%	16.9%	17.3%	17.8%
New building work	Proportion of homes that completed new building work during the year	1.7%	1.3%	1.8%	2.7%	2.0%
	Proportion of homes with new building work in progress at the end of the year	1.7%	2.0%	2.2%	1.8%	2.6%
	Estimated new building work completed during the year ($m)	$523.0	$440.0	$703.0	$945.0	$820.6
	Estimated new building work in progress at the end of the year ($m)	$464.0	$735.0	$865.0	$565.0	$1,075.5
	Proportion of homes that were planning new building work	3.6%	3.9%	3.5%	3.6%	4.9%
Rebuilding work	Proportion of homes that completed rebuilding work during the year	0.8%	0.8%	0.9%	0.9%	1.1%
	Proportion of homes with rebuilding work in progress at the end of the year	0.8%	1.4%	0.9%	1.1%	1.6%
	Estimated rebuilding work completed during the year	$85.3	$190.0	$337.0	$314.0	$250.4
	Estimated rebuilding work in progress at the end of the year ($m)	$251.0	$449.0	$240.0	$736.0	$1,042.0
	Proportion of homes that were planning rebuilding work	1.8%	2.7%	3.8%	3.1%	4.5%
Upgrading work	Proportion of homes that completed upgrading work during the year	13.3%	14.5%	9.3%	16.4%	20.7%

	2011-12	2012-13	2013-14	2014-15	2015–16
Proportion of homes with upgrading work in progress at the end of the year	4.3%	8.4%	14.0%	14.7%	13.9%
Estimated upgrading work completed during the year ($m)	$288.0	$290.0	$514.0	$479.0	$483.3
Estimated upgrading work in progress at the end of the year ($m)	$237.0	$429.0	$484.0	$781.0	$864.2
Proportion of homes that were planning upgrading work	9.2%	9.5%	12.0%	14.5%	14.0%

Note: Information reported is based on 89 per cent provider response to the 'Survey of Aged Care Homes 2016'. Previous reports have been weighted to an assumed 100 per cent response rate.

63-2 (2) (g) the imposition of any sanctions for noncompliance under Part 4.4, including details of the nature of the noncompliance and the sanctions imposed

In 2015–16, the Department issued six Notices of Decision to Impose Sanctions to four providers. One sanction was in relation to prudential matters, and five were imposed due to quality of care. On 30 June 2016, five of these sanctions remained in place. Details of sanctions imposed are as follows:

Table 28: Sanctions imposed under the *Aged Care Act 1997* – 1 July 2015 to 30 June 2016

Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
D & R Community Services Pty Ltd	1. Revocation of approved provider status unless the approved provider appoints an administrator approved by the Commonwealth to assist the approved provider to comply with its responsibilities in relation to governance and business operations for a period of 4 months. 2. The approved provider is unable to charge an accommodation payment or accommodation contribution for the residential care or flexible care services for a period of 4 months. 3. The approved provider is unable to charge an accommodation bond or accommodation charge for any new resident entering the services for a period of 4 months. 4. The approved provider is required to ensure that all refundable deposit, accommodation bond and entry contribution balances are held with an authorised deposit-taking institution and only used for the purpose of refunding accommodation bonds or refundable lump sum balances to those care recipients when they fall due for a period of 4 months. 5. The approved provider is not eligible to receive Australian Government subsidies for any new care recipients for a period of 4 months.	31 July 2015	The sanctions were imposed due to the approved providers continued non-compliance with its prudential responsibilities and failure to comply with an undertaking to remedy the non-compliance within the agreed timeframe.	D & R Community Services Pty Ltd status as an approved provider was revoked on 28 June 2016. Sanction 1 and 5 expired on 1 December 2015. Sanctions 2, 3 and 4 expired on 1 April 2016.

Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
D & R Community Services Pty Ltd	1. Revocation of approved provider status unless the approved provider appoints an administrator approved by the Commonwealth to assist the approved provider to comply with its responsibilities in relation to governance and business operations for a period of 4 months. 2. The approved provider is unable to charge an accommodation payment or accommodation contribution for the residential care or flexible care services for a period of 8 months. 3. The approved provider is unable to charge an accommodation bond or accommodation charge for any new resident entering the services for a period of 8 months. 4. The approved provider is required to ensure that all refundable deposit, accommodation bond and entry contribution balances are held with an authorised deposit-taking institution and only used for the purpose of refunding accommodation bonds or refundable lump sum balances to those care recipients when they fall due for a period of 8 months. 5. The approved provider is not eligible to receive Australian Government subsidies for any new care recipients for a period of 4 months.	27 November 2015	The sanctions were imposed due to the approved providers continued non-compliance with its prudential responsibilities and failure to comply with an undertaking to remedy the non-compliance within the agreed timeframe.	D & R Community Services Pty Ltd status as an approved provider was revoked on 28 June 2016. Sanction 1 and 5 expired on 1 December 2015. Sanctions 2, 3 and 4 expired on 1 April 2016.

Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
Kal'ang Community Care **Service:** Kal'ang Respite Care Centre Aboriginal Corporation	1. The approved provider is not eligible to receive Australian Government subsidies for any new care recipients for a period of 6 months. 2. Revocation of approved provider status, unless an adviser, approved by the Commonwealth, with the appropriate skills, qualifications and background to assist the approved provider to comply with their responsibilities in relation to care and services, is appointed by the approved provider for a period of 6 months. 3. Revocation of approved provider status, unless an administrator, approved by the Commonwealth, with the appropriate skills, qualifications and background to assist the approved provider to comply with their responsibilities in relation to care and services, is appointed by the approved provider for a period of 6 months. 4. Revocation of approved provider status, unless the approved provider agrees to provide relevant training within 6 months, at its expense, for its staff to support them in meeting the needs of care recipients.	4 April 2016	The Department imposed sanctions because of continuing non-compliance in relation to the Home Care Standards and failure to comply with an undertaking to remedy the non compliance within the agreed timeframes.	Sanctions expire 4 October 2016

Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
MacDonnell Regional Council Two Sanctions **Against Services:** Haasts Bluff Home Care Papunya Home Care	1. The approved provider is not eligible to receive Australian Government subsidies for any new care recipients for a period of 30 days following appointment of an advisor. 2. Revocation of approved provider status, unless an adviser, approved by the Commonwealth, with the appropriate skills, qualifications and background to assist the approved provider to comply with their responsibilities in relation to care and services, is appointed by the approved provider for a period of 6 months 3. Revocation of approved provider status, unless the approved provider agrees to provide relevant training within 6 months, at its expense, for its staff to support them in meeting the needs of care recipients.	14 May 2016	The Australian Aged Care Quality Agency (the Quality Agency) provided the Department with a report of evidence of serious risk to care recipients. The Department identified that the following issues in the Quality Agency's report posed an immediate and severe risk to care recipients' safety, health or well-being: • a lack of availability of senior staff, • staff reporting processes, and • staff skills and training. Serious issues were also identified in relation to care assessment, planning, reassessment and referral processes not being adhered to at the service level.	Sanction 1 expired 19 June 2016. Sanctions 2 & 3 expire 14 November 2016

Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
People Care Pty Ltd Two Sanctions **Against Services:** Hibiscus House Nursing Home Orchid House	1. The approved provider is not eligible to receive Australian Government subsidies for any new care recipients for a period of 3 months. 2. Revocation of approved provider status, unless an adviser, approved by the Commonwealth, with the appropriate skills, qualifications and background to assist the approved provider to comply with their responsibilities in relation to care and services, is appointed by the approved provider for a period of 3 months. 3. Revocation of approved provider status, unless the approved provider agrees to provide relevant training within 3 months, at its expense, for its staff to support them in meeting the needs of care recipients.	3 June 2016	The Quality Agency provided the Department with a report of evidence of serious risk to care recipients. The Department identified that the following issues in the Quality Agency's report posed an immediate and severe risk to care recipients' safety, health or well-being: • Restraint use not monitored appropriately • Lack of adequate nutrition and hydration • Lack of appropriate wounds management • Falls risk assessments not undertaken or addressed to prevent reoccurrence • Medication not managed safely and correctly and not administered as prescribed	Sanctions expire 3 December 2016

GLOSSARY

Glossary

Name/Title	Description
Aged Care Act 1997 (the Act)	the primary legislation governing the provision of Aged Care services.
Aged Care Approvals Round (ACAR)	a competitive application process that enables prospective and existing approved providers of aged care to apply for a range of new Australian Government funded aged care places and financial assistance in the form of a capital grant.
Aged Care Assessment Team (ACAT)	ACATs are teams of medical and allied health professionals who assess the physical, psychological, medical, restorative, cultural and social needs of frail older people and help them and their carers to access appropriate levels of support.
Aged Care Funding Authority (ACFA)	provides independent advice to the Government on funding and financing issues, informed by consultation with consumers, and the aged care and finance sectors.
Aged Care Funding Instrument (ACFI)	the classification instrument used to pay subsidies to residential aged care services.
Aged Care Pricing Commissioner	an independent, statutory office holder appointed under the *Aged Care Act 1997* and reports to the Minister for Health and Aged Care.
Aged care provision ratio	a specified national provision level of 125 residential, home, and restorative care places for every 1,000 people aged 70 years or over, to be achieved by 2021-22.
Aged Care Service Improvement and Healthy Ageing Grants (ACSIHAG) Fund	This Fund was replaced by the Dementia and Aged Care Services (DACS) Fund on 1 July 2015.
Commonwealth Home Support Programme (CHSP)	This program provides entry-level support services designed to help frail older people stay in their homes. It was introduced on 1 July 2015 and consolidates four former programs: Commonwealth Home and Community Care (HACC); the National Respite for Carers Program (NRCP); Day Therapy Centres (DTC); and Assistance for Care and Housing for the Aged (ACHA).
Community Visitors Scheme (CVS)	provides support to older Australians by allocating funding to community-based organisations, known as 'auspices', to recruit, train and support approved volunteers to make regular visits to socially and or culturally isolated recipients of Australian Government subsidised aged care services.

Name/Title	Description
Consumer Directed Care (CDC)	a new philosophy and orientation to service delivery which gives consumers greater choice over their own lives by allowing them to decide what types of care and services they access and how those services are delivered.
Daily Accommodation Payment (DAP)	are rental-type payments which apply to people who entered care after 1 July 2014 and who asked to contribute towards their accommodation costs.
Dementia and Aged Care Services Fund (DACS)	established on 1 July 2015 this fund supports the provision of appropriate care for older people with dementia and targeted measures for Indigenous Australians.
Department of Health (the Department)	the department responsible for aged care prior to the 2013 and following the 2015 machinery of government changes.
Department of Social Services (DSS)	the department responsible for aged care from September 2013 to September 2015.
Home and Community Care (HACC)	HACC services provide basic support and maintenance to people living at home to help avoid premature or inappropriate admission to long-term residential care (Victoria and WA only). Note: the former Commonwealth HACC program was consolidated into the new CHSP from 1 July 2015.
Home Care Packages Programme	an Australian Government funded programme which has as its objectives to assist people to remain living at home and enable consumers to have choice and flexibility in the way that care and support is provided at home. The Home Care Packages Programme commenced on 1 August 2013, replacing the former packaged care Programmes – Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) packages and Extended Aged Care at Home Dementia (EACH-D) packages.
Mid-Year Economic and Fiscal Outlook (MYEFO)	annual update on the economic and fiscal outlook from the previous Federal budget.
Multi-Purpose Services Program	a joint initiative of the Australian Government and state and territory governments, to provide integrated health and aged care services for some small rural and remote communities. It allows services to exist in regions that could not viably support stand-alone hospitals or aged care homes. Funding is allocated through a competitive application process.
My Aged Care	the main entry point to the aged care system in Australia. My Aged Care aims to make it easier for older people, their families, and carers to access information on ageing and aged care, have their needs assessed and be supported to find and access services.
National Aboriginal and Torres Strait Islander Flexible Aged Care Program	a program to deliver culturally appropriate, flexible models of care mainly in rural and remote areas.

Name/Title	Description
National Aged Care Advocacy Program (NACAP)	an Australian Government funded program which provides free, confidential and independent advice to consumers, their families and carers.
Refundable Accommodation Deposit (RAD)	a lump sum payment applicable to people who entered care after 1 July 2014 and who are asked to contribute towards their accommodation costs.
Regional Assessment Service (RAS)	RAS provides in home, face to face assessments of new and existing clients/carers to assess their eligibility to access CHSP services.
Short Term Restorative Care (STRC)	a flexible care program to provide restorative care to older people to improve their capacity to stay independent and living in their own homes (announced in the 2015–16 Budget and due to commence in 2016-17).
the Secretary	the Departmental Secretary responsible for the administration of Aged Care; in 2014–15 this referred to the Secretary of the Department of Social Services. Since Machinery of Government changes in September 2015, this refers to the Secretary of the Department of Health.

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