Australian Government
Department of Health

# 2017–18 Report on the Operation of the *Aged Care Act 1997*

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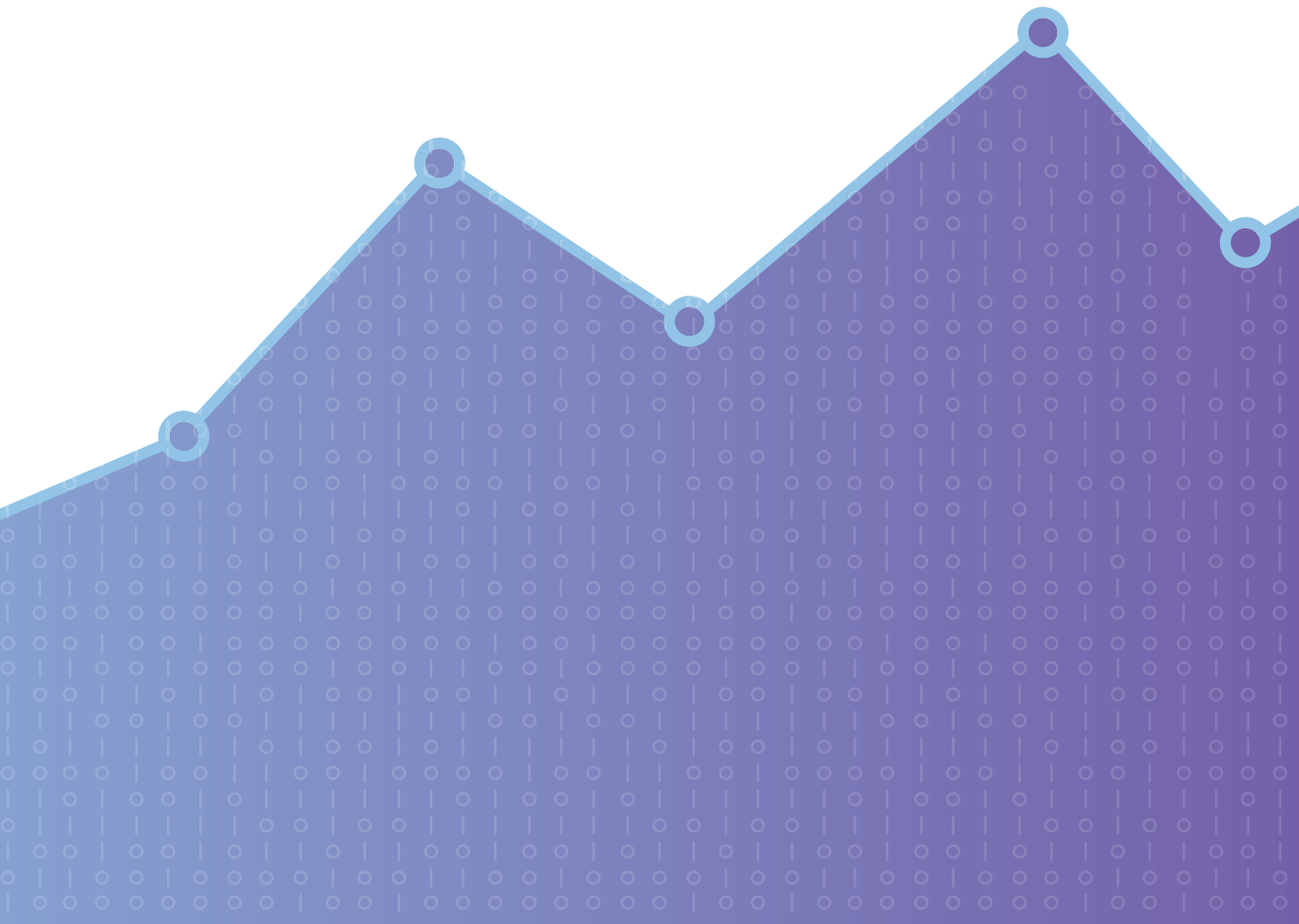

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# Minister's Foreword

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By the Minister for Senior Australians and Aged Care, the Hon Ken Wyatt AM MP

I am pleased to release the 2017–18 Report on the Operation of the *Aged Care Act 1997* (the Act). Its release coincides with the 20th anniversary of the Act, and it is timely to reflect on the progress achieved through landmark reforms over that period.

The past twenty years has seen a fundamental change in attitudes and expectations about aged care. This is reflected in the current focus on developing innovative models of care aimed at supporting people to stay at home, and remain independent within their own communities.

Senior Australians are living longer, healthier lives, and have made it clear that they want to remain in their own homes, engaged and active in their communities for as long as possible.

In 2017–18, the Australian Government invested $18.1 billion in the provision of some form of aged care to over 1.3 million people. The great majority received home-based care and support. Consumers have told us this is what they want, and it makes economic sense. There is also the intangible but very real benefit to all of us of keeping senior Australians active and engaged in their local communities for as long as possible. The past year saw an increase of close to 30 per cent in the number of people taking up home care packages.

Technology has had an impact unimagined 20 or 30 years ago. My Aged Care continues to be the front door to assist senior Australians in accessing aged care services with around 1.4 million calls to the call centre and over 3.5 million website visits in 2017–18. Virtual reality models are in development to assist in the diagnosis of dementia, and social media platforms allow residents to keep in contact with loved ones.

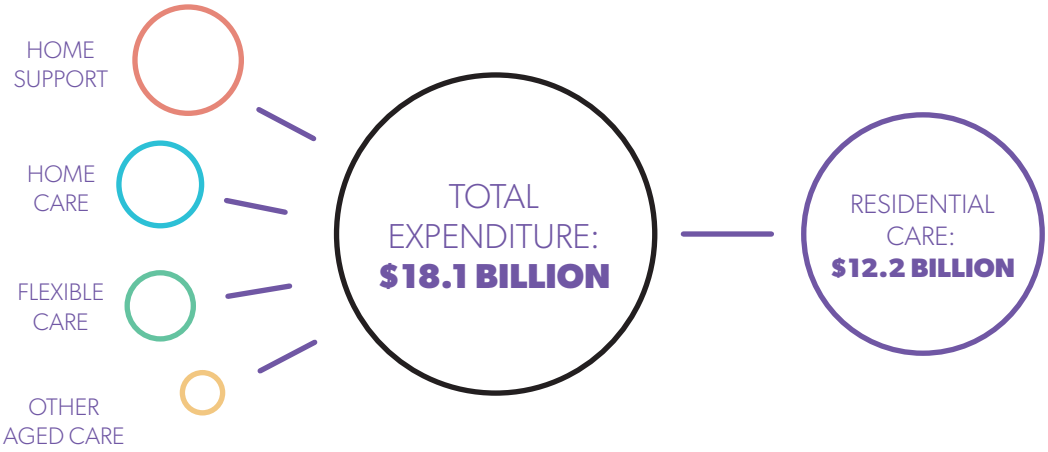
In implementing change we need to keep an eye to where the system is not meeting the expectations of the community, areas of failure and the extent of these failures. On 9 October 2018, the Prime Minister announced the terms of reference of a Royal Commission into Aged Care Quality and Safety. The Royal Commission is a vital step for Australia to determine the full extent of the problems in aged care and to understand how we can meet the challenges and the opportunities of delivering aged care services now, and into the future.

As a society, an economy and in government, we must continue to adapt our thinking and adjust our attitudes and actions to ensure that our senior Australians are supported and cared for whilst being given the dignity and respect they so deserve.

**Ken Wyatt**
Minister for Senior Australians and Aged Care

# Key Facts in Aged Care 2017–18

## NEARLY **70 PER CENT** OF AGED CARE EXPENDITURE WAS ON RESIDENTIAL AGED CARE.



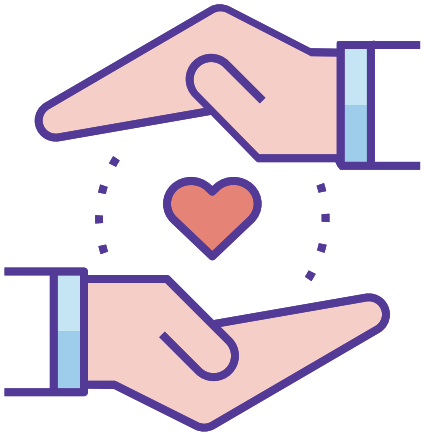

## THERE WERE OVER **880** APPROVED PROVIDERS OF RESIDENTIAL AGED CARE AND OVER **870** APPROVED PROVIDERS OF HOME CARE PACKAGES.

RESIDENTIAL CARE: **886**

HOME CARE: **873**

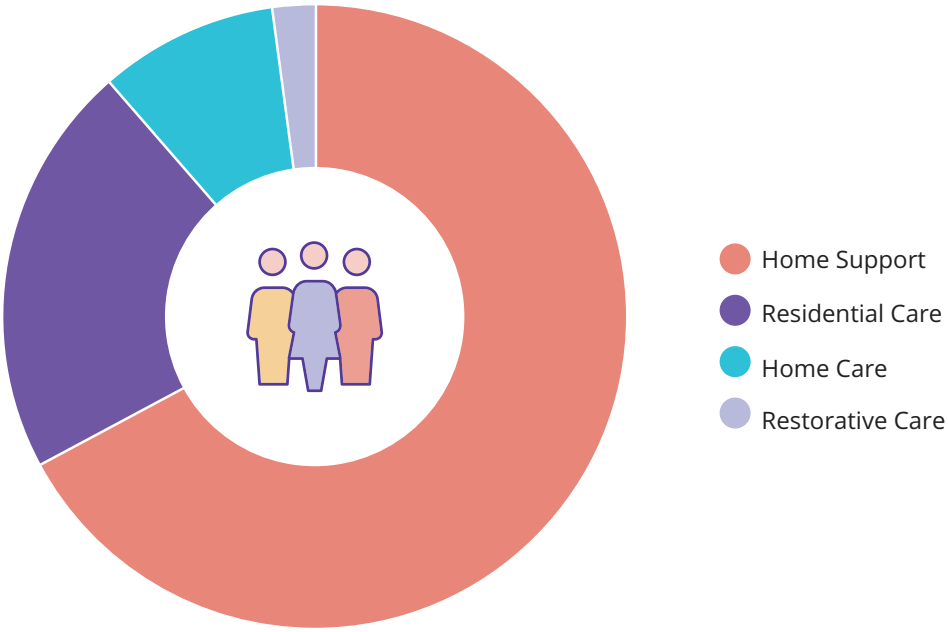
FLEXIBLE CARE: **100**

MORE THAN **1,450** ORGANISATIONS WERE FUNDED TO DELIVER CHSP SERVICES.



HOME SUPPORT: **1,456**

**TWO THIRDS** OF AGED CARE CONSUMERS ACCESSED BASIC SUPPORT AT HOME.



# Introduction

# Introduction

## Purpose of this report

This report details the operation of Australia's aged care system during the 2017–18 financial year. It is the twentieth 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.

## 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 to 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.

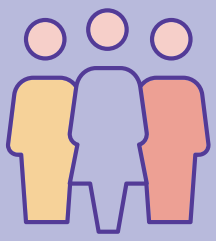
# Data sources

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

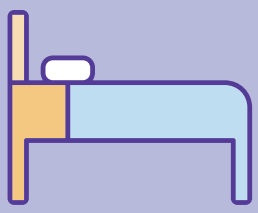
On 15 August 2017, a new, user-friendly, interactive website targeted to a wide audience was launched. The GEN Aged Care Data website (GEN)[1] is Australia's only central, independent repository of national aged care data and is managed and regularly updated by the Australian Institute of Health and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

Note that improvements to the collection of all residential aged care sector financial data (including accommodation payments and building activity) were introduced in 2017 with the establishment of the new Aged Care Financial Report (ACFR). The ACFR streamlines sector reporting obligations and will establish a new baseline for this information.

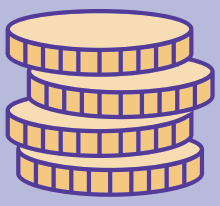
1 www.gen-agedcaredata.gov.au



**Over 1.3 million**
**consumers of aged care**



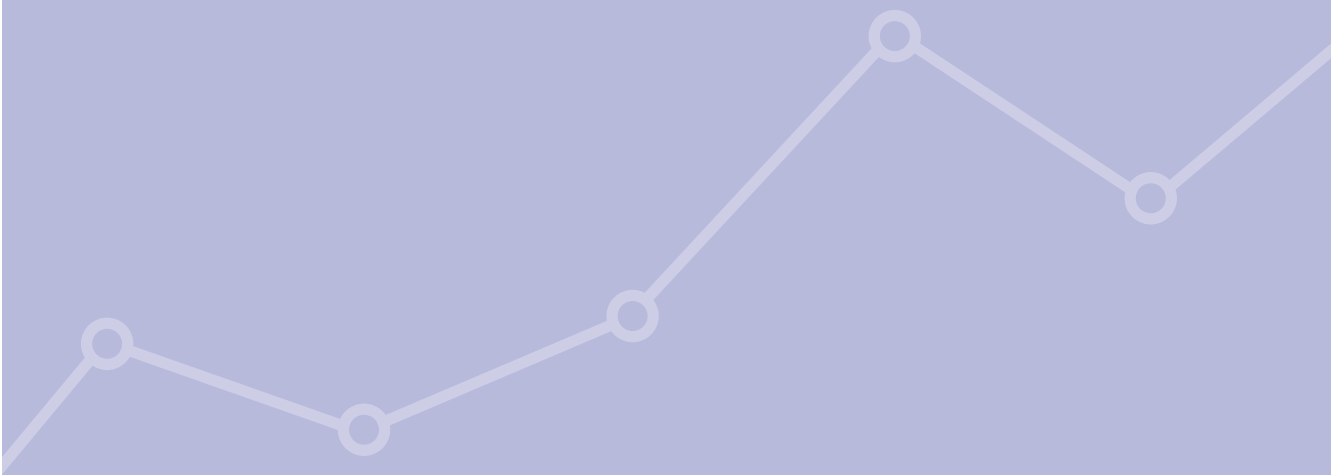
**216,215**
**operational residential and flexible places**



**$18.1 billion**
**in Australian Government expenditure**

# 1

# Overview of the Australian Aged Care System



# 1. Overview of the Australian Aged Care System

## 1.1. Introduction

The traditional image of aged care is often associated with residential care. While it is true that the majority of expenditure is in the residential care sector, in fact the majority of people 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 senior Australians are accessing residential care at any point in time.

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

### Commonwealth Home Support Programme (CHSP)

This program provides entry-level services focused on supporting individuals to undertake tasks of daily living to enable people to be more independent at home and in the community. Services under the program are provided on an on-going or episodic basis, depending on need.

For more information on the CHSP, see Chapter 3.

### Home Care

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

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

For more details on Home Care, see Chapter 4.

### Respite Care

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

For more details on respite care, see Chapter 5.

## Residential Care

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

For more information on residential care, see Chapter 6.

## Flexible Care

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

- Transition Care
- Short-Term Restorative Care (STRC, introduced in 2016–17)
- Multi-Purpose Services
- Innovative Care
- National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

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 wellbeing, social support and inclusion.

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

# 1.2. Managing supply and demand

## Supply

The Australian Government's needs-based planning framework aims to grow the supply of aged care places in proportion to the growth in the aged population.

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

The Australian Government manages the supply of aged care places by specifying a national target provision ratio (the ratio) of subsidised aged care places. At 30 June 2018, the ratio is 79.2 aged care places for every 1,000 people aged 70 years and over.

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

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

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

## Current provision

The total number of operational residential and flexible aged care places at 30 June 2018 was 216,215. This represents an increase of 6,589 residential and flexible aged care places since 30 June 2017.

## Allocation of residential aged care places

The Aged Care Approvals Round (ACAR) is a competitive application process that enables prospective and existing approved providers of aged care to apply for a range of new Australian Government-funded aged care places (residential aged care places and STRC places) and may also offer financial assistance in the form of a capital grant for eligible providers. ACAR rounds are generally held every 12 to 18 months and the timing for the opening of each round is a matter for Government.

There was no ACAR in 2017–18.

The 2018–19 ACAR application period was open from 2 July to 10 August 2018, with results of the process expected to be announced by April 2019. Current information is available on the department's website.[2]

## Allocation of home care packages

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

Individuals approved for a home care package are placed on a national queue until a package becomes available and is assigned to them. Consumers are placed on the queue according to the date they were approved for home care, and their priority for home care services, ensuring a consistent and equitable national approach. They are assigned a package when they are the next eligible consumer on the queue at a particular level and priority.

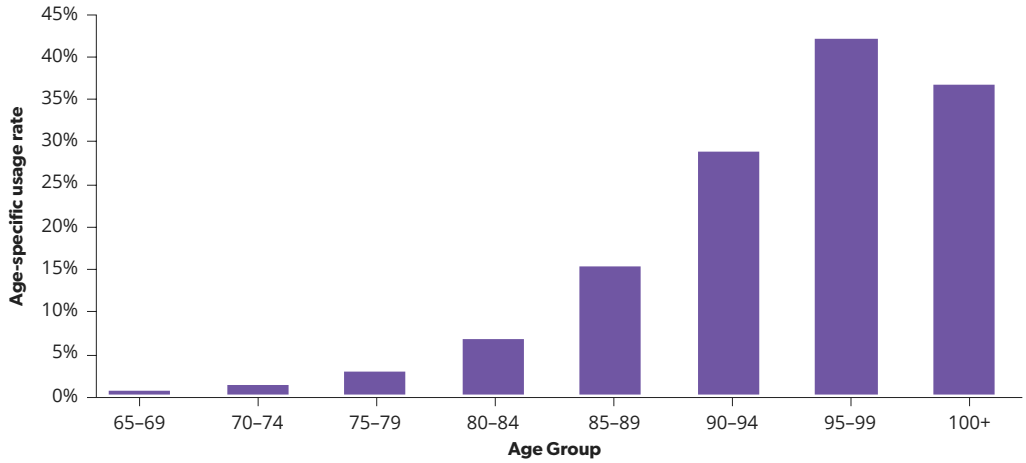
The total number of packages increases each year with the distribution across the four levels set by the Australian Government.

## 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 2018**




2 https://agedcare.health.gov.au/aged-care-funding/aged-care-approvals-round-acar

At 30 June 2018, 16 per cent of Australia's population was aged 65 years and over (3.9 million people) and 2.0 per cent was aged 85 years and over (510,000 people). By 2027, it is estimated that 18 per cent of the population will be aged 65 years and over (5.2 million people), and 2.3 per cent (672,000 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.[3]

Access to home care packages and residential aged care services is through a comprehensive assessment performed by one of the 80 Aged Care Assessment Teams (ACAT) which operate in all states and territories. The ACAT are funded by the Australian Government and administered by the relevant state/territory government. In 2017–18, a total of 186,128 ACAT assessments were administered. If a person has been assessed as eligible for a particular level of home care package, but there are none available, the person can be offered a lower level package as an interim measure until a higher level package is available. This connects them with care as soon as possible, given package availability.

Access to CHSP is through an assessment by a Regional Assessment Service (RAS). In 2017–18, access to HACC services in WA was determined by that jurisdiction.

### Dementia

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

Dementia usually occurs in people who are aged 65 and over. After the age of 65 the likelihood of developing dementia doubles every five years. Currently the prevalence of dementia in Australia is 10 per cent of people aged 65 and over, rising to 30 per cent of people 85 years and over.

In 2018, there were an estimated 376,300 Australians with dementia, nearly half of whom were aged 85 years and over. The number of people with dementia is anticipated to grow to around 900,000 by 2050.[4]

At 30 June 2018, just over half of all residential aged care residents with an Aged Care Funding Instrument (ACFI) assessment had a diagnosis of dementia.

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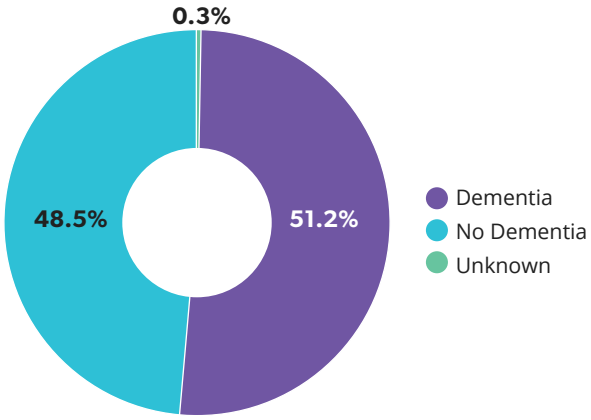
3 However certain age cohorts are typically used for planning purposes and are referenced in this report: 65 years plus (50 years plus for Aboriginal and Torres Strait Islander people) - is the 'traditional' definition of an older person and constitutes the aged care target population that the Australian Government has sole responsibility for funding (except in Western Australia where funding responsibility for home support services was shared until 30 June 2018); 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.

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

Figure 2: Permanent residents by dementia status, at 30 June 2018




## 1.3. Legislative framework

### The *Aged Care Act 1997*

The Act and delegated legislation – Aged Care Principles and Determinations – provide the regulatory framework for Australian Government-funded aged care providers, 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 responsibilities of approved providers, and the subsidies paid by the Australian Government. The framework also sets out the responsibilities of providers in relation to aged care quality and compliance.

### Aged Care Principles

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* were 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 sets out the establishment and functions of the Quality Agency, the appointment of the Chief Executive Officer, Advisory Council and reporting requirements. Its delegated legislation – the *Quality Agency Principles 2013* - set out the application requirements for approved providers seeking accreditation of residential aged care services, and the procedures to be followed and the matters to be taken into account by the Quality Agency in relation to the accreditation of residential aged care services and the quality review of home care services.

### Outside the Act

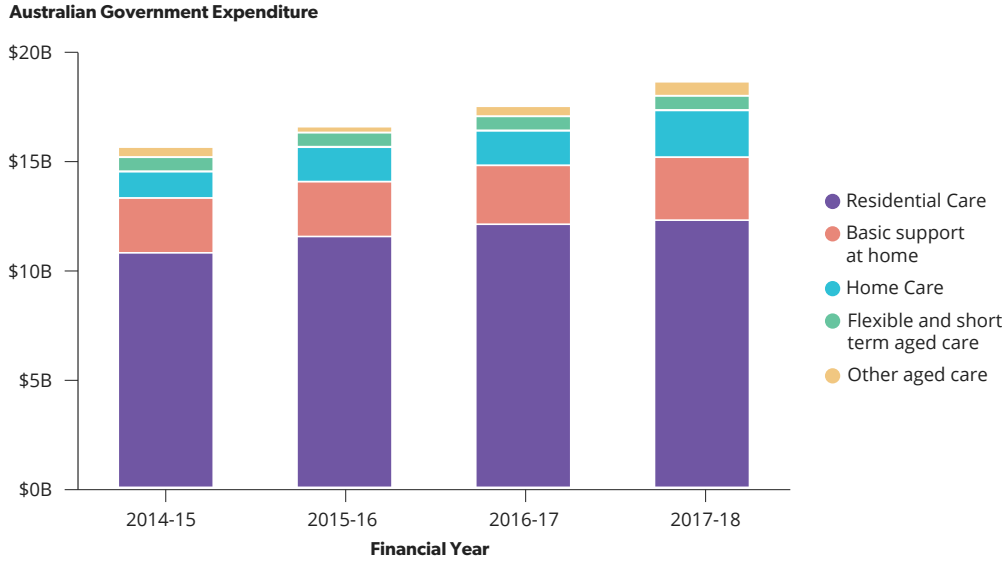
The operation of the CHSP is governed by the CHSP Program Manual 2017. Funding arrangements for the jointly funded Commonwealth–State HACC program in Western Australia are governed by the HACC Review Agreement 2007.[5]

## 1.4. Funding

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

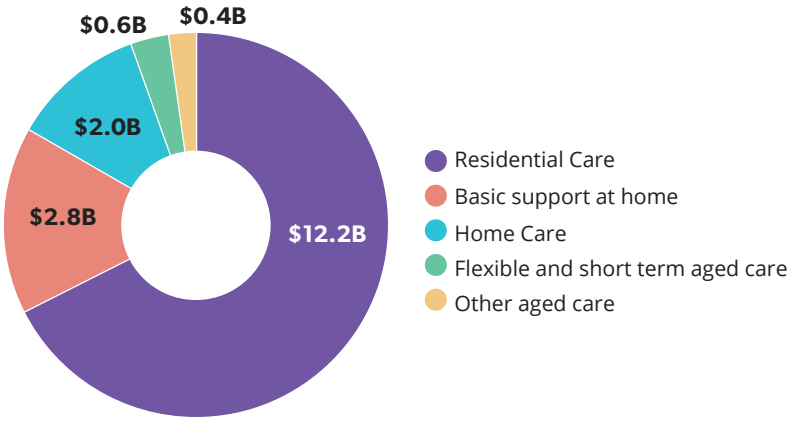
Australian Government expenditure for aged care throughout 2017–18 totalled $18.1 billion, an increase of 5.7 per cent from the previous year.

**Figure 3: Australian Government outlays for aged care, 2014–15 to 2017–18**




5 From 1 July 2018 the WA HACC program transitioned to the CHSP.

Figure 4: Australian Government aged care expenditure by type of care, 2017–18



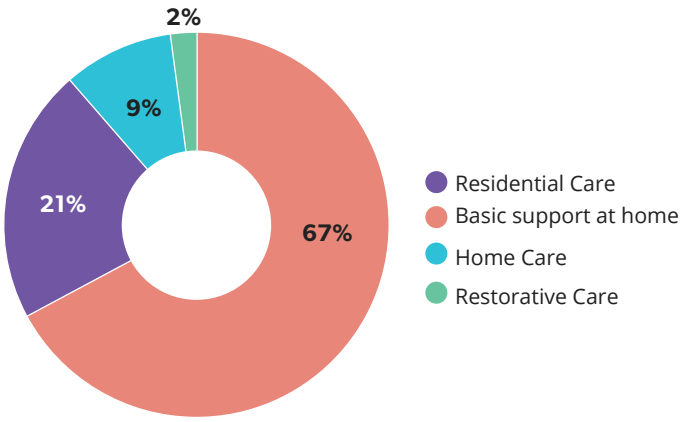

## 1.5. Aged care consumer

In 2017–18, over 1.3 million people received some form of aged care. The great majority received home-based care and support, and relatively few lived in residential care:

- 783,043 people received home support through the CHSP
- 64,491 people received support through the Commonwealth–State HACC program in WA
- 116,843 people received care through a home care package
- 61,993 people received residential respite care, of whom 33,145 (approximately 53 per cent) were later admitted to permanent care
- 241,723 people received permanent residential aged care.

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

Figure 5: Consumers of aged care by service type, 2017–18




### Average age on entry

The average age on admission to permanent residential aged care was 82.0 years for men and 84.5 years for women.

For entry to a home care package the average was 80.3 years for men and 81.0 years for women.

### People with special needs

Senior 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 an entry point to the aged care system through:

- information about aged care for 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.

### Community Visitor Scheme

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

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

## 1.8. Aged care workforce

The aged care workforce numbers over 366,000 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.

In 2016, the fourth National Aged Care Workforce Census and Survey (NACWCS)[6] was conducted by the National Institute of Labour Studies, on behalf of the department. The report contains information about the size and composition of the workforce, training and education, the characteristics of aged care workers and the organisations in which they work, experiences of working in the sector, and factors related to staff recruitment and retention.

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

6 https://www.gen-agedcaredata.gov.au/Resources/Reports-and-publications/2017/March/The-aged-care-workforce,-2016

## 1.9. Regulatory, quality and prudential oversight

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

Providers of 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 non-compliance to bring providers back into compliance.

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

## 1.10. Aged Care Pricing Commissioner

Throughout the year, the Aged Care Pricing Commissioner received applications from providers who wished to charge an accommodation price above the threshold determined by the Minister (currently $550,000). Further information on the Aged Care Pricing Commissioner's operations for the year is available from the Aged Care Pricing Commissioner's Annual Report.[7]

## 1.11. Aged Care Complaints Commissioner

The Aged Care Complaints Commissioner provides a free service for anyone to raise their concerns about the quality of care or services being delivered to people receiving aged care services subsidised by the Australian Government.[8]

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

8 The Aged Care Complaints Commissioner, www.agedcarecomplaints.gov.au

The primary functions are to:

- resolve complaints about aged care services
- educate people and aged care providers about the best ways to handle complaints and the issues they raise
- provide information to the Minister in relation to any of the Complaints Commissioner's functions, if requested.

## 1.12. More Choices for a Longer Life Package

In May 2018, as part of the 2018–19 Budget, the Government announced the More Choices for a Longer Life Package (the Package). Through the Package, the Government will deliver a range of measures to improve access to aged care services, to ensure that care is safe and of high quality, and to support Australians to be better prepared for ageing.

### Legislated Review of Aged Care

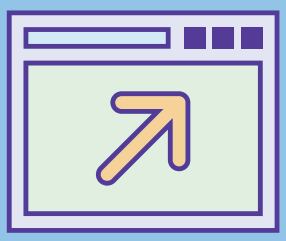
On 14 September 2017, the Minister tabled the report of the Legislated Review of Aged Care 2017 (the Tune Review) in both Houses of Parliament.

The Tune Review, led by Mr David Tune, AO PSM, considered the impacts and effectiveness of reforms implemented over the previous five years, including changes to the supply and demand for aged care services, means testing and accommodation payments arrangements, changes to how consumers access the aged care system, and workforce issues.

The Tune Review found that reforms have been effective overall, but further reforms are needed to move towards a system which is more consumer-centred and sustainable. It includes 38 recommendations for future reform to the aged care system. The Package includes nine aged care measures that respond to 18 Tune Review recommendations.

### Establishment of the Aged Care Quality and Safety Commission

As part of the Package, the Government will establish an independent Aged Care Quality and Safety Commission on 1 January 2019. The Commission will combine the functions of the Australian Aged Care Quality Agency, the Aged Care Complaints Commissioner, and, from 1 January 2020, the aged care regulatory functions of the department.

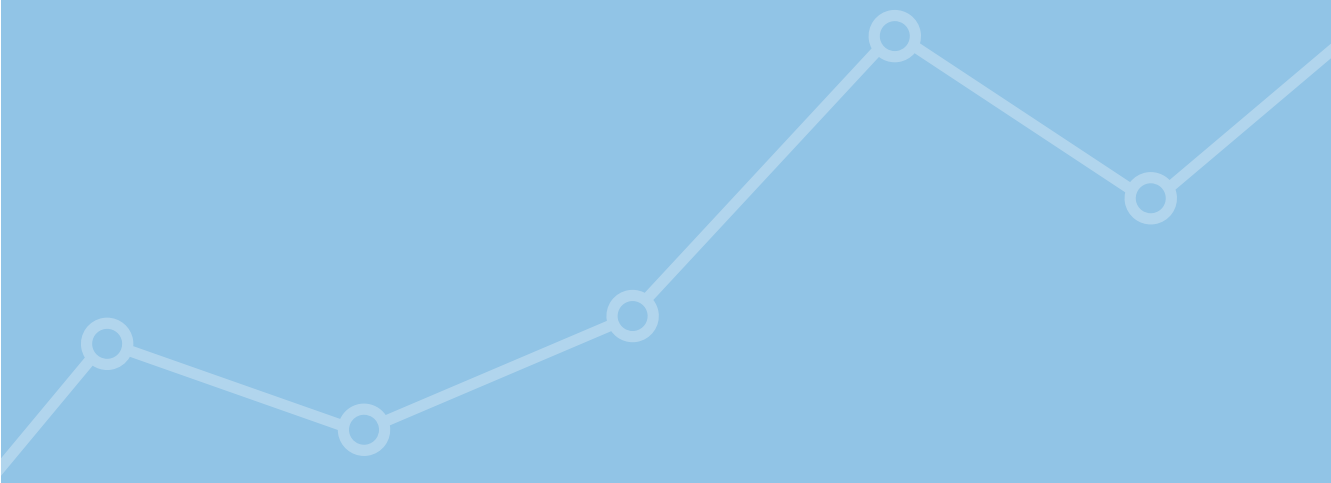


**Over 3.5 million website visits and 1.4 million calls answered**

**Redesigned My Aged Care homepage for simpler website navigation**

**14 RAS organisations and 80 ACATs delivered assessment services**

# 2
# Informed Access to Aged Care



# 2. Informed Access to Aged Care

## 2.1. Enabling people to make informed choices

The Australian Government aims to promote improved wellbeing for senior Australians. The Government provides support and assistance to senior Australians and their carers to ensure they are informed about the care and support services available, and their needs are properly assessed.

My Aged Care is the entry point to access Australian Government subsidised aged care services. Through a dedicated contact centre and website, My Aged Care helps senior Australians, their families and carers to access information on aged care, receive needs-based assessments and find appropriate services in their local area.

The My Aged Care contact centre operates nationally from 8am–8pm weekdays and 10am–2pm on Saturdays. A separate helpline is available for My Aged Care assessors and service providers.

My Aged Care website enhancements in 2017–18 included a comprehensive redesign of the homepage with simpler navigation across the website. Introduced in April 2018, the new design includes a clear 'pathway' to guide senior Australians and their families through the steps to accessing aged care services and improve access to information.

The information available on the My Aged Care website is continually updated and improved to inform senior Australians and their families about aged care services and to support consumer choice.

### Calls, correspondence and website data

In 2017–18, the My Aged Care contact centre answered 1,401,725 calls and received 343,582 pieces of web and fax correspondence, while the website had a total of 3,551,987 visits.

### Publications

The department disseminates a range of printed aged care materials, including information booklets and brochures. These resources are continually reviewed and updated, including directly with consumers, to ensure the information remains accurate and is easy to understand.

In 2017–18, over 1 million hard copy resources were made available to the sector to distribute to consumers.

The department also produces factsheets, fortnightly eNewsletters and regular email announcements for the aged care sector, including providers, assessors and health professionals.

## 2.2. Support for consumers

### National Aged Care Advocacy

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers. Since 1 July 2017, NACAP has been delivered by a single national provider, the Older Persons' Advocacy Network (OPAN). In 2017–18, OPAN delivered 1,954 education sessions and 11,474 instances of advice or individual advocacy.

### Community Visitors Scheme

The Community Visitor Scheme (CVS) program provides friendship and companionship through one-on-one volunteer visits to consumers of residential aged care, home care packages and groups in residential aged care who are socially isolated or are at risk of social isolation or loneliness. The program is funded by the department.

In 2017–18, funding of $17.4 million was provided for approximately 11,000 volunteers who conducted around 220,000 visits.

An open funding round was conducted from 1 May 2018 to 26 June 2018 for the delivery of the CVS from 1 January 2019 to 30 June 2021. The Grant Opportunity Guidelines for this round were designed to address issues identified in a review of the CVS, by:

- increasing uptake of the program in the home care sector
- improving information sharing between CVS providers
- increasing national consistency in the delivery of the program
- supporting innovative approaches to delivery.

### National Dementia Support Program

The department funds Dementia Australia to deliver the National Dementia Support Program (NDSP). This program provides a range of information, training and education programs and psychosocial support to people living with dementia, and their carers or families. The program also aims to improve awareness and understanding about dementia in the general community.

In late 2017, a consultation paper was released on the future of the NDSP, with stakeholders providing 73 responses. Feedback on the proposal to redesign the program into four activity groups (information, awareness, outreach, early intervention) and hold an open funding round for the redesigned program's activities was generally positive. The proposed funding round will be held in late 2018.

In 2017–18, the National Dementia Helpline and referral service received over 44,000 contacts. More than 747,000 dementia help-sheets were downloaded from the Dementia Australia national website, of which, over 47,000 were targeting people from special needs groups.

## 2.3. Access to subsidised care

### Regional Assessment Service

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

In 2017–18, the Australian Government provided funding of approximately $87.1 million for 14 RAS to deliver assessment services in all states and territories, except Western Australia (WA).

Western Australian entry-level assessments were managed through the WA Home and Community Care Program.

Starting from 1 July 2018 there is now a national RAS, with seventeen organisations in operation, including in WA.

### Aged Care Assessment Program

The Australian Government engages state and territory jurisdictions to manage and administer the Aged Care Assessment Program (ACAP), which includes 80 individual Aged Care Assessment Teams (ACAT) to deliver comprehensive assessment services across Australia. Approximately $127 million was allocated for ACAT purposes in 2017–18.

ACATs utilise My Aged Care to comprehensively assess the care needs of senior Australians and make referrals to services or to provider waitlists. This includes approving the person as eligible for Australian Government-subsidised aged care services funded under the Act, such as residential care, a Home Care Package and/or flexible care services.

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

**Table 1: ACAT assessments by state and territory: 2013–14 to 2017–18**

| State/Territory | 2013–14 | 2014–15 | 2015–16 | 2016–17 | 2017–18 |
|---|---|---|---|---|---|
| NSW | 71,343 | 67,271 | 59,003 | 53,727 | 61,018 |
| Vic | 66,453 | 62,805 | 55,127 | 46,409 | 52,219 |
| Qld | 38,441 | 42,623 | 35,428 | 28,378 | 34,714 |
| WA | 21,663 | 20,902 | 18,687 | 14,794 | 15,885 |
| SA | 15,543 | 16,283 | 15,397 | 13,040 | 14,771 |
| Tas | 5,916 | 5,763 | 4,660 | 4,003 | 4,735 |
| ACT | 3,116 | 2,531 | 2,198 | 1,963 | 1,840 |
| NT | 1,174 | 1,029 | 852 | 893 | 946 |
| **Australia** | **223,649** | **219,207** | **191,352** | **163,207** | **186,128** |

Note: Data was extracted from the Ageing and Aged Care Data Warehouse in July 2018. The table includes total number of assessments. Expanded data regarding completed assessments and approvals are published on the GEN Aged Care Data website and in the Productivity Commission's Report on Government Services.

Future extracts of this data may change and thus alter final numbers. ACATs transitioned to use My Aged Care systems in early 2016. Figures for 2015–16 therefore include data sourced from both legacy and My Aged Care systems.

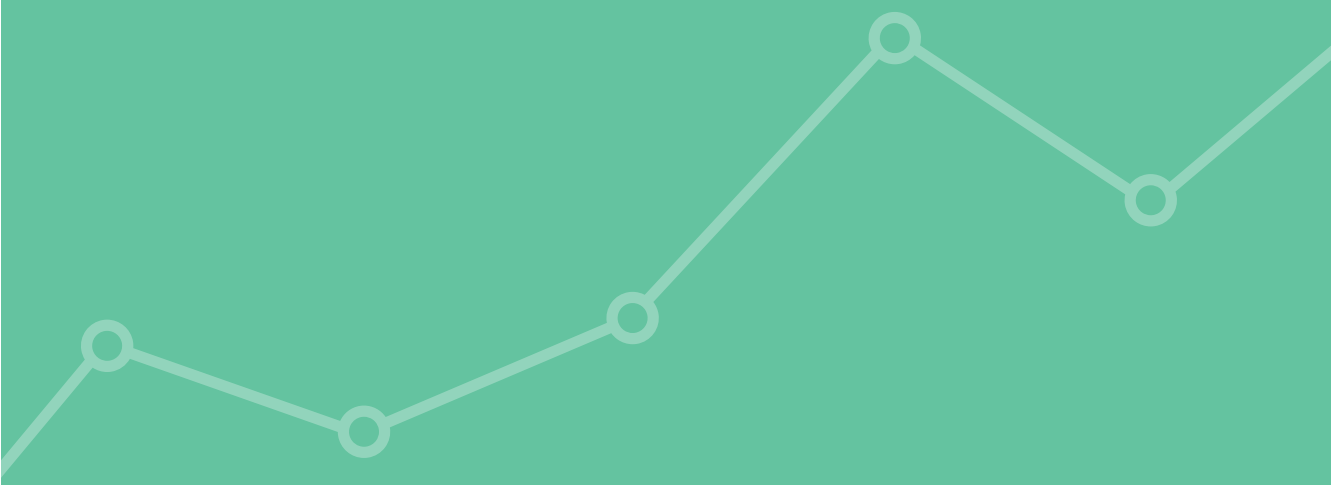
Table 1 above illustrates an increase in the number of ACAT assessments in 2017–18, generally driven by rising demand for aged care services and a corresponding increase in the need for comprehensive assessments.

**1,456 funded CHSP organisations**

**783,043 CHSP clients across 2017–18**

**$2.2 billion for CHSP service delivery activities**

# 3
# Home Support



# 3. Home Support

The Australian Government provides a range of entry-level home support services designed to help people aged 65 years and older (50 years and older for Aboriginal and Torres Strait Islander people) to continue living in their own homes for as long as they can and wish to do so. In 2017–18, the department continued to deliver these services through the Commonwealth Home Support Programme (CHSP).

The Australian Government also supported the Home and Community Care (HACC) program in Western Australia (WA). From 1 July 2018, WA HACC services for people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) transitioned to the CHSP.

In the 2018–19 Budget, the Australian Government announced it will trial innovative approaches to supporting senior Australians to stay living independently in their own homes for longer, while still receiving the support and services they need to remain active and engaged. Regional Assessment Services (RAS) and CHSP providers will be supported to deliver services that promote greater independence, mobility and autonomy, reducing or delaying the need for more complex aged care support services.

## 3.1. What was provided?

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

Table 2: CHSP services by sub-programme and service type

| Sub-programme | Community and home support | Care relationships and carer support | Assistance with care and housing | Service system development |
|---|---|---|---|---|
| Objective | To provide entry-level support services to assist frail, older Australians to live independently at home and in the community. | To support and maintain care relationships between carers and clients, through providing good quality respite care for frail older Australians so that regular carers can take a break. | To support those who are homeless or at risk of homelessness, to access appropriate and sustainable housing as well as community care and other support services, specifically targeted at avoiding homelessness, or reducing the impact of homelessness. | To support the development of the community aged care service system in a way that meets the aims of the CHSP and broader aged care system. |
| Service types funded | • Meals<br>• Other food services<br>• Transport<br>• Domestic assistance<br>• Personal care<br>• Home maintenance<br>• Home modifications<br>• Social support-individual<br>• Social support-group (formerly centre-based day care)<br>• Nursing<br>• Allied health and therapy services<br>• Goods, equipment and assistive technology<br>• Specialised support services | • Flexible respite:<br>- In-home day respite<br>- In-home overnight respite<br>- Community access -individual respite<br>- Host family day respite<br>- Host family overnight respite<br>- Mobile respite<br>- Other planned respite<br>• Centre-based respite:<br>- Centre-based day respite<br>- Residential day respite<br>- Community access-group respite<br>• Cottage respite (overnight community) | Assistance with care and housing (a person must be older or prematurely aged, aged 50 years and over (45 years and over for Aboriginal and Torres Strait Islander people) on a low income and be homeless or at risk of homelessness as a result of experiencing housing stress or not having secure accommodation). | Sector support and development activities |

## 3.2. Who provided care?

In 2017–18, a total of 1,456 aged care organisations were funded to deliver CHSP home support services to clients.

CHSP providers include government, non-government organisations and not-for-profit organisations, such as meals-providers.

In WA there were a total of 91 HACC service providers funded to deliver services, 76 of which transitioned to CHSP on 1 July 2018.

## 3.3. Who received care?

The CHSP provided support to 783,043 clients through delivery of home support services. Access to CHSP services is coordinated through My Aged Care. For consumers this means entry and assessment through My Aged Care and referral to the RAS for a face-to-face assessment.

In WA, 75,116 people received services through the jointly-funded HACC program, of whom 64,491 were aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people).

## 3.4. How were these services funded?

### What the Government pays

The CHSP is a grant-funded program. During 2017–18, the Australian Government provided $2.2 billion for the delivery of CHSP services to assist eligible clients to remain living independently in their homes. The Australian Government also provided $116.8 million to My Aged Care, RAS, and other initiatives in support of the CHSP. In total, Australian Government expenditure for the program in 2017–18 was $2.3 billion.

Table 3: Australian Government expenditure for CHSP services in 2017–18, by state and territory

| State/Territory | 2017–18 $M |
|---|---|
| NSW | 540.9 |
| Vic | 666.4 |
| Qld | 600.3 |
| WA | 25.5 |
| SA | 201.9 |
| Tas | 86.4 |
| ACT | 26.5 |
| NT | 17.7 |
| Australia | 2,166.0 |

Note: The Australian total includes expenditure that cannot be attributed to an individual state or territory. The above table includes Australian Government expenditure for home support services in Western Australia, but excludes expenditure provided under the jointly-funded Australian Government–Western Australia HACC program.

In 2017–18, Australian Government expenditure for the WA HACC program was $194.9 million; the Government of Western Australia contributed $123.3 million.

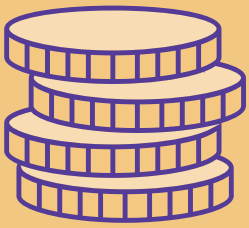
## What the consumer pays

In October 2015, the department released the *Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework*.[9] The Framework outlines a number of principles that CHSP providers should adopt in setting and implementing their own client contribution policy. The principles are designed to introduce fairness and consistency, with a view to ensuring that those who can afford to contribute do so, while protecting the most vulnerable. Consumer contribution supports CHSP providers to grow and expand their business.

9 Further information is available at https://agedcare.health.gov.au/programs/commonwealth-home-support-programme/resources.

**873** operational
home care providers

**91,847**
home care consumers
at 30 June



**$2.0 billion**
in home care subsidies
and supplements

# 4
# Home Care

# 4. Home Care

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

On 27 February 2017, the Australian Government introduced the Increasing Choice in Home Care reforms, to improve the way home care services are delivered to senior Australians, and move towards a consumer-driven, market-based and less regulated system.

Separate reporting which focuses on the Home Care Packages Program is available on the GEN website, coordinated by the Australian Institute of Health and Welfare.

## 4.1. What is provided?

The Home Care Packages Program 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
- 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.

## 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 under the Act relating to quality of care, consumer-rights and accountability.

Between 30 June 2017 and 30 June 2018, the number of operational approved providers of home care grew from 702 to 873, representing a 24.4 per cent increase. The growth in the sector reflects the attractiveness of a more market-based environment where there is greater choice for people.

At 30 June 2018, there were 91,847 people who were in a home care package. The not-for-profit group (comprising religious, charitable and community-based providers) delivered the majority of care, providing assistance to 76.2 per cent of people, while for-profit providers delivered care to 16.9 per cent, and government providers delivered care to 6.9 per cent.

**Table 4: Number of people in a home care package, by provider type and state and territory, at 30 June 2018**

| State/ Territory | Religious | Charitable | Community based | For Profit | State/ Territory and Local Govt | Total |
|---|---|---|---|---|---|---|
| NSW | 6,656 | 9,504 | 6,522 | 7,046 | 690 | **30,418** |
| Vic | 7,053 | 5,364 | 4,268 | 2,597 | 4,167 | **23,449** |
| Qld | 7,747 | 4,088 | 3,547 | 2,876 | 256 | **18,514** |
| WA | 1,875 | 3,804 | 585 | 1,715 | 267 | **8,246** |
| SA | 1,483 | 3,294 | 728 | 606 | 744 | **6,855** |
| Tas | 472 | 692 | 739 | 409 | 18 | **2,330** |
| ACT | 214 | 594 | 337 | 171 | 0 | **1,316** |
| NT | 113 | 5 | 260 | 125 | 216 | **719** |
| Australia | **25,613** | **27,345** | **16,986** | **15,545** | **6,358** | **91,847** |
| % of Total | **27.9** | **29.8** | **18.5** | **16.9** | **6.9** | **100.0** |

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

## 4.3. Who received care?

Although there is no minimum age requirement for eligibility purposes, the Home Care Packages Program is primarily designed to assist senior Australians to remain in their homes. In 2017–18, the average age of access to a package was 80.8 years.

The number of people in a home care package at 30 June 2018 was 91,847. This was an increase of 20,424 (or 28.6 per cent) from 30 June 2017. This growth is consistent with the Government's policy to increase access to home care services to allow people to remain living independently in their own homes for as long as possible.

Table 5: Number of people in a home care package, by current care level, and by state and territory, at 30 June 2018

| State/ Territory | Level 1 | Level 2 | Level 3 | Level 4 | Total | % of Total |
|---|---|---|---|---|---|---|
| NSW | 1,830 | 17,197 | 4,535 | 6,856 | **30,418** | **33.1** |
| Vic | 1,258 | 15,025 | 2,242 | 4,924 | **23,449** | **25.5** |
| Qld | 954 | 9,603 | 2,815 | 5,142 | **18,514** | **20.2** |
| WA | 305 | 3,520 | 1,366 | 3,055 | **8,246** | **9.0** |
| SA | 348 | 3,625 | 1,212 | 1,670 | **6,855** | **7.5** |
| Tas | 93 | 1,391 | 257 | 589 | **2,330** | **2.5** |
| ACT | 47 | 658 | 197 | 414 | **1,316** | **1.4** |
| NT | 6 | 477 | 69 | 167 | **719** | **0.8** |
| Australia | **4,841** | **51,496** | **12,693** | **22,817** | **91,847** | **100.0** |
| % of Total | **5.3** | **56.1** | **13.8** | **24.8** | **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 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. The current rates of payment are available on the Schedule of Subsidies and Supplements on the department's website[10] and on My Aged Care.

10 https://agedcare.health.gov.au/funding/aged-care-subsidies-and-supplements/schedule-of-subsidies-and-supplements

Table 6: Home care supplements available in 2017–18

| Supplement Type | Description |
|---|---|
| **Primary supplements** | |
| Oxygen supplement | A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of oxygen therapy. |
| Enteral feeding supplement | A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of enteral feeding. |
| Dementia and cognition supplement | A supplement paid 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 on behalf of care recipients formerly in receipt of an Extended Aged Care at Home Dementia (EACHD) package, to ensure no disadvantage in funding as a result of the transition to the Home Care Packages Program. |
| **Other supplements** | |
| Hardship supplement | A supplement paid on behalf of post-1 July 2014 care recipients in financial hardship who are unable to pay their aged care costs. |
| Viability supplement | A supplement paid on behalf of eligible care recipients living in regional and remote areas to assist with the extra costs of providing services in those areas. |

The Australian Government's expenditure on subsidies and supplements for home care packages increased from $1.6 billion in 2016–17 to $2.0 billion in 2017–18, an increase of 28.1 per cent.

Table 7: Australian Government expenditure for home care packages 2013–14 to 2017–18, by state and territory

| State/Territory | 2013–14 $M | 2014–15 $M | 2015–16 $M | 2016–17 $M | 2017–18 $M |
|---|---|---|---|---|---|
| **NSW** | 383.1 | 389.0 | 452.2 | 483.8 | 619.8 |
| **Vic** | 299.9 | 313.8 | 364.0 | 388.6 | 497.9 |
| **Qld** | 246.6 | 244.0 | 283.2 | 301.4 | 386.1 |
| **WA** | 174.9 | 161.2 | 187.0 | 198.3 | 254.0 |
| **SA** | 88.7 | 92.2 | 107.0 | 114.2 | 146.3 |
| **Tas** | 29.0 | 32.3 | 37.4 | 39.7 | 50.8 |
| **ACT** | 29.5 | 29.7 | 34.4 | 36.5 | 46.7 |
| **NT** | 19.2 | 18.6 | 21.4 | 22.2 | 28.4 |
| **Australia** | **1,270.9** | **1,280.7** | **1,486.6** | **1,586.2** | **2,032.1** |

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

## What the consumer pays

Consumers who have taken up a home care package on or after 1 July 2014 can be asked to pay:

- a basic daily fee – the maximum basic daily fee is 17.5 per cent of the single rate of the basic age pension – and/or
- an income-tested care fee – if they are 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.

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

There are annual and lifetime limits to how much a 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.

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

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

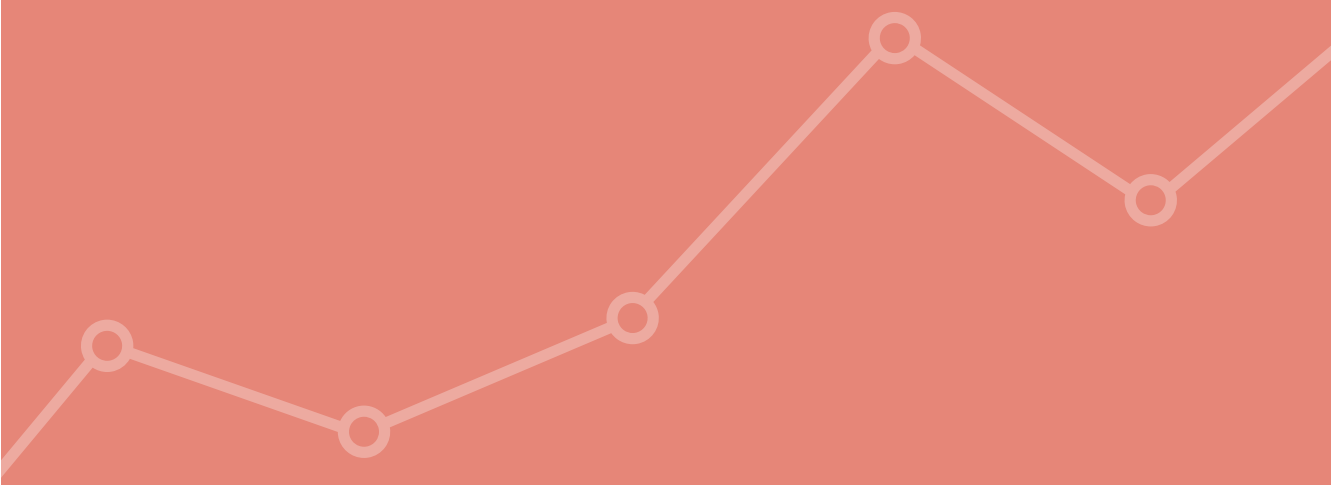
11 Aged Care fees and charges, https://agedcare.health.gov.au/aged-care-funding/aged-care-fees-and-charges

**556** funded CHSP organisations and **2,522** residential aged care homes delivered respite care

**46,098** CHSP respite clients and **61,993** residential respite clients across 2017–18

**$262.0 million** in CHSP grants and **$349.6 million** in residential subsidies and supplements

# 5
# Respite Care



# 5. Respite Care

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

## 5.1. What was provided?

### Commonwealth Home Support Programme (CHSP)

The CHSP provides flexible respite services including:

- flexible respite
- cottage respite
- centre-based respite.

### Residential respite care

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

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

## 5.2. Who provided care?

In 2017–18, 556 aged care organisations were funded to deliver CHSP respite services to clients. These providers range from small not-for-profit organisations to government and non-government organisations.

There is not a separate allocation of respite places for providers of residential care. 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 2017–18, there were 2,522 residential aged care homes which provided residential respite services.

**Table 8: Residential respite service providers 2017–18, by state and territory**

| State/Territory | Residential Respite providers |
|---|---|
| NSW | 865 |
| Vic | 716 |
| Qld | 414 |
| WA | 185 |
| SA | 239 |
| Tas | 66 |
| ACT | 25 |
| NT | 12 |
| Australia | 2,522 |

## 5.3. Who received care?

In 2017–18, 46,098 clients received CHSP respite services and there were 79,099 admissions to residential respite care. Throughout 2017–18, a total of 61,993 people received residential respite care, and on 30 June 2018, there were 5,674 people receiving residential respite care.

The number of residential respite days used in 2017–18 was 2.0 million, an increase of 120,000 days from 2016–17. On average, each recipient received 1.3 episodes of residential respite care during 2017–18, and their average length of stay per episode was 25.6 days.

**Table 9: Residential respite days by level of care, during 2017–18, by state and territory**

| State/Territory | High Care Respite | Low Care Respite | Total |
|---|---|---|---|
| NSW | 663,232 | 194,232 | 857,464 |
| Vic | 229,968 | 240,539 | 470,507 |
| Qld | 232,252 | 52,173 | 284,425 |
| WA | 63,210 | 25,785 | 88,995 |
| SA | 241,853 | 23,188 | 265,041 |
| Tas | 28,521 | 11,295 | 39,816 |
| ACT | 13,395 | 4,181 | 17,576 |
| NT | 9,640 | 2,941 | 12,581 |
| Australia | 1,482,071 | 554,334 | 2,036,405 |

## 5.4. How were these services funded?

### What the Government pays

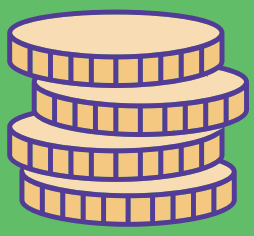
In 2017–18, the Australian Government provided grant funding of $262.0 million to service providers who delivered respite services under the CHSP, and subsidies and supplements totalling $349.6 million to service providers who delivered residential respite care.

### What the consumer pays

The Australian Government sets the maximum level of the basic daily fee that providers may ask residential respite care recipients to pay (standard resident contribution), which equates to 85 per cent of the single rate of the basic age pension. However, it is at the provider's discretion whether they charge the residential respite care recipient the maximum level of the basic daily fee. 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.

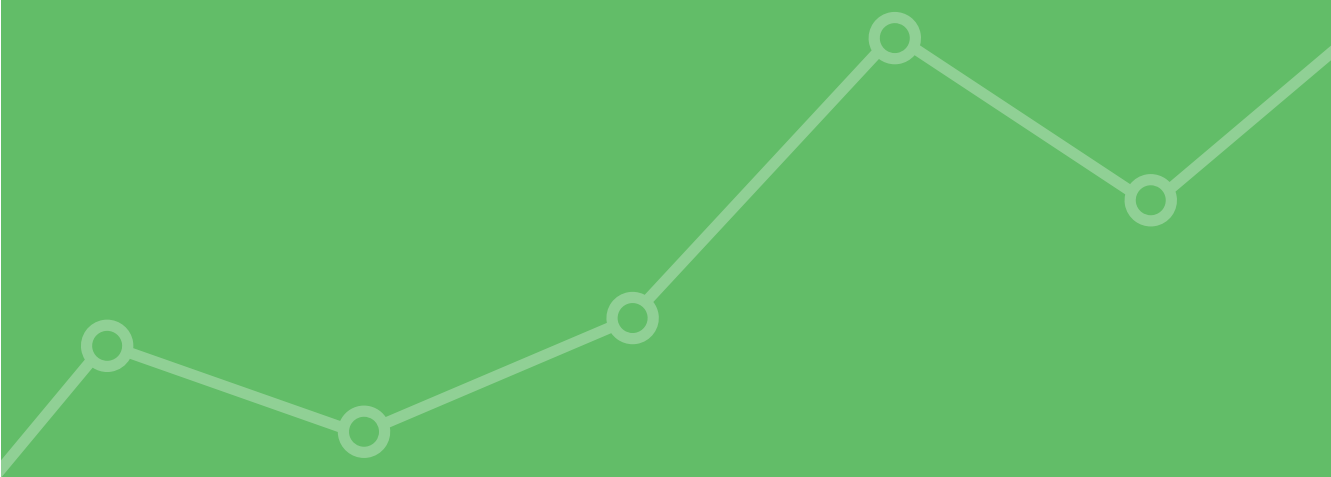
**886** operational residential aged care providers

**180,923**
permanent residents at 30 June



**$12.2 billion**
in residential care subsidies and supplements

# 6
# Residential Care



# 6. Residential Care

Residential care provides care and support to senior Australians who can no longer live at home and need ongoing help with everyday tasks or health care. Residential care is provided on a permanent or respite basis (see Chapter 5 for Respite).

A person who has been assessed as eligible to receive residential aged care may be admitted to any residential aged care home that meets the resident's needs – subject to the availability of places, the provider's ability to deliver the required care and services, and the provider's agreement. As outlined in the *Quality of Care Principles 2014,* residential aged care homes must deliver care and services in accordance with the person's care needs.

## 6.1. What was provided?

The services provided through residential care include:

- help with day-to-day tasks (such as cleaning, cooking, laundry)
- personal care (such as bathing, dressing, grooming, going to the toilet)
- clinical care (such as wound care and medication administration) under the supervision of a registered nurse
- other care services.

For people who need almost complete assistance with most activities of daily living, residential care can provide 24-hour care. Guidance on the care and services that must be provided to residents is available on the department's website.[12]

## 6.2. Who provided care?

Providers of residential aged care services must first be approved by the Australian Government, in accordance with the Act, before providing care delivery. Providers comprise those from religious, charitable, community, for-profit and government sectors. At 30 June 2018, there were 2,695 residential aged care services, an increase of 0.9 per cent from the previous year. These services were run by 886 operational residential aged care providers.

At 30 June 2018, there were a total of 246,536 allocated and 207,142 operational residential aged care places (excluding places offered in flexible care programs) with an occupancy rate of 90.3 per cent throughout 2017–18. Not-for-profit providers

12 Care and services in an aged care home; Information for approved providers, https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/09_2014/additional_guidance_-_care_and_services_in_aged_care_homes_0.pdf

(comprising religious, charitable and community-based providers) were responsible for 55.3 per cent of operational residential care places, for-profit providers were responsible for 40.6 per cent, and government providers for 4.2 per cent.

**Table 10: Operational residential care places, other than flexible care places, by provider type, at 30 June 2018, by state and territory**

| State/ Territory | Religious | Charitable | Religious/ Charitable | Community based | For Profit | State/ Territory Govt | Local Govt | Total |
|---|---|---|---|---|---|---|---|---|
| NSW | 17,555 | 16,313 | 0 | 10,785 | 25,091 | 405 | 387 | **70,536** |
| Vic | 7,173 | 5,427 | 67 | 7,520 | 29,231 | 5,008 | 173 | **54,599** |
| Qld | 12,666 | 5,719 | 0 | 3,571 | 15,655 | 1,112 | 141 | **38,864** |
| WA | 4,769 | 3,223 | 0 | 2,058 | 6,394 | 66 | 301 | **16,811** |
| SA | 5,134 | 3,870 | 0 | 2,173 | 5,917 | 809 | 209 | **18,112** |
| Tas | 1,640 | 1,444 | 0 | 1,137 | 787 | 57 | 0 | **5,065** |
| ACT | 581 | 786 | 0 | 462 | 801 | 0 | 0 | **2,630** |
| NT | 85 | 0 | 0 | 305 | 135 | 0 | 0 | **525** |
| Australia | **49,603** | **36,782** | **67** | **28,011** | **84,011** | **7,457** | **1,211** | **207,142** |
| % of Total | **23.9** | **17.8** | **0.0** | **13.5** | **40.6** | **3.6** | **0.6** | **100.0** |

## 6.3. Who received care?

In 2017–18:

- 241,723 people received permanent residential aged care at some time during the year, an increase of 2,344 from 2016–17
- the average age (on entry) was 82.0 years for men, 84.5 years for women
- the average completed length of stay was 34.6 months.

On 30 June 2018, there were 180,923 people receiving permanent residential care.

**Table 11: Number of permanent residents on 30 June 2018, by state and territory**

| State/Territory | Permanent Residents |
|---|---|
| NSW | 60,868 |
| Vic | 47,950 |
| Qld | 33,551 |
| WA | 15,112 |
| SA | 16,206 |
| Tas | 4,478 |
| ACT | 2,290 |
| NT | 468 |
| Australia | **180,923** |

# 6.4. How were these services funded?

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

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

## What the Government pays

During 2017–18, the Australian Government paid $12.2 billion for residential care subsidies and supplements, an increase of 2.5 per cent over the previous year.

**Table 12: Australian Government recurrent residential care funding, 2013–14 to 2017–18, by state and territory**

| State/ Territory | 2013–14 $M | 2014–15 $M | 2015–16 $M | 2016–17 $M | 2017–18 $M | % Change 2016–17 to 2017–18 |
|---|---|---|---|---|---|---|
| NSW | 3,348.9 | 3,563.5 | 3,836.3 | 3,992.5 | 4,053.9 | 1.5 |
| Vic | 2,539.8 | 2,758.6 | 2,976.2 | 3,144.8 | 3,247.6 | 3.3 |
| Qld | 1,762.6 | 1,926.4 | 2,061.9 | 2,189.1 | 2,274.2 | 3.9 |
| WA | 860.3 | 921.1 | 972.0 | 996.4 | 1,029.8 | 3.3 |
| SA | 942.4 | 1,018.2 | 1,084.3 | 1,116.6 | 1,126.9 | 0.9 |
| Tas | 239.9 | 258.0 | 278.5 | 290.9 | 295.0 | 1.4 |
| ACT | 94.0 | 110.6 | 126.0 | 134.2 | 137.9 | 2.7 |
| NT | 26.5 | 33.1 | 35.7 | 39.1 | 38.9 | -0.4 |
| **Australia** | **9,814.4** | **10,589.4** | **11,371.4** | **11,903.8** | **12,204.2** | **2.5** |

Note: Totals may not sum exactly, due to rounding. This table includes funding through the Department of Veterans' Affairs. This table presents recurrent funding to residential care providers using accrual based reporting. Due to accrual adjustments, for smaller jurisdictions in particular, this can lead to significant year-on-year variation. Based on claims data between 2016–17 and 2017–18, the growth in recurrent funding for each state and territory ranged from -0.9 per cent to 3.6 per cent.

### Subsidies and supplements

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

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

**Table 13: Supplements available for residential aged care 2017–18**

| Supplement Type | Description |
|---|---|
| **Primary supplements** | |
| 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. |
| **Other supplements** | |
| 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 hard ship who are unable to pay their aged care costs. |
| 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 who are 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. |

| Supplement Type | Description |
|---|---|
| Transitional supplement | A supplement paid on behalf of pre-2008 reform care recipients who were residents in an aged care home on 30 September 1997 or who entered the service after 30 September 1997 but before it was certified, and who have remained in the same home. |
| 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 between 20 March 2008 and 19 September 2011, to ensure no financial disadvantage from changes to the accommodation supplement which was introduced on 20 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 certain care recipients in permanent care on 1 July 2012 to ensure no financial disadvantage resulting from the increase of the basic daily fee from that date. |
| 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".[13] |

A detailed breakdown of the amount of payments for each of these subsidies and supplements in 2017–18 is shown in Table 23 in Appendix A.

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

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


13 More information available at https://agedcare.health.gov.au/aged-care-funding/residential-care-supplements

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

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

## What residents pay

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

### Fees

*Basic daily fee*

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

The 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 new residents.

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 costs.

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

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

*Additional service fees*

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

### Payments

*Accommodation payments*

Accommodation payments are a contribution to the cost of accommodation and are used to maintain and upgrade the aged care facility. Accommodation payments are means-tested. Residents with income below $26,660.40 and assets below $48,500.00 (single rate, at 30 June 2018) are not required to make an accommodation contribution. In these circumstances, the Australian Government pays the full accommodation cost for the resident.

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

Residents have the option of paying for their accommodation as:

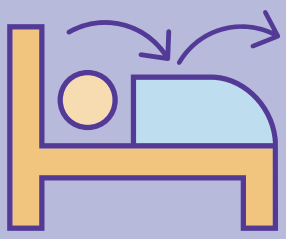
- a lump-sum refundable deposit or
- a daily payment or
- a combination of both.

Australian Government contributions towards accommodation costs are by way of accommodation supplements. There is a range of accommodation supplement rates set by Ministerial determination. At 30 June 2018, the highest of these, the maximum accommodation supplement amount, was $56.14 per day for new homes or those which have been significantly refurbished since 20 April 2012.

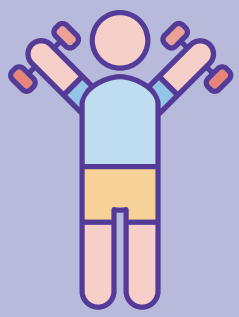
Providers determine the maximum prices they wish to charge for their accommodation (for residents who do not receive any government assistance with the cost of their accommodation) and publish these prices, along with information about the key features of the room, on My Aged Care, on their own website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

More information about accommodation prices and choice of payment is available from the Aged Care Financing Authority's (ACFA) Annual Report on the Funding and Financing of the Aged Care Sector – July 2018 available on the department's website.[14]

14 https://agedcare.health.gov.au/reform/aged-care-financing-authority/2018-acfa-annual-report-on-funding-and-financing-of-the-aged-care-sector

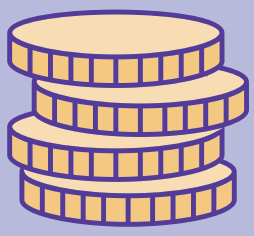


**9,073** operational flexible care places across five programs



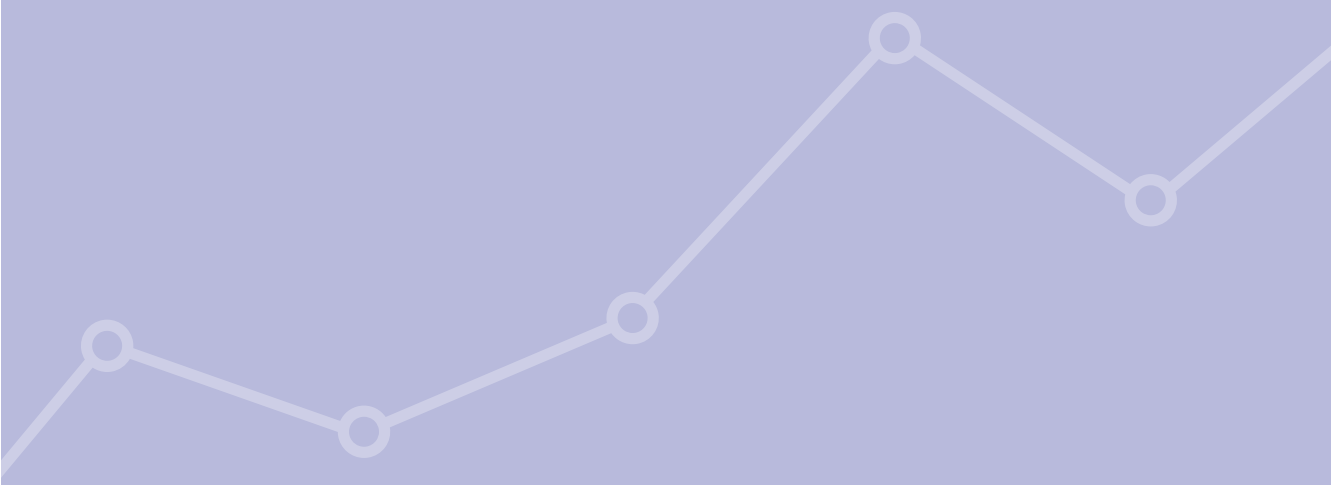
**25,113** people received transition care and

**1,638** received Short-Term Restorative Care



**$490.9 million** in Australian Government funding

# 7
# Flexible Care



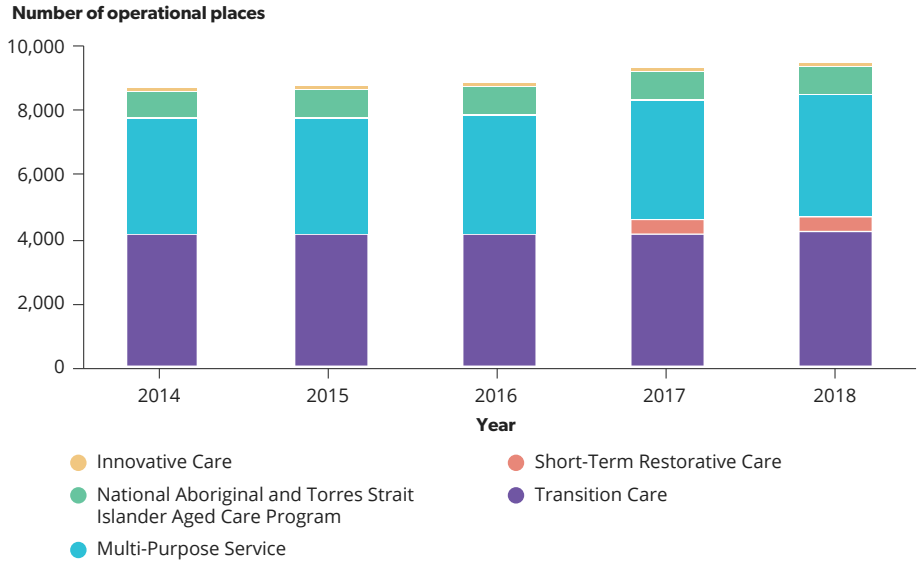
# 7. Flexible Care

There are five models of flexible care which respond to the different care needs of aged care consumers, extending beyond those provided in mainstream residential and home care. These services still support the preference of many senior Australians to remain living at home, leading active and independent lives. These programs are:

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

At 30 June 2018, there were 9,073 operational flexible care places. In 2017–18, Australian Government funding across these programs totalled $490.9 million.

**Figure 7: Operational flexible care places at 30 June each year between 2014 and 2018**



# 7.1. Transition Care

The Transition Care Programme (TCP) was established in 2005–06 and provides short-term care for senior Australians following discharge from hospital. The program aims to help senior Australians who would otherwise be eligible for residential care to optimise their functional capacity and improve their levels of independence.

## What was provided?

Senior Australians may receive transition care for up to 12 weeks (with a possible extension of another six weeks) in either a community (home) or residential setting. To be assessed for TCP support, senior Australians must be in hospital at the time of the assessment.

In 2017–18, the average length of stay for completed episodes of transition care was 60 days. The occupancy rate for transition care throughout 2017–18 was 88.6 per cent.

## Who provided care?

State and territory governments are funded by the Australian Government, as the approved providers of transition care, to manage the program in their respective jurisdictions. Most state and territory governments then subcontract the provision of these services.

At 30 June 2018, there were a total of 4,060 operational transition care places nationally. In 2016–17, the Australian Government funded an additional 60 time-limited transition care places in Western Australia (WA). These places were allocated on a short-term basis to assist the state government to address the lower rate of operational residential care places in WA. At the time of expiry on 30 June 2018, all of the additional 60 places were operational.

**Table 14: Number of operational transition care places at 30 June 2018, by state and territory**

| State/Territory | Number of operational transition care places |
|---|---|
| NSW | 1,378 |
| Vic | 1,000 |
| Qld | 733 |
| WA | 406 |
| SA | 347 |
| Tas | 109 |
| ACT | 58 |
| NT | 29 |
| **Australia** | **4,060** |

### Who received care?

At 30 June 2018, 3,683 people were receiving transition care. During 2017–18, a total of 25,113 people received transition care.

**Table 15: Number of transition care recipients by state and territory, at 30 June 2018 and during 2017–18**

| State/Territory | Number of people receiving transition care at 30 June 2018 | Number of people who received transition care during 2017–18 |
|---|---|---|
| NSW | 1,258 | 7,782 |
| Vic | 908 | 6,777 |
| Qld | 659 | 4,383 |
| WA | 350 | 2,727 |
| SA | 337 | 2,454 |
| Tas | 98 | 606 |
| ACT | 47 | 269 |
| NT | 26 | 139 |
| **Australia** | **3,683** | **25,113** |

### How were these services funded?

Both the Australian Government and the state and territory governments contribute to the costs of the TCP. Australian Government funding is provided in the form of a flexible-care subsidy, payable to the provider for each person who receives services. In 2017–18, the Australian Government funding for the TCP was $267.6 million.

## 7.2. Short-Term Restorative Care

The Short-Term Restorative Care (STRC) Programme provides early intervention care that aims to optimise the functioning and independence of senior Australians, and to reverse and/or slow functional decline. The program improves wellbeing through the delivery of a time-limited, goal-oriented, multidisciplinary and coordinated range of services.

### What was provided?

STRC is delivered in the form of a tailored, multidisciplinary package of services and supports such as physiotherapy, social work, nursing support, personal care and the provision of assistive technologies, to enable senior Australians to regain independence and autonomy rather than entering long term care prematurely. STRC services may be delivered in a home care setting, a residential care setting, or a combination of both.

## Who provided care?

Since the start of the program in February 2017, a total of 475 STRC places have been allocated across Australia. At 30 June 2018, there were 53 operational STRC services being delivered by 37 approved providers.

**Table 16: Number of operational STRC places by state and territory, at 30 June 2018**

| State/Territory | Number of operational STRC places |
|---|---|
| NSW | 103 |
| Vic | 116 |
| Qld | 111 |
| WA | 83 |
| SA | 32 |
| Tas | 10 |
| ACT | 10 |
| NT | 10 |
| **Australia** | **475** |

## Who received care?

During 2017–18, a total of 1,638 people received short term restorative care, with 296 people receiving care at 30 June 2018.

**Table 17: Number of STRC recipients by state and territory, at 30 June 2018, and during 2017–18**

| State/Territory | Number of people receiving STRC at 30 June 2018 | Number of people who received STRC in 2017–18 |
|---|---|---|
| NSW | 61 | 345 |
| Vic | 87 | 537 |
| Qld | 80 | 415 |
| WA | 36 | 156 |
| SA | 14 | 86 |
| Tas | 2 | 19 |
| ACT | 9 | 39 |
| NT | 7 | 45 |
| **Australia** | **296** | **1,638** |

### How were these services funded?

In 2017–18, the Australian Government contributed $16.7 million for STRC services in the form of a flexible care subsidy. 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.

## 7.3. Multi-Purpose Services

The Multi-Purpose Services (MPS) Program is a jointly-funded Australian Government and state and territory government initiative which operates in all states and the Northern Territory. Through flexible and integrated service delivery, the program provides access to a mix of aged care, health and community services tailored to meet local community needs.

The MPS Program enables senior Australians living in regional, rural and remote areas to receive the aged care services they need in their own community. The majority of services are co-located with a hospital or health service.

**Table 18: Number of operational Multi-Purpose Services and places, at 30 June 2018, 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 | 64 | 946 | 106 | 119 | 1,171 |
| Vic | 11 | 250 | 109 | 19 | 378 |
| Qld | 34 | 310 | 129 | 141 | 580 |
| WA | 39 | 324 | 300 | 156 | 780 |
| SA | 26 | 484 | 109 | 14 | 607 |
| Tas | 3 | 66 | 15 | 21 | 102 |
| ACT | - | - | - | - | - |
| NT | 1 | 4 | 0 | 2 | 6 |
| **Australia** | **178** | **2,384** | **768** | **472** | **3,624** |

Australian Government funding for multi-purpose services is provided as a flexible care subsidy under the Act and is based on the number of flexible care places allocated to each multi-purpose service.

There was continued growth in Australian Government expenditure for the MPS, from $159.5 million in 2016–17 to $168.8 million in 2017–18.

Table 19: Australian Government expenditure for Multi-Purpose Services, 2013–14 to 2017–18, by state and territory

| State/ Territory | 2013–14 $M | 2014–15 $M | 2015–16 $M | 2016–17 $M | 2017–18 $M | % Increase 2016–17 to 2017–18 |
|---|---|---|---|---|---|---|
| NSW | 44.5 | 47.9 | 51.0 | 56.9 | 61.0 | 7.2 |
| Vic | 12.8 | 13.4 | 14.0 | 14.6 | 15.0 | 3.0 |
| Qld | 20.6 | 22.4 | 23.1 | 24.6 | 26.3 | 7.0 |
| WA | 25.8 | 27.4 | 27.8 | 29.0 | 29.7 | 2.5 |
| SA | 25.0 | 26.7 | 27.1 | 29.9 | 32.2 | 7.7 |
| Tas | 3.9 | 4.1 | 4.2 | 4.2 | 4.3 | 1.4 |
| ACT | - | - | - | - | - | - |
| NT | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 1.4 |
| **Australia** | **133.0** | **142.2** | **147.6** | **159.5** | **168.8** | **5.9** |

## 7.4. Innovative care services

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

At 30 June 2018, there were nine projects, delivered through four services in New South Wales, two in South Australia, and one each in Tasmania, Victoria and Western Australia. No new entrants are being accepted into the program, so the number of care recipients decreases as people leave, for example, to take up other care options. At 30 June 2018, there were 54 operational innovative care places, compared to 62 at 30 June 2017.

Throughout 2017–18 the Australian Government provided $1.4 million for these services, in the form of a flexible care subsidy specific to each service.

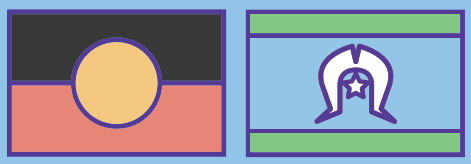
## 7.5. National Aboriginal and Torres Strait Islander Flexible Aged Care Program

The National Aboriginal and Torres Strait Islander Flexible Aged Care Program (the Program) also provides a type of flexible aged care. Services funded under the Program are administered outside the Act. Services funded under this program provide culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to home and community, and are located mainly in remote areas.

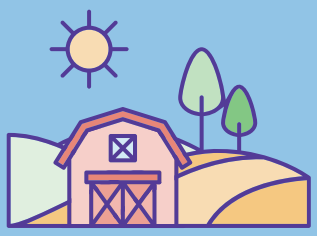
In 2017–18, funding of $36.5 million was provided to 35 services under the Program.

**Table 20: Number of operational National Aboriginal and Torres Strait Islander Flexible Aged Care Program services and places at 30 June 2018, by state and territory**

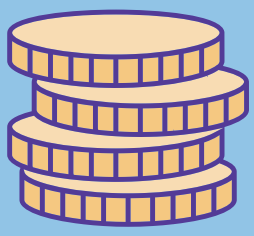
| State/ Territory | Number of Services | Operational high care residential care places | Operational low care residential care places | Operational home care places | Total operational places |
|---|---|---|---|---|---|
| NSW | 2 | 1 | 12 | 14 | 27 |
| Vic | 2 | 40 | 15 | 69 | 124 |
| Qld | 6 | 79 | 12 | 8 | 99 |
| WA | 2 | 40 | 0 | 8 | 48 |
| SA | 6 | 87 | 32 | 45 | 164 |
| Tas | 3 | 0 | 0 | 49 | 49 |
| ACT | 0 | 0 | 0 | 0 | 0 |
| NT | 14 | 94 | 77 | 178 | 349 |
| **Australia** | **35** | **341** | **148** | **371** | **860** |



**Specialist advice, assistance and funding to eligible aged care providers to support Indigenous aged care services**

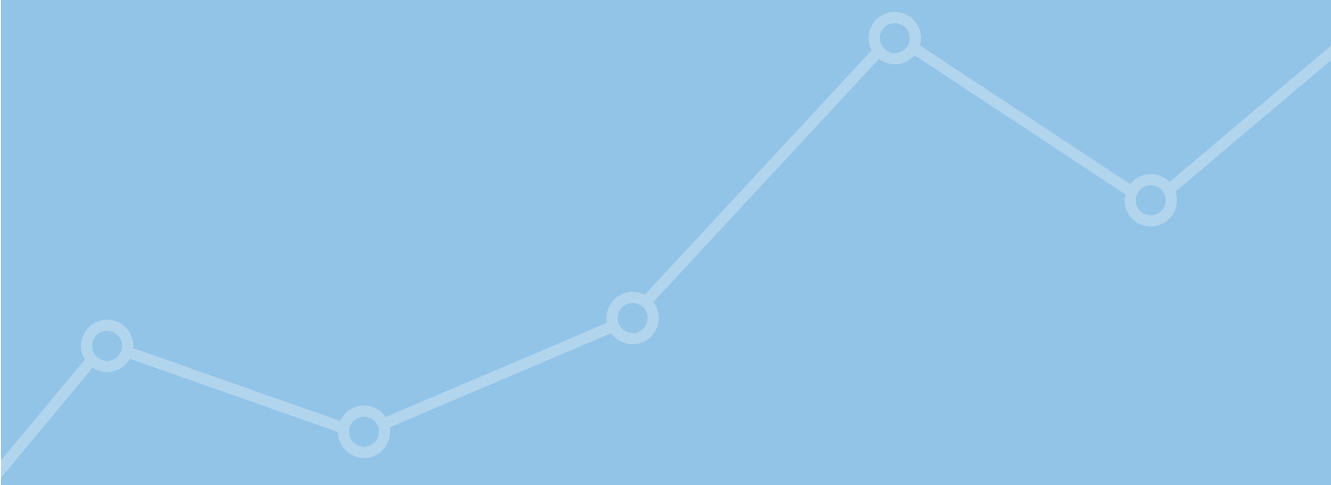


**An improved scheme for the viability supplement in residential care and home care**



**Over $6.8 million in hardship supplements**

# 8
# Support for People with Special Needs



# 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 consumers, the Act designates certain people as 'people with special needs'.

The special needs groups 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.

On 6 December 2017, the Minister launched the Aged Care Diversity Framework (the Framework). The Framework seeks to embed diversity in the design and delivery of aged care, and support action to address perceived or actual barriers to consumers accessing safe, equitable and quality aged care. The Framework builds on the previous National LGBTI Ageing and Aged Care Strategy and the National Ageing and Aged Care Strategy for People from CALD Backgrounds.

The Diversity Sub-Group of the Aged Care Sector Committee, which developed the Framework has also undertaken extensive consultation on three initial action plans to sit under the Framework for:

- People from Aboriginal and Torres Strait Islander communities
- People from CALD backgrounds
- LGBTI people.

# 8.1. People from Aboriginal and Torres Strait Islander communities

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

**Figure 8: Index of equity of access for non-flexible aged care services for senior Australians from Aboriginal and Torres Strait Islander backgrounds, 30 June 2018**


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.

Eligible aged care providers can receive specialist advice and assistance via the Remote and Aboriginal Torres Strait Islander Aged Care Service Development Assistance Panel – see Chapter 9.

Flexible models of care are provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program – see Chapter 7.

## 8.2. People from culturally and linguistically diverse backgrounds

Australia is one of the most culturally diverse nations in the world with an estimated 25 per cent of people aged 65 years and over born overseas in other than mainly English-speaking countries. Broadly speaking, people from CALD backgrounds have proportionally higher representation in home care services and proportionally lower representation in residential care services (Figure 9).

**Figure 9: Index of equity of access for non-flexible aged care services for people from CALD backgrounds, 2017–18**


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 (see Chapter 9).

The department offers interpreting support to people from CALD backgrounds via free access to the Department of Home Affairs' Translating and Interpreting Service (TIS National). TIS National's interpreting services are available 24 hours a day, seven days a week, and can be accessed for free by CALD people by telephone or in face-to-face sessions. TIS National services can be used to contact My Aged Care and for aged care assessments. The service otherwise exists primarily as a support mechanism for specific circumstances, for example to assist consumers to understand the services they are receiving, their care agreement, or their individualised budget and monthly statements.

## 8.3. People who live in rural or remote areas

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

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

These include:

- From 1 January 2017, a new viability supplement scheme was introduced. This measure updated the geographical classification system to the Modified Monash Model (MMM). The MMM takes into account the size and isolation of a town based on 2011 Census data. Under this measure, the rate of viability supplement increased for remote and very remote residential care services as well as eligible home care recipients. Grandfathering arrangements ensured that funding was not reduced for existing residential care services or home care clients receiving viability supplement under previous schemes.
- Flexible aged care programs such as the Multi-Purpose Services Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (see Chapter 7).
- Providing funds through the DACS Fund, including the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel program (see Chapter 9).

## 8.4. People who are financially or socially disadvantaged

Arrangements established under the Act mean that senior Australians can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of

accommodation supplement payable for a supported resident, a service must have a supported resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra service places) of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

In addition, financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying care fees and/or accommodation costs. Applicants for financial hardship assistance may seek assistance with their contribution to their aged care costs. Hardship assistance is payable if the person can demonstrate to the Department of Human Services that they are in financial hardship as a result of paying their aged care fees and essential expenses. The Australian Government provided $6.8 million in hardship supplements for residential care and home care during 2017–18.

## 8.5. Veterans

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

There were 15,387 gold or white treatment card holders in residential care at 30 June 2018, a decrease of 2,060 from 30 June 2017.

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

In 2017–18, services that support senior Australians who are homeless or at risk of becoming homeless were funded through the Commonwealth Home Support Programme (see Chapter 3).

As part of the viability supplement, support is available for eligible residential services specialising in care for people at risk of homelessness, low-care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians (see Chapter 6). In addition, $8.6 million was provided under the Homeless Supplement to support aged care homes that specialise in caring for people with a history of, or who are 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. In December 2016, the Government launched an information package to raise the awareness of the specific care needs of care-leavers among aged care service providers.

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

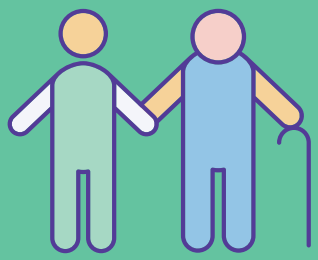
Since 1 August 2013, parents separated from their children by forced adoption or removal have been included in the Act as a special needs group. This is in recognition of the traumatic experiences, health issues and socio-economic disadvantage that these parents are likely to face. The Australian Government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

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

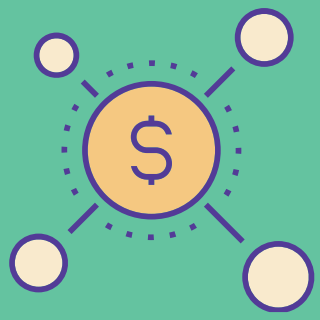
It is recognised that people who identify as LGBTI have specific needs, particularly as they age, stemming from decades of inequitable treatment and social isolation as a result of stigma and family rejection.

Funding to better support services targeting LGBTI people is also provided through the DACS fund (see Chapter 9). For example, funding is provided to Uniting (NSW/ACT) for a *Welcoming Diversity* digital education program which addresses inclusive care for transgender people.

Funding is also provided to the LGBTI Health Alliance to undertake national co-ordination and support activities promoting the well-being of older LGBTI people and deliver national LGBTI aged care awareness training.



**Over 366,000**
**in the aged care workforce**

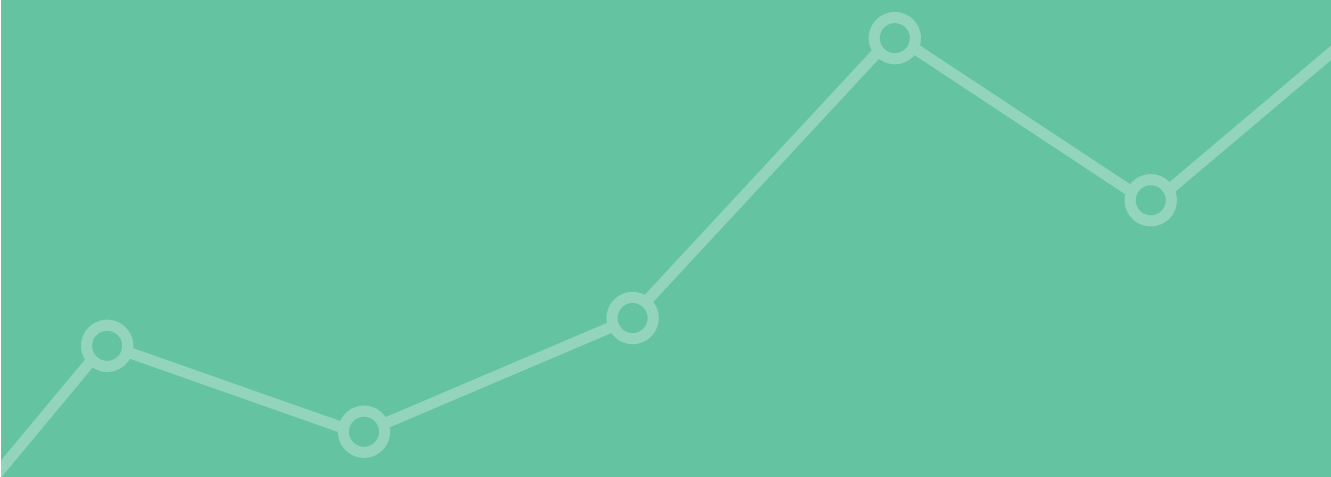


**$335.6 million**
**allocated over 2017–2021 for the DACS fund**

**SBRTs provided long term case management for 709 cases**

# 9

# Aged Care Workforce and Sector Support



# 9. Aged Care Workforce and Sector Support

Government has responsibility for the overarching policy framework for the Vocational Education and Training system, 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.

The Aged Care Workforce Strategy Taskforce delivered its strategy on 29 June 2018. It has a set of fourteen strategic actions to boost supply, address demand and improve productivity for the aged care workforce.

An Aged Services Industry Reference Committee is being established under the Australian Industry and Skills Committee and will consider findings in the aged care workforce strategy. This includes ensuring that the national training and higher education systems can address both current and future competencies and skill requirements for new workers entering the sector, and existing staff needing to upskill.

During 2017–18, work continued on the Boosting the Local Care Workforce Program with the appointment of a consortium led by Ernst & Young to implement the initiative which will support growth in both the aged care and disability sectors.

## 9.1. Aged care workforce and health workforce activities funded in 2017–18

In accordance with the Australian Government's high prioritisation of Indigenous employment issues, all existing Indigenous aged care workforce-specific programs continued during 2017–18.

Table 21: Indigenous employment programs and funding, 2017–18

| 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. | 20.4 |
| 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. | 6.0 |
| 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 have received qualifications since the inception of the program. | 5.0 |
| 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). | 3.9 |

## 9.2. Dementia and Aged Care Services Fund

The Australian Government has allocated $335.6 million over the 2017–2021 financial years for the Dementia and Aged Care Services (DACS) fund. The DACS fund provides support for existing and emerging priorities in dementia care, special measures to support Aboriginal and Torres Strait Islander people, and ensuring people from diverse backgrounds receive the same quality of aged care as other senior Australians.

Achievements in 2017–18 included:

- grants totalling almost $4 million were allocated to improve the quality of aged care services delivered to Aboriginal and Torres Strait Islander people in remote communities.
- support to 30 aged care service providers to provide culturally appropriate local solutions addressing the challenges of maintaining and delivering quality aged care services to eligible aged care providers through the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel program.

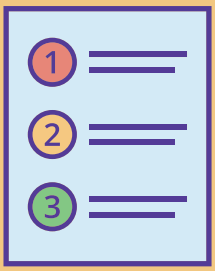
- twelve capacity building workshops for remote aged care service providers in the Northern Territory, Queensland, New South Wales, Victoria and South Australia.
- the National Dementia Behaviour Management Advisory Services (DBMAS), continued to offer access to 24-hour phone advice and face to face support to family carers, primary and acute care staff and aged care providers to improve the quality of life of a person living with dementia.
- DBMAS provided support for 15,499 cases. Feedback via surveys found that 87 per cent of clients were satisfied with the service.

## 9.3. Severe Behaviour Response Teams

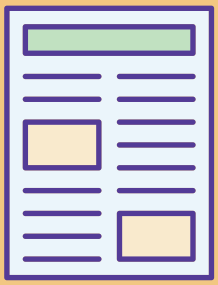
Severe Behaviour Response Teams (SBRTs) are a mobile workforce of clinical experts who provide timely and expert advice to residential aged care providers who request assistance in caring for people with the most severe behavioural and psychological symptoms of dementia. The Australian Government is providing $54.5 million over four years from 2015–16 to 2018–19 for this service.

In 2017–18, SBRTs provided long term case management including detailed clinical assessment, recommendations for intervention and multiple on-site visits for 709 cases. Feedback via surveys found that 88 per cent of clients were satisfied with the service. Both DBMAS and SBRTs had approximately 67 per cent of referrals from major cities and 33 per cent from regional and remote areas.

**167 applications to provide aged care were approved**




**26 Notices of Decision to Impose Sanctions were issued**



**3,733 notifications of reportable assaults in residential care were received**

# 10
# Quality and Regulation

# 10. Quality and Regulation

## 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, for residential and flexible aged care services, hold an allocation of places. In 2017–18, a total of 347 applications were received from organisations seeking approval to provide aged care. The department approved 167 applications; 171 applications were not approved and 27 applications were withdrawn by the applicant. At 30 June 2018, there were 1,501 operational approved providers of residential and home care services (excluding providers of flexible aged care services).

The majority of non-approved applications in 2017–18 were from first-time applicants inexperienced in describing and demonstrating their suitability as providers of aged care. It is essential that those approved by the department can deliver high quality aged care to ensure the protection of senior Australians receiving government-subsidised aged care services.

## 10.2.Quality Agency

The Australian Aged Care Quality Agency (Quality Agency) is an independent statutory authority responsible for accrediting, reviewing and monitoring providers against the quality standards under the Act, contractual arrangements, and for the provision of an education and training program.[15] Quality reviews and accreditation processes are undertaken in accordance with the Quality Agency Principles established under the *Australian Aged Care Quality Agency Act 2013*.

The Quality Agency provides regulation of Australian Government-funded aged care services through:

- the accreditation of residential aged care services and flexible care services through which short-term restorative care is provided in a residential care setting
- quality review of aged care services in the community including home care services, Commonwealth Home Support Programme services, and flexible-care services through which short-term restorative care is provided in a home care setting against the Home Care Standards
- quality review of National Aboriginal and Torres Strait Islander Flexible Aged Care Program services against the Quality Program for that program

15 The Australian Aged Care Quality Agency's 2017–18 Annual report can be accessed at http://www.aacqa.gov.au/about-us/corporate-publications/

- compliance monitoring of services against the applicable standards
- promotion of high quality care, innovation in quality management and continuous improvement among approved providers of aged care
- provision of information, education and training to approved providers of aged care
- registration of Quality Assessors.

The Quality Agency has strengthened its risk-based approach to regulation of aged care services through:

- strengthened data collection
- increased use of intelligence and referrals
- active case management of services with poor compliance history and risk profiles, (including structured interviews with consumers during accreditation audits)
- better consumer reporting.

## 10.3. National Aged Care Quality Indicator Program

Quality indicators measure aspects of service provision which contribute to the quality of care and services given by the provider, and consumers' quality of life and experiences. They relate to care events where improvement in the quality of care can be made and measured.

A voluntary National Quality Indicator (QI) Program for residential aged care providers started on 1 January 2016 and includes quality-of-care indicators that focus on three clinical areas:

- unplanned weight loss
- pressure injuries
- physical restraint.

Participation in the National QI Program for residential aged care enables service providers to collect data and receive nationally comparable reports that can be used to inform continuous quality improvement. A participation icon on My Aged Care recognises services involved in the National QI Program. At 30 June 2018, eight per cent (223) of residential aged care services were participants in the National QI Program.

# 10.4. Compliance

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

Both the department and the Quality Agency have a role in monitoring the compliance of aged care services and where non-compliance is identified the department takes appropriate regulatory action to bring providers back into compliance as quickly as possible. This may include imposing sanctions or issuing Notices of Non-Compliance.

## Notices of sanctions and non-compliance

In 2017–18, the department issued 26 Notices of Decision to Impose Sanctions to 21 aged care providers due to failure to meet quality standards. On 30 June 2018, 13 of the 26 sanctions remained in place. Details of sanctions imposed are included in Table 28, Appendix A.

In 2017–18, the department issued 166 Notices of Non-Compliance against aged care providers as follows:

- failure to meet quality standards - 153
- prudential matters - 11
- ACFI matters - 2

During 2017–18, the main areas of non-compliance related to approved providers not meeting Standard 2 of the Accreditation Standards: 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 aged care providers of residential and home care services. This information is published so that consumers can make informed choices about their care needs and having these needs met. The information covers residential and home 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.

## 10.5.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 2017–18, the department received 4,013 notifications in relation to assaults. Of these 3,773 were required to be reported under the Act. Of the 3,773, 3,226 were recorded as alleged or suspected unreasonable use of force, 513 as alleged or suspected unlawful sexual contact, and 34 as both. With 241,723 people receiving permanent residential care in 2017–18, the incidence of reports of suspected or alleged assaults was 1.6 per cent.

### Missing residents

A resident is considered missing when they are absent and the service is unaware of any reason 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, and
- the absence has been reported to police.

In 2017–18, there were 1,450 notifications of unexplained absences of residents.

## 10.6.Prudential

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

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

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

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements. In 2016–17, 917 providers were asked to complete and lodge an APCS by 31 October 2017. The APCS outcomes for the periods 2014–15, 2015–16 and 2016–17 are in Table 25, Appendix A.

## 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 of the Department of Health 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 Australian Government so it can pursue recovery of the funds.

The Guarantee Scheme was triggered once in October 2017 after the insolvency of Woodhaven Lodge Pty Ltd and an amount of $82,798.31 was refunded to a care recipient.

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

Approved providers receive Australian Government funding for aged care service provision based on ACFI appraisals of their care recipients' level of need. To ensure residents are correctly funded for their care needs and to protect public expenditure, the department conducted 6,636 reviews of ACFI claims in 2017–18. Of these reviews 2,290 (34.5 per cent) resulted in reductions in funding and 44 (0.7 per cent) resulted in increased funding.

If a provider is dissatisfied with the outcome of a review, they can request reconsideration of the decision. In 2017–18, providers requested reconsiderations of 203 reviews. Of these reconsiderations: 70 (34.5 per cent) confirmed the department's review decision; 99 (48.8 per cent) reinstated the provider's original classification; 34 (16.7 per cent) resulted in a new decision. The majority of new reconsideration decisions were because the provider supplied evidence after the review had occurred.

# Appendix A

# 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 non-compliance under Part 4.4, including details of the nature of the non-compliance 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 provides an accurate measure of any unmet demand for residential aged care places, nor for any other type of aged care service. The Australian Government needs-based planning framework is designed to increase the supply of residential and home care places in line with the growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the Australian Bureau of Statistics and demographic data on previous years' utilisation. This produces a national provision target. For residential care, the places are allocated through an open, competitive round where aged care providers apply for the available places.

This allocation process aims to ensure a sufficient supply of residential aged care places, and achieve equitable access to services between metropolitan, regional, rural and remote areas. There is strong demand among providers to supply these places.

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 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.

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

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

The average level of Australian Government payments for permanent residents in aged care was $65,600 per care recipient, an increase of 0.2 per cent per care recipient from 2016–17.

**Table 22: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient 2012–13 to 2017–18**

| 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 | 2017–18 | % Increase 2016–17 to 2017–18 |
|---|---|---|---|---|---|---|
| $53,100 | $56,100 | $60,200 | $63,400 | $65,500 | $65,600 | 0.2 |

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

Table 23: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2013–14 to 2017–18

| Type of Payment | | 2013–14 $M | 2014–15 $M | 2015–16 $M | 2016–17 $M | 2017–18 $M |
|---|---|---|---|---|---|---|
| Basic Subsidy | Permanent | 8,027.4 | 9,662.4 | 10,507.7 | 11,024.2 | 11,163.5 |
| | Respite | 173.6 | 239.1 | 264.4 | 280.6 | 312.3 |
| | Conditional Adjustment Payment* | 716.4 | | | | |
| Primary Care Supplements | Oxygen | 15.3 | 16.4 | 16.5 | 17.5 | 18.3 |
| | Enteral Feeding | 7.8 | 6.7 | 6.3 | 5.9 | 5.9 |
| | Payroll Tax** | 191.3 | 107.4 | | | |
| | Respite Incentive | 15.9 | 22.6 | 29.0 | 30.1 | 34.6 |
| Other Supplements | Viability | 29.8 | 35.4 | 35.6 | 43.2 | 55.8 |
| | Veterans' | 2.1 | 3.5 | 1.8 | 1.1 | 1.6 |
| | Homeless | 4.5 | 7.4 | 7.6 | 8.3 | 8.6 |
| Hardship | Hardship | 3.6 | 4.1 | 5.2 | 4.9 | 4.0 |
| | Hardship Accommodation | 4.1 | 4.1 | 3.6 | 2.9 | 2.6 |
| Accommodation Supplements | Accommodation Supplement | 580.9 | 677.2 | 845.7 | 907.5 | 1,029.6 |
| Supplements Relating to Grandparenting | Concessional | 76.1 | 72.3 | 64.0 | 55.6 | 51.3 |
| | Transitional | 9.2 | 7.4 | 6.0 | 4.8 | 3.8 |
| | Accommodation Charge Top-up | 4.7 | 3.1 | 2.1 | 1.4 | 1.0 |
| | Charge Exempt | 1.3 | 1.0 | 3.8 | 2.0 | 1.8 |
| | Pension | 63.7 | 48.0 | 36.3 | 27.2 | 20.7 |
| | Basic Daily Fee | 1.1 | 0.8 | 0.6 | 0.4 | 0.3 |
| | Transitional Accommodation Supplement | 44.8 | 31.7 | 22.3 | 15.5 | 10.7 |
| Reductions | Means Testing Reduction*** | -320.5 | -377.0 | -455.7 | -560.8 | -564.0 |
| | Other | 161.5 | 15.8 | -31.5 | 31.5 | 42.0 |
| **Total ($million)** | | **9,814.4** | **10,589.4** | **11,371.4** | **11,903.8** | **12,204.2** |

*On 1 July 2014, the Conditional Adjustment payment was rolled into the basic subsidy amount.

** The payroll tax supplement ceased on 1 January 2015.

*** 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 to 2017–18

| Type of Payment | | 2015–16 $M | 2016–17 $M | 2017–18 $M |
|---|---|---|---|---|
| Subsidy | Home care subsidy | 1,312.3 | 1,627.9 | 2,074.8 |
| Supplements | Oxygen | 1.8 | 2.4 | 3.1 |
| | Enteral Feeding | 0.5 | 0.7 | 0.9 |
| | Dementia and Cognition | 21.7 | 24.7 | 29.3 |
| | Veterans' | 0.2 | 0.2 | 0.3 |
| | Hardship | 0.2 | 0.2 | 0.3 |
| | Viability | 7.2 | 11.4 | 16.0 |
| Reductions | Income testing reduction | -12.7 | -21.3 | -36.2 |
| | Other | 155.5 | -60.0 | -56.2 |
| Total ($million) | | **1,486.6** | **1,586.2** | **2,032.1** |

### 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 2017–18, the department revoked approval for one provider.

During 2017–18, 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 who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months from the end of their financial year. In 2016–17, 917 providers were asked to complete and lodge an APCS by 31 October 2017. The APCS outcomes for 2015–16 and 2016–17 are shown below.

Table 25: Annual Prudential Compliance Statement outcomes, 2014–15, 2015–16 and 2016–17*

| Annual Prudential Compliance Statement Reported Non-Compliance | 2014–15 | 2015–16 | 2016–17 |
|---|---|---|---|
| Reported instances of non-compliance with the Records Standard | 6 | 11 | 7 |
| Reported instances of non-compliance with the Disclosure Standard | 19 | 11 | 44 |
| Reported instances of non-compliance with the Liquidity Standard | 5 | 3 | 16 |
| Reported instances of non-compliance with the Governance Standard | 10 | 8 | 12 |
| Reported instances of non-compliance with refunding responsibilities** | 103 | 111 | 109 |

* 2017–18 data are unavailable at the time of publication.

** 2014–15, 2015–16 and 2016–17 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 2017 was $24.8 billion. There was a $3.9 billion (13.3 per cent) increase in bonds held by aged care homes across the 2016–17 financial year. When available, 2017–18 data will be published on GEN, in ACFA's reports and in the 2018–19 ROACA.

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

The 875 providers who held RADs at 30 June 2017 reported through their APCS that they held a total of 88,148 RADs with a total value of approximately $25 billion. These figures include the RADs held by ten providers who reported on an alternate financial year. This is an increase of nearly 8,000 RADs with an approximate balance of $3.5 billion held on 30 June 2016. The average RAD holding per provider was 100 RADs valued at $25.0 million.

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

The average accommodation price agreed with a new non-supported resident in 2016–17 was a refundable accommodation deposit of $393,000, equivalent to a daily payment at 30 June 2017 of $62.23. With 48 per cent of non-supported residents choosing to pay by lump sum, 27 per cent by daily payment, and 25 per cent by combination of both. When available, 2017–18 data will be published on GEN, in ACFA's reports and in the 2018–19 ROACA.

### 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 2017–18**

| 2 days or less | 7 days or less | Less than 1 month | Less than 3 months | Less than 9 months |
|---|---|---|---|---|
| 2.2% | 7.4% | 23.0% | 44.7% | 64.4% |

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

Estimated building works completed during 2016–17, or in progress at June 2017, exceeded $4.7 billion, up from $4.5 billion in 2015–16. When available, 2017–18 data will be published on GEN, in ACFA's reports and in the 2018–19 ROACA.

**Table 27: Consolidated building activity report 2012–13 to 2016–17**

| Type | Measure | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|---|---|---|---|---|---|---|
| **Building work** | Estimated building works completed during the year or in progress at June ($m) | $2,533.0 | $3,142.0 | $3,820.0 | $4,535.9 | $4,715.4 |
| | Proportion of homes that completed any building work during the year | 16.4% | 12.1% | 19.6% | 24.3% | 20.8% |
| | Proportion of homes with any building work in progress at the end of the year | 11.5% | 16.9% | 17.3% | 17.8% | 13.1% |
| **New building work** | Proportion of homes that completed new building work during the year | 1.3% | 1.8% | 2.7% | 2.0% | 2.2% |

| Type | Measure | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|---|---|---|---|---|---|---|
| | Proportion of homes with new building work in progress at the end of the year | 2.0% | 2.2% | 1.8% | 2.6% | 2.2% |
| | Estimated new building work completed during the year ($m) | $440.0 | $703.0 | $945.0 | $820.6 | $1,198.5 |
| | Estimated new building work in progress at the end of the year ($m) | $735.0 | $865.0 | $565.0 | $1,075.5 | $1,042.0 |
| | Proportion of homes that were planning new building work | 3.9% | 3.5% | 3.6% | 4.9% | 2.2% |
| **Rebuilding work** | Proportion of homes that completed rebuilding work during the year | 0.8% | 0.9% | 0.9% | 1.1% | 1.0% |
| | Proportion of homes with rebuilding work in progress at the end of the year | 1.4% | 0.9% | 1.1% | 1.6% | 1.5% |
| | Estimated rebuilding work completed during the year | $190.0 | $337.0 | $314.0 | $250.4 | $403.9 |
| | Estimated rebuilding work in progress at the end of the year ($m) | $449.0 | $240.0 | $736.0 | $1,042.0 | $650.0 |
| | Proportion of homes that were planning rebuilding work | 2.7% | 3.8% | 3.1% | 4.5% | 2.0% |
| **Upgrading work** | Proportion of homes that completed upgrading work during the year | 14.5% | 9.3% | 16.4% | 20.7% | 17.8% |
| | Proportion of homes with upgrading work in progress at the end of the year | 8.4% | 14.0% | 14.7% | 13.9% | 10.0% |

| Type | Measure | 2012–13 | 2013–14 | 2014–15 | 2015–16 | 2016–17 |
|---|---|---|---|---|---|---|
| | Estimated upgrading work completed during the year ($m) | $290.0 | $514.0 | $479.0 | $483.3 | $539.7 |
| | Estimated upgrading work in progress at the end of the year ($m) | $429.0 | $484.0 | $781.0 | $864.2 | $881.4 |
| | Proportion of homes that were planning upgrading work | 9.5% | 12.0% | 14.5% | 14.0% | 8.8% |

### 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 2017–18, the department issued 26 Notices of Decision to Impose Sanctions to 21 providers. On 30 June 2018, 13 of the 26 sanctions remained in place. Information about these sanctions is given in Table 28. Full details of current and archived sanctions, and of compliance actions taken by the department, may be found on the My Aged Care website.[16]

**Table 28: Sanctions imposed under the *Aged Care Act 1997* – 1 July 2017 to 30 June 2018**

| Approved Provider | Date and Number of Sanctions Imposed | Outcomes |
|---|---|---|
| Aboriginal and Torres Strait Islander Community Health Service Brisbane Limited<br>*Service:* Jimbelunga Nursing Centre | 22/06/2018<br>3 sanctions imposed | Sanctions expire on 22/12/2018. |
| Adria Village Limited<br>*Service:* Adria Village Ltd | 14/07/2017<br>3 sanctions imposed | Sanctions expired on 14/01/2018. |
| Ark Health Care (Hillcrest & Russell Lea) Pty Ltd<br>*Service:* Ark Health Care Russell Lea | 6/06/2018<br>3 sanctions imposed | Sanctions expire on 6/12/2018. |
| Ark Health Care (Parramatta) Pty Ltd<br>*Service:* Ark Health Care Parramatta | 1/05/2018<br>4 sanctions imposed | Sanctions expired on 17/07/2018.<br>The Approved Provider no longer owns this aged care service. |

16 www.myagedcare.gov.au/compliance-information

| Approved Provider | Date and Number of Sanctions Imposed | Outcomes |
|---|---|---|
| Aurrum Pty Limited<br>*Service:* Aurrum Kincumber | 5/05/2018<br>4 sanctions imposed | Sanctions expire on 8/11/2018. |
| Bisaxa Pty Ltd<br>*Service:* Sir Joseph Banks Aged Care Facility | 17/04/2018<br>4 sanctions imposed | Sanctions expired on 17/10/2018. |
| Christadelphian Homes Limited<br>*Service:* Ridgeview Aged Care | 13/06/2018<br>4 sanctions imposed | Sanctions expire on 13/12/2018. |
| Comfort Disability and Aged Home Care Services Pty Ltd<br>*Service:* Comfort disability and aged home care service | 21/06/2018<br>3 sanctions imposed | Sanctions expire on 21/12/2018. |
| Corpus Christi Community Greenvale Incorporated<br>*Service:* Corpus Christi Community | 21/12/2017<br>4 sanctions imposed | Sanctions expired on 15/06/2018. |
| Doonside Aged Care Centre Pty Ltd<br>*Service:* Wyong Aged Care Facility | 13/01/2018<br>4 sanctions imposed | Sanctions expired on 16/05/2018.<br>The Approved Provider no longer owns this aged care service. |
| Doonside Aged Care Centre Pty Ltd<br>*Service:* Henley Manor | 6/02/2018<br>4 sanctions imposed | Sanctions expired on 6/08/2018.<br>The Approved Provider no longer owns this aged care service. |
| Empowered Living Support Services Ltd<br>*Service:* Bethel Aged Care Facility | 2/06/2018<br>4 sanctions imposed | Sanctions expire on 2/12/2018. |
| Farad Nominees Pty Ltd<br>*Service:* Sir Thomas Mitchell Residential Care Facility | 1/06/2018<br>4 sanctions imposed | Sanctions expire on 1/12/2018. |
| Hillside Brae Pty Ltd<br>*Service:* Hillside at Figtree | 29/09/2017<br>1 sanction imposed | Sanction expired on 22/12/2017.<br>A decision to lift the sanctions was issued on 22 December 2017. |

| Approved Provider | Date and Number of Sanctions Imposed | Outcomes |
|---|---|---|
| Milstern Health Care Pty Ltd<br>*Service:* Yagoona Nursing Home | 16/09/2017<br>4 sanctions imposed | Sanctions expired on 9/03/2018.<br>The Provider has been revoked as an Approved Provider of Aged Care, effective from 9 March 2018. |
| Milstern Health Care Pty Ltd<br>*Service:* The Ritz Nursing Home | 22/09/2017<br>4 sanctions imposed | Sanctions expired on 9/03/2018.<br>The Provider has been revoked as an Approved Provider of Aged Care, effective from 9 March 2018. |
| Milstern Health Care Pty Ltd<br>*Service:* The Ritz Nursing Home | 23/11/2017<br>2 sanctions imposed | Sanctions expired on 9/03/2018.<br>The Provider has been revoked as an Approved Provider of Aged Care, effective from 9 March 2018. |
| Milstern Health Care Pty Ltd<br>*Service:* Yagoona Nursing Home | 29/11/2017<br>2 sanctions imposed | Sanctions expired on 9/03/2018.<br>The Provider has been revoked as an Approved Provider of Aged Care, effective from 9 March 2018. |
| Moran Australia (Residential Aged Care) Pty Limited<br>*Service:* Moran Engadine | 6/06/2018<br>3 sanctions imposed | Sanctions expire on 6/12/2018. |
| North Eastern Community Nursing Home Incorporated<br>*Service:* North Eastern Community Nursing Home | 24/06/2018<br>3 sanctions imposed | Sanctions expire on 14/12/2018. |
| Queensland Health<br>*Service:* Cooinda House | 7/07/2017<br>3 Sanctions Imposed | Sanctions expired on 7/01/2018. |
| Riviera Health Aged Care Pty Ltd<br>*Service:* Toukley Aged Care Facility | 23/01/2018<br>4 sanctions imposed | Sanctions expired on 23/07/2018.<br>The Approved Provider no longer owns this aged care service. |

| Approved Provider | Date and Number of Sanctions Imposed | Outcomes |
|---|---|---|
| The Sisters of Our Lady of China Health Care Pty Ltd<br>*Service:* Alkira Gardens | 21/10/2017<br>4 sanctions imposed | Sanctions expired on 21/04/2018. |
| Tinonee Gardens the Multicultural Village Ltd<br>*Service:* Tinonee Gardens - The Multicultural Village | 3/08/2017<br>4 sanctions imposed | Sanctions expired on 3/02/2018. |
| Tinonee Gardens the Multicultural Village Ltd<br>*Service:* Tinonee Gardens - The Multicultural Village | 20/06/2018<br>5 sanctions imposed | Sanctions expire on 20/12/2018. |
| Trustees of the Christian Brothers<br>*Service:* Charingfield | 12/01/2018<br>4 sanctions imposed | Sanctions expired 12/07/2018. |

# Glossary

# Glossary

| Term | Definition |
|---|---|
| ACAP | Aged Care Assessment Program |
| ACAR | Aged Care Approvals Round |
| ACAT | Aged Care Assessment Team |
| ACETI | The Aged Care Education and Training Incentive |
| ACFA | Aged Care Financing Authority |
| ACFI | Aged Care Funding Instrument |
| ACFR | Aged Care Financial Report |
| Act, the | The *Aged Care Aged 1997,* the primary legislation governing the provision of aged care services |
| Aged Care Principles | Subordinate legislation made by the Minister under subsection 96 1(1) of the Act |
| APCS | Annual Prudential Compliance Statement |
| CALD | Culturally and Linguistically Diverse |
| CHSP | Commonwealth Home Support Programme |
| CVS | Community Visitors Scheme |
| DACS | Dementia and Aged Care Services |
| DBMAS | Dementia Behaviour Management Advisory Services |
| department, the | The Department of Health |
| Guarantee Scheme | Accommodation Payment Guarantee Scheme |
| HACC | Home and Community Care |
| IEI | Indigenous Employment Initiatives |
| IRSDT | Indigenous Remote Service Delivery Traineeships |
| LGBTI | Lesbian, Gay, Bisexual, Transgender and Intersex |
| Minister, the | The Minister for Senior Australians and Aged Care |
| MMM | Modified Monash Model |
| MPS | Multi-Purpose Services Program |
| NACAP | National Aged Care Advocacy Program |
| NACWCS | National Aged Care Workforce Census and Survey |
| NTTP | Northern Territory Training Program |
| OPAN | Older Persons Advocacy Network |
| QI | Quality Indicator |
| Quality Agency | The Australian Aged Care Quality Agency |
| RAD | Refundable Accommodation Deposit |

| Term | Definition |
|---|---|
| RAS | Regional Assessment Service |
| ROACA | Report on the Operation of the *Aged Care Act 1997* |
| RRTP | Rural and Remote Training Program |
| SBRTs | Severe Behaviour Response Teams |
| STRC | Short-Term Restorative Care |
| TCP | Transition Care Programme |
| TIS | Translating and Interpreting Service |

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