



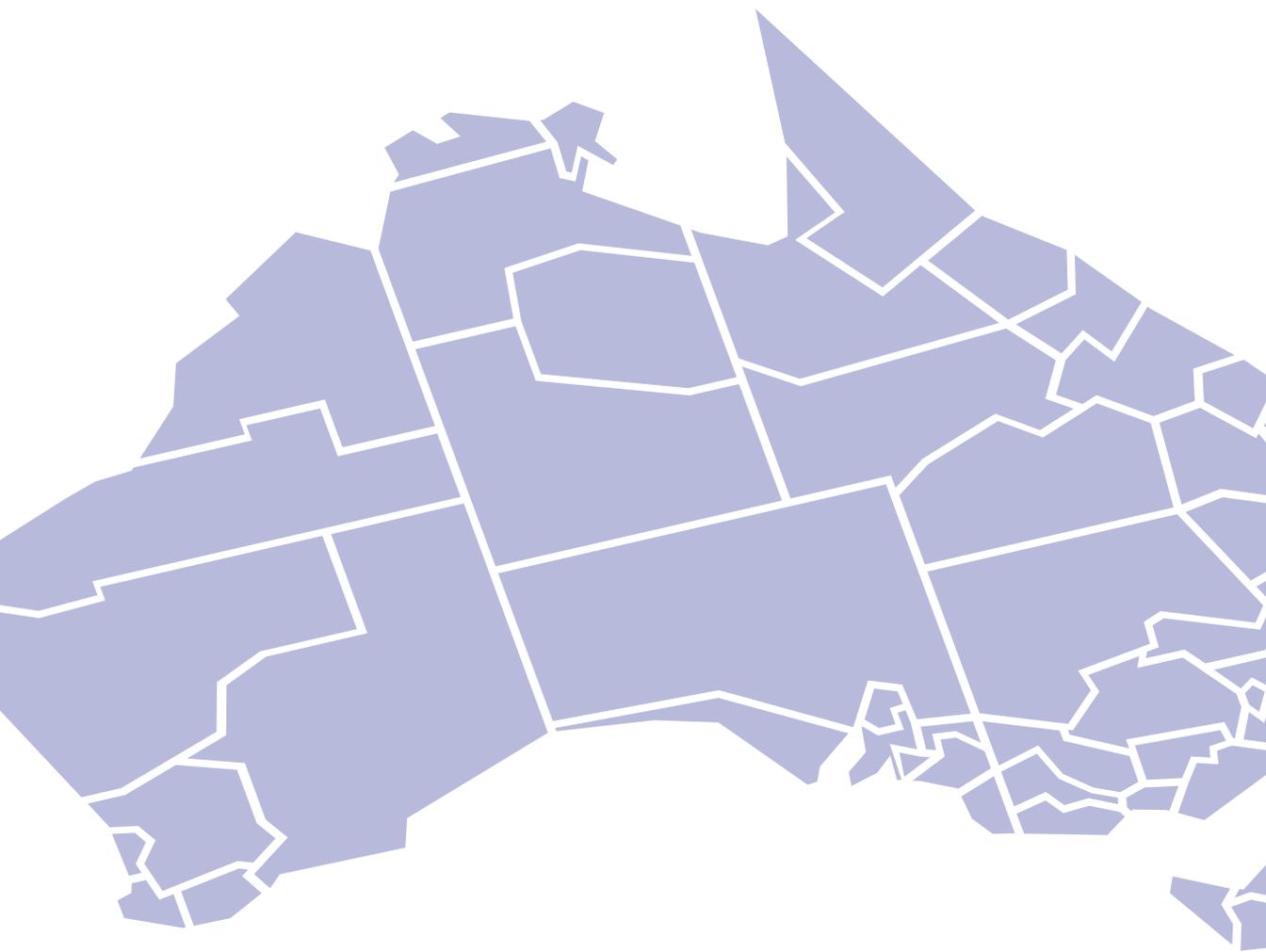
Australian Government  
Department of Health



**2018–19**

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





**2018–19**

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of the *Aged Care Act 1997*

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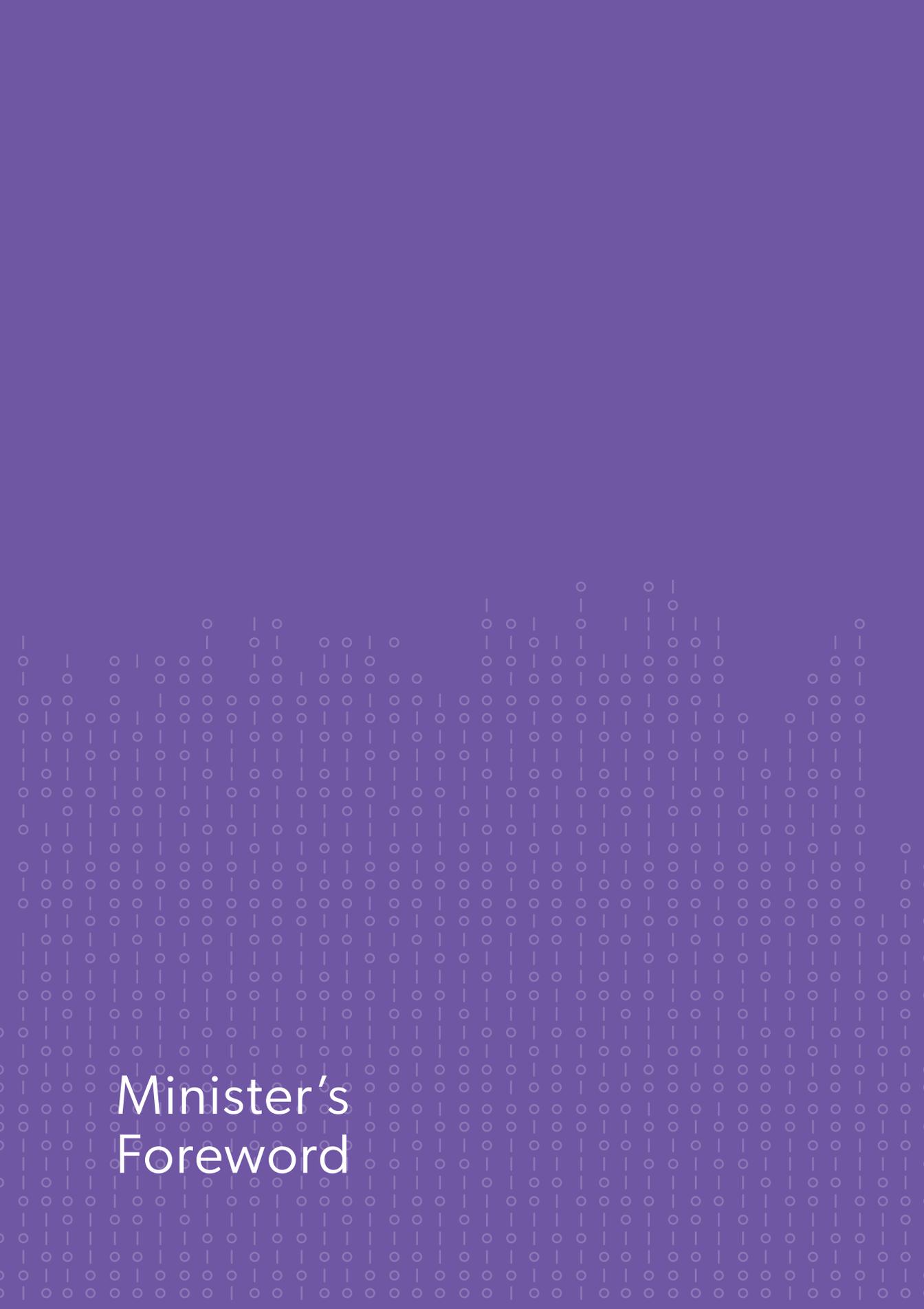
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# Minister's Foreword

## Minister's Foreword

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



I am pleased to present the 2018–19 Report on the Operation of the *Aged Care Act 1997* – my first as Minister for Aged Care and Senior Australians.

The past year has been a challenging time for aged care in Australia as a spotlight has been turned on those parts of the system that have failed some of the most vulnerable older Australians. The establishment of a Royal Commission into Aged Care Quality and Safety is a vital step in identifying opportunities, and understanding how to meet the challenges to deliver world-class aged care services now, and into the future. The Government looks forward to receiving advice and recommendations from the Royal Commission in due course.

While the Royal Commission proceeds, the Government has continued to implement its aged care reform agenda by introducing measures focussing on three key areas: Better Quality, Better Access, and Ageing Well.

On 1 January 2019, a new and independent Aged Care Quality and Safety Commission was established. This is a significant and critical step in strengthening the safety and quality of the aged care system. New Quality Standards will focus on quality outcomes for consumers, rather than on provider processes. A Charter of Rights will provide the same rights to all consumers regardless of the type of aged care funding or service they receive.

In response to the increasing demand for Home Care, the 2019–20 Budget delivered an additional 10,000 home care packages, in addition to the 14,000 packages delivered in the previous Budget. An additional 13,500 new residential aged care places and 775 short-term restorative care places have also been funded. The Commonwealth Home Support Programme has been extended until 30 June 2022, to support continued service delivery to more than 800,000 consumers.

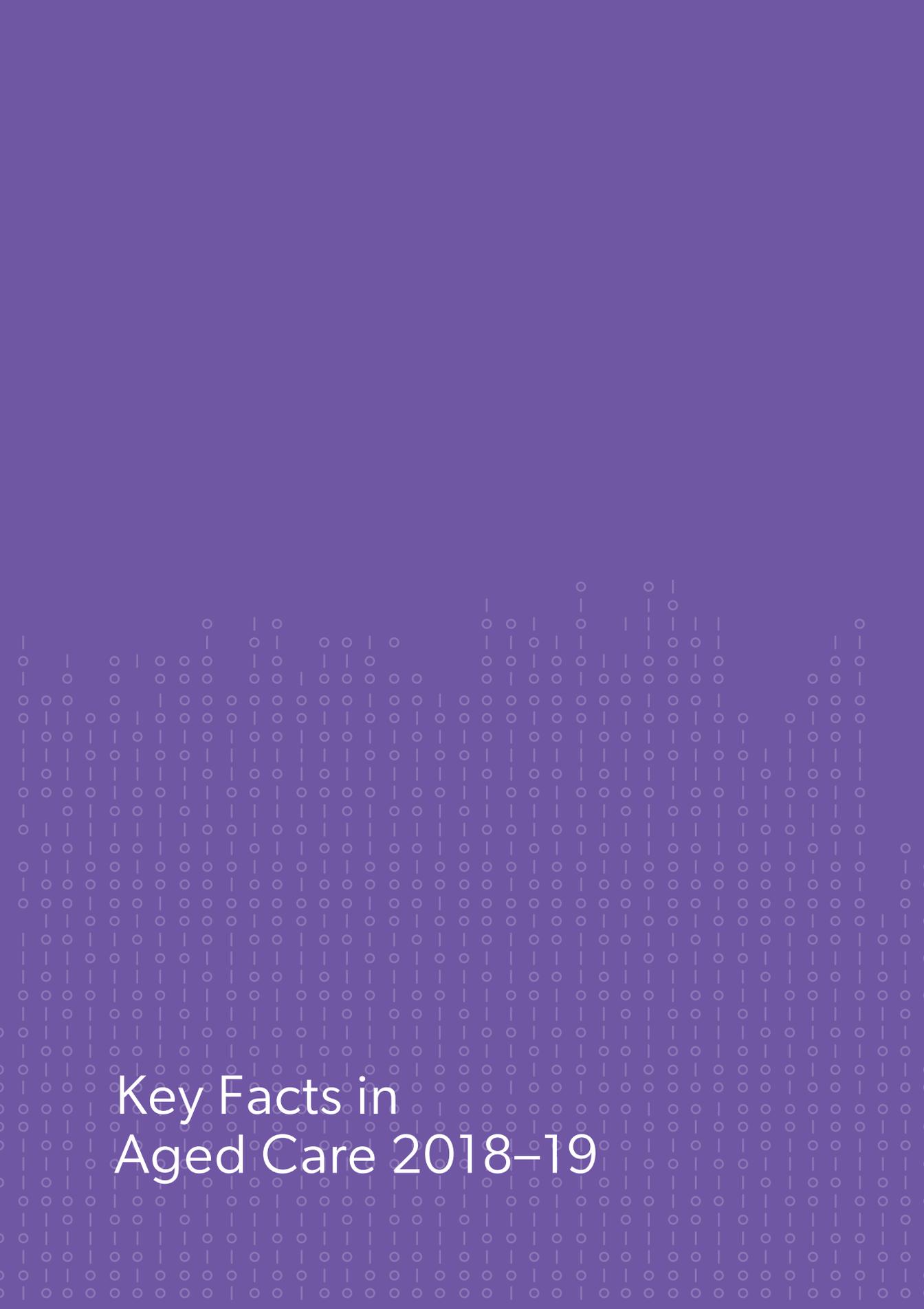
Australians are living longer than ever before. The great majority of people never enter residential care, but remain living independently, or with some support, in their own homes. We are supporting older Australians to age well and be better prepared to remain independent and socially connected as they age, through an investment in mental health services and health checks.

The Government is continuing to work with stakeholders to develop and implement the reforms needed to support a viable, high quality residential aged care sector. This includes examining options to reform the residential aged care funding model to replace the current Aged Care Funding Instrument.

There is no doubt that there have been some significant challenges in aged care over the past year, and we are facing these honestly and openly. I assure you that under my watch, we will continue the reform agenda, and do everything possible to ensure that past mistakes are not repeated. There are also many opportunities to improve and strengthen the aged care system to ensure that older Australians receive the care and support they need, and deserve, into the future, and I look forward to continuing to work with the sector, and the community, to ensure that happens.

A handwritten signature in blue ink that reads "Richard Colbeck". The signature is stylized and fluid, with a long horizontal stroke at the end.

**Richard Colbeck**  
Minister for Aged Care and Senior Australians



# Key Facts in Aged Care 2018–19

Nearly **66 per cent** of aged care expenditure was on residential aged care.



There were over **870** approved providers of residential aged care and over **920** approved providers of home care packages.



RESIDENTIAL CARE: **873**

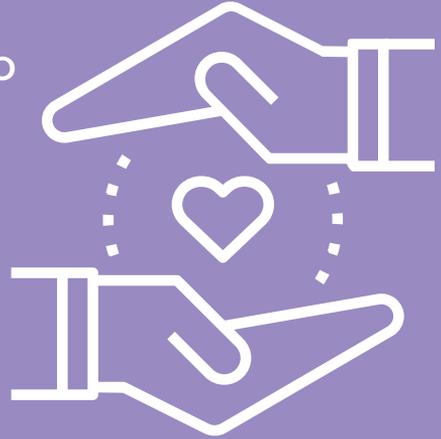


HOME CARE: **928**



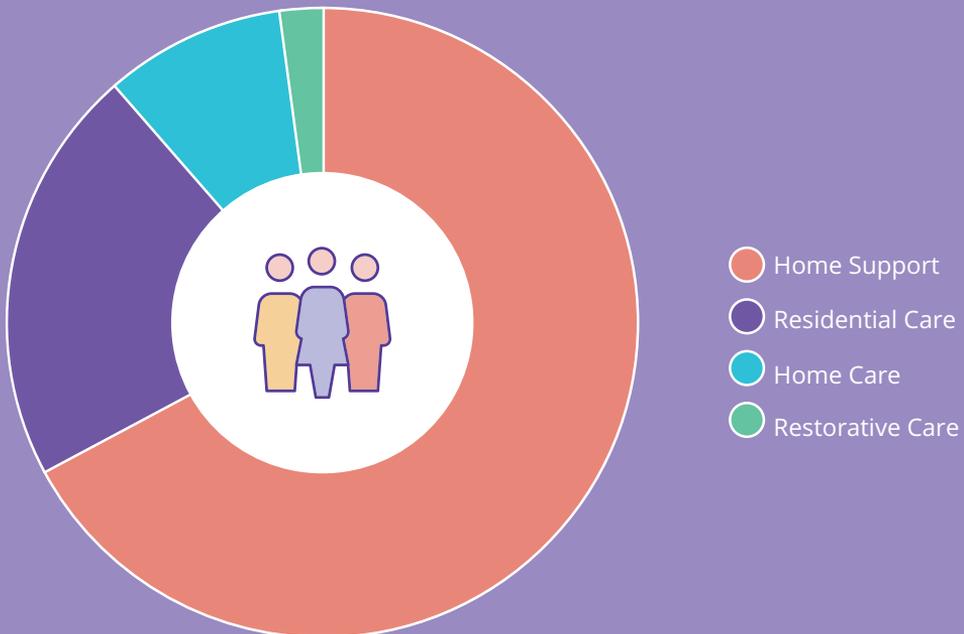
FLEXIBLE CARE: **119**

More than **1,450** organisations were funded to deliver CHSP services.



HOME SUPPORT: **1,458**

**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 2018–19 financial year. It is the twenty-first report in the series. The report is delivered to Parliament by the Minister in accordance with section 63-2 of the *Aged Care Act 1997* (the Act).

## Scope

In addition to meeting the reporting requirements specified in the Act, the report provides an overview of the components of the Australian aged care system (including those not governed by the Act), in order to present a comprehensive snapshot of the system as a whole during the 2018–19 financial year.

## 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)<sup>1</sup> 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.

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1 [www.gen-agedcaredata.gov.au](http://www.gen-agedcaredata.gov.au)

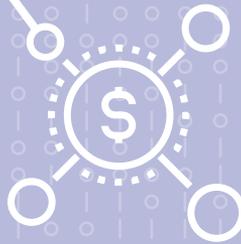




Over **1.3 million**  
consumers of aged care



**223,041**  
operational  
residential and  
flexible places



**\$19.9 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 older Australians are accessing residential care at any point in time.

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

### Commonwealth Home Support Programme (CHSP)

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

For more information on the CHSP, see Chapter 3.

### Home Care

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

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

For more details on Home Care, see Chapter 4.

## Respite Care

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

For more details on respite care, see Chapter 5.

## Residential Care

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

For more information on residential care, see Chapter 6.

## Flexible Care

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

- Transition Care
- Short-Term Restorative Care (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 well-being, social support and inclusion.

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

## 1.2. Managing supply and demand

### Supply

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

It also seeks to ensure balance in the provision of services 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 2019, the ratio is 79.6 aged care places for every 1,000 people aged 70 years and over.

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

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

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

### Current provision

The total number of operational residential and flexible aged care places at 30 June 2019 was 223,041. This represents an increase of 6,826 residential and flexible aged care places since 30 June 2018.

At 30 June 2019, there were 106,707 people in a home care package, an increase of 14,860 since 30 June 2018.

## 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 capital grants for eligible providers.

### 2018–19 Aged Care Approvals Round

The 2018–19 ACAR allocated 13,500 new residential aged care places, 775 new STRC places, and \$60 million in capital grant funding to develop new or redevelop existing residential aged care services. Of the 775 new STRC places, 350 places took effect in January 2019 and 425 places took effect from 1 July 2019.

The 2018–19 ACAR prioritised suitable applications for services located, or to be located, in regional, rural and remote locations. Of the total, 5,276 residential care places were allocated outside metropolitan areas, almost doubling the allocation to these locations in the 2016–17 ACAR (there was no ACAR in 2017–18). All \$60 million in capital grant funding was allocated to regional, rural and remote locations.

The 2018–19 ACAR was highly competitive. The Department of Health received applications for 37,802 new residential aged care places, 11,289 new STRC places and over \$394 million in capital grant funding.

**Table 1: Results of the 2018–19 ACAR by state and territory**

STATE / TERRITORY	RESIDENTIAL PLACES	STRC PLACES (TOOK EFFECT IN 2018–19)	STRC PLACES (TOOK EFFECT 1 JULY 2019)	ESTIMATED ANNUAL RECURRENT FUNDING (\$M)	CAPITAL GRANTS (\$M)
NSW	3,485	100	135	251.8	14.0
Vic	1,521	90	105	116.8	9.9
Qld	4,289	80	85	300.5	11.1
WA	3,295	35	40	227.0	10.1
SA	497	15	28	36.6	10.7
Tas	161	10	12	12.4	4.2
ACT	202	10	10	15.0	-
NT	50	10	10	4.9	-
<b>Australia</b>	<b>13,500</b>	<b>350</b>	<b>425</b>	<b>965.0</b>	<b>60.0</b>

## 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.

**Table 2: Number of people in a home care package on 30 June each year from 2017 to 2019**

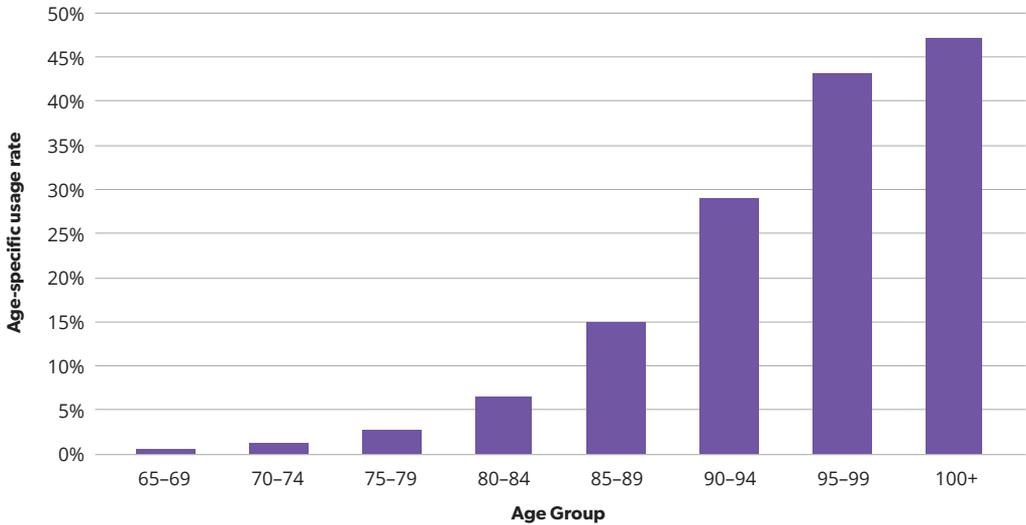
STATE/TERRITORY	2017	2018	2019
NSW	23,403	30,418	35,863
Vic	18,541	23,449	27,776
Qld	13,293	18,514	21,562
WA	6,752	8,246	8,999
SA	5,609	6,855	7,758
Tas	1,907	2,330	2,626
ACT	1,141	1,316	1,464
NT	777	719	659
<b>Australia</b>	<b>71,423</b>	<b>91,847</b>	<b>106,707</b>

## 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 2019**



At 30 June 2019, 16 per cent of Australia’s population was aged 65 years and over (4.0 million people) and 2.0 per cent was aged 85 years and over (509,000 people). By 2029, it is estimated that 18 per cent of the population will be aged 65 years and over (5.3 million people) and 2.3 per cent (688,000 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.<sup>2</sup>

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 2018–19, a total of 178,363 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).

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

## Dementia

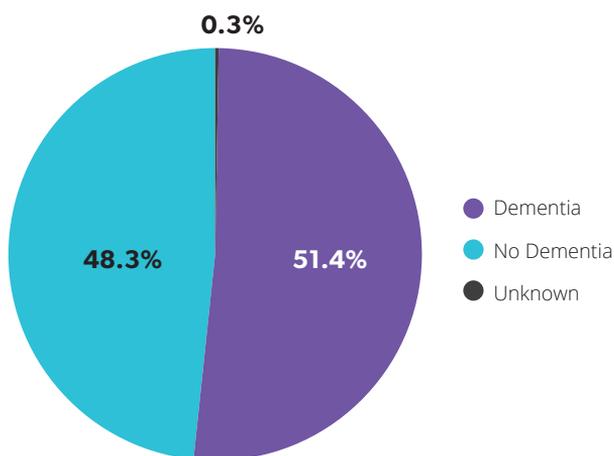
Dementia is an umbrella term describing conditions associated with an ongoing decline of the brain and its abilities, characterised by the impairment of brain function, including language, memory, perception, personality and cognitive skills. Dementia is a terminal condition and the second most common 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 2019, there were an estimated 387,800 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<sup>3</sup>.

At 30 June 2019, just over half of all residential aged care residents with an Aged Care Funding Instrument (ACFI) assessment had a diagnosis of dementia.

**Figure 2: Permanent residents by dementia status, at 30 June 2019**



<sup>3</sup> AIHW 2012. Dementia in Australia. Cat. no. AGE 70. Canberra: AIHW.

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

### Aged Care Quality and Safety Commission Act 2018

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

### Outside the Act

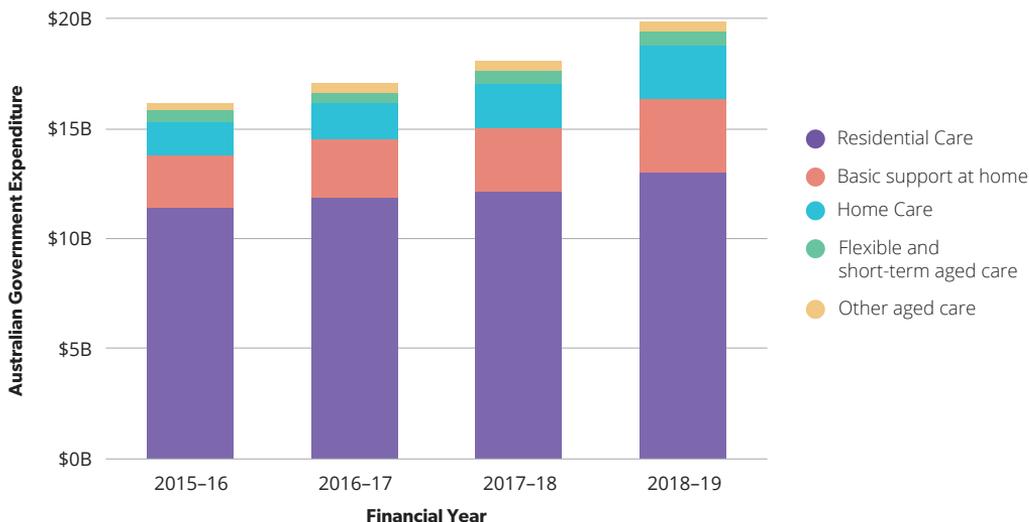
The operation of the CHSP is governed by the CHSP Program Manual 2018–20.

## 1.4. Funding

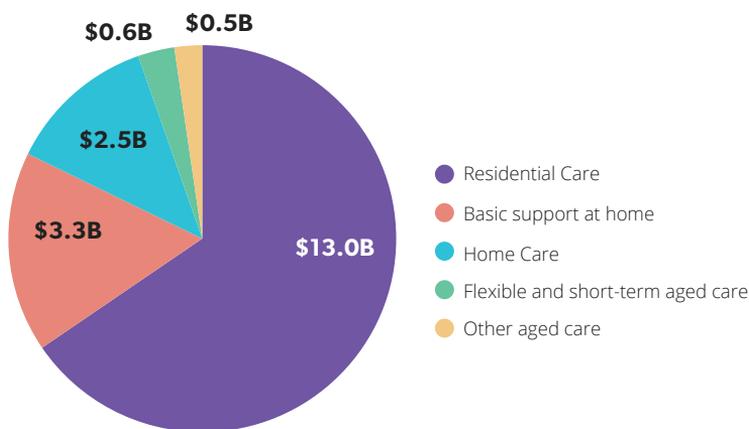
The Australian Government is the major funder of aged care, with aged care consumers contributing to the cost of their care where able to do so.

Australian Government expenditure for aged care throughout 2018–19 totalled \$19.9 billion, an increase of 10 per cent from the previous year.

**Figure 3: Australian Government outlays for aged care, 2015–16 to 2018–19**



**Figure 4: Australian Government aged care expenditure by type of care, 2018–19**



## Funding reform

In 2016–17, the Australian Government announced it would look into strengthening residential aged care funding, and since then, has been building an evidence base for a new funding model. As a result of this work, a new assessment and funding model, the Australian National Aged Care Classification (AN-ACC) system has been proposed, and will be trialled this financial year. More information on residential aged care funding reform can be found here.<sup>4</sup>

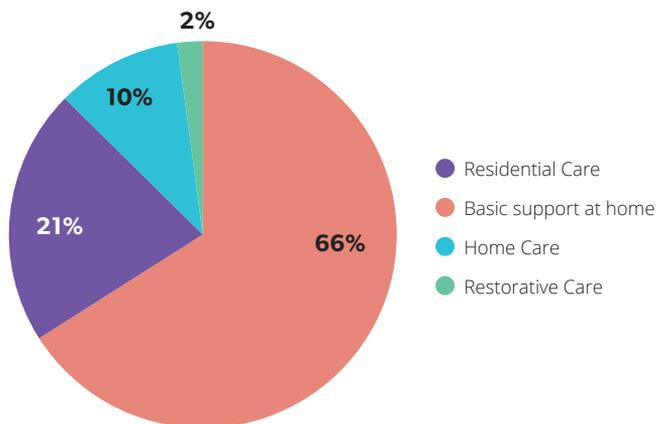
### 1.5. Aged care consumer

In 2018–19, 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:

- 840,984 people received home support through the CHSP
- 133,439 people received care through a home care package
- 65,523 people received residential respite care, of whom 34,984 (approximately 53 per cent) were later admitted to permanent care
- 242,612 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, 2018–19**



4 <https://agedcare.health.gov.au/reform/residential-aged-care-funding-reform>

## Average age on entry

The average age on admission to permanent residential aged care was 82.3 years for men and 84.6 years for women.

For entry to a home care package the average was 80.5 years for men and 81.1 years for women.

## People with special needs

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

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

## 1.6. Informed access for consumers

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

- information about aged care 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 Visitors Scheme (CVS)

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

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

## 1.8. Aged care workforce

The aged care workforce numbers over 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)<sup>5</sup> 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.

## 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 and Safety Commission<sup>6</sup> and the department<sup>7</sup> have a role in monitoring

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

6 On 1 January 2019, the functions of the Aged Care Quality Agency were transferred to the new Aged Care Quality and Safety Commission.

7 From 1 January 2020, aged care approval and compliance functions will transfer to the Aged Care Quality and Safety Commission from the Department of Health.

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<sup>8</sup>.

## 1.11. Aged Care Complaints Commissioner

The Aged Care Complaints Commissioner<sup>9</sup> 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.

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 Choice 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.

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

9 On 1 January 2019, the functions of the Aged Care Complaints Commissioner were transferred to the new Aged Care Quality and Safety Commission.

## Establishment of the Aged Care Quality and Safety Commission

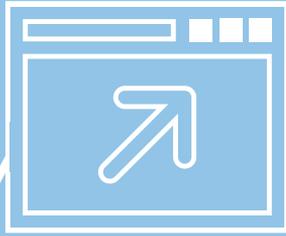
As part of the Package, on 1 January 2019, the Government established an independent Aged Care Quality and Safety Commission.<sup>10</sup> The Commission has combined the functions of the former Australian Aged Care Quality Agency, and the former Aged Care Complaints Commissioner. The aged care regulatory functions of the Department of Health will join the Commission from 1 January 2020.

### 1.13. Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety was announced by the Prime Minister, the Hon Scott Morrison MP, on 16 September 2018 and established on 8 October 2018. An interim report was provided on 31 October 2019, with the final report due by 12 November 2020.

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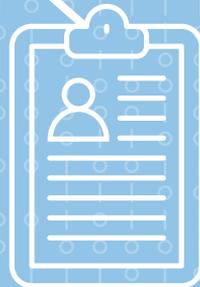
<sup>10</sup> <https://www.agedcarequality.gov.au>



Over **3.6 million**  
website visits and  
**1.4 million**  
calls answered



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



**17** 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 well-being for older Australians. The Government provides support and assistance to older 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 single entry point to access Australian Government subsidised aged care services. Through a dedicated contact centre and website, My Aged Care helps older Australians, their families and carers to access information on aged care, receive needs-based assessments and find appropriate services in their local areas. 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.

On 24 June 2019, a new My Aged Care website was launched. The new website is much easier to navigate, better supporting older Australians, their families and carers to find information and search for aged care providers. The new website was developed based on feedback from a wide range of users and stakeholders. It also provides improved information about services, and greater transparency in relation to pricing.

#### Calls, correspondence and website data

In 2018–19, the My Aged Care contact centre answered 1,471,748 calls and the website had a total of 3,678,272 visits.

#### Publications

The department continues to disseminate a range of printed aged care materials including information booklets and brochures for older Australians, their families and carers. These resources are continually reviewed and updated to ensure the information remains accurate and is easy to understand. Translated versions of many of the resources, in 18 Culturally and Linguistically Diverse (CALD) and four Aboriginal and Torres Strait Islander languages, are also available to view and download.

In 2018–19, more than 1 million information products were distributed including:

- over 600,000 brochures explaining the range of Australian Government-funded aged care services available and how to access them
- over 500,000 detailed booklets about accessing specific Australian Government-funded aged care programs.

In addition to printed resources, the department produces a fortnightly eNewsletter and distributes regular email announcements to over 20,000 aged care sector subscribers, including service providers, assessors, peak bodies 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 2018–19, OPAN delivered 2,564 education sessions and 16,169 instances of advice or individual advocacy.

### Community Visitors Scheme

The Community Visitors 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.

In 2018–19, funding of \$18.0 million was provided for approximately 12,000 volunteers who conducted around 240,000 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. Successful providers from the funding round are now delivering CVS services. Priority was given to applications from organisations seeking to provide CVS services to special-needs groups as identified under the Act.

## National Dementia Support Program

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

The NDSP was recently designed to better meet the needs of people living with dementia, with additional focus given to awareness-raising, stigma reduction, and targeted outreach activities for vulnerable populations and communities. In February 2019, the department held an open competitive funding round to select a provider, or providers of the redesigned NDSP from 2019–20 to 2021–22. The assessment and selection process is currently being finalised.

## 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 2018–19, the Australian Government allocated funding of approximately \$114.8 million for 17 RAS providers to deliver assessment services in all states and territories. RAS providers completed 264,377 assessments in 2018–19.

### 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 \$128 million was allocated for ACAT purposes in 2018–19.

ACATs utilise My Aged Care to comprehensively assess the care needs of older 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 3: ACAT assessments by state and territory: 2014–15 to 2018–19**

STATE/ TERRITORY	2014–15	2015–16	2016–17	2017–18	2018–19
NSW	67,271	59,003	53,727	61,018	60,031
Vic	62,805	55,127	46,409	52,219	49,044
Qld	42,623	35,428	28,378	34,714	31,354
WA	20,902	18,687	14,794	15,885	15,026
SA	16,283	15,397	13,040	14,771	15,625
Tas	5,763	4,660	4,003	4,735	4,649
ACT	2,531	2,198	1,963	1,840	1,791
NT	1,029	852	893	946	843
<b>Australia</b>	<b>219,207</b>	<b>191,352</b>	<b>163,207</b>	<b>186,128</b>	<b>178,363</b>

The data includes reassessments.

Notes: Data was extracted from the Ageing and Aged Care Data Warehouse on 30 August 2019.

Future extracts of this data may change and thus alter final numbers.

The table includes total number of assessments. Expanded data regarding completed assessments and approvals are published on the GEN Aged Care Data website and in the Productivity Commission Report on Government Services.

In the 2018–19 Budget, the Government announced that it will design and implement a new framework for streamlined consumer assessments for all aged care services, to be delivered by a new national assessment workforce, from 2020. The new process will provide a better experience for older Australians by ensuring timely access to the right services to meet their care needs.



**1,458** funded  
CHSP organisations



**840,984**  
CHSP clients  
across 2018-19



**\$2.5 billion**  
for CHSP service  
delivery activities

The background features a repeating pattern of vertical lines and small circles, creating a grid-like effect. The pattern is composed of light-colored elements on a teal background. The vertical lines are of varying lengths, and the circles are small and spaced out. The overall effect is a subtle, textured background.

# 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 2018–19, the department continued to deliver these services through the Commonwealth Home Support Programme (CHSP). On 1 July 2018, Western Australian Home and Community Care services for older people transitioned to the CHSP.

In response to the *Legislated Review of Aged Care 2017*, the Australian Government increased its focus on promoting functional independence for older Australians by providing \$29.2 million (over two years) to 30 June 2020, for the Better Ageing - Promoting Independent Living Budget measure. This measure is designed to provide a comprehensive approach to implementing, trialling and measuring a reablement-focussed assessment model. It includes a range of supports targeting assessment services, service providers and older Australians. Under the reablement model, home support assessors undertake an 'active assessment' of clients accessing CHSP to better understand the client's goals and how they perform everyday tasks, with a view to identifying strategies for task simplification. The trial runs until June 2020. Support strategies for assessors, CHSP service providers and consumers are being rolled out progressively over this period. The trial will be evaluated to inform the development of future policy directions in aged care.

### 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 4: 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	<ul style="list-style-type: none"> <li>• Meals</li> <li>• Other food services</li> <li>• Transport</li> <li>• Domestic assistance</li> <li>• Personal care</li> <li>• Home maintenance</li> <li>• Home modifications</li> <li>• Social support- individual</li> <li>• Social support- group (formerly centre-based day care)</li> <li>• Nursing</li> <li>• Allied health and therapy services</li> <li>• Goods, equipment and assistive technology</li> <li>• Specialised support services</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible respite:               <ul style="list-style-type: none"> <li>- In-home day respite</li> <li>- In-home overnight respite</li> <li>- Community access – individual respite</li> <li>- Host family day respite</li> <li>- Host family overnight respite</li> <li>- Mobile respite</li> <li>- Other planned respite</li> </ul> </li> <li>• Centre-based respite:               <ul style="list-style-type: none"> <li>- Centre based day respite</li> <li>- Residential day respite</li> <li>- Community access- group respite</li> </ul> </li> <li>• Cottage respite (overnight community)</li> </ul>	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 2018–19, a total of 1,458 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.

## 3.3. Who received care?

The CHSP provided support to 840,984 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 2018–19, the average age of access to the CHSP was 80 years.

## 3.4. How were these services funded?

### What the Government pays

The CHSP is a grant-funded program. During 2018–19, the Australian Government provided \$2.5 billion for the delivery of CHSP services to assist eligible clients to remain living independently in their homes. The Australian Government also provided \$127.7 million to My Aged Care, RAS, and other initiatives in support of the CHSP. In total, Australian Government expenditure for the Program in 2018–19 was \$2.6 billion.

**Table 5: Australian Government expenditure for CHSP services in 2018–19, by state and territory**

STATE/TERRITORY	2018–19 \$M
NSW	595.5
Vic	706.2
Qld	613.9
WA	240.1
SA	211.1
Tas	56.5
ACT	47.2
NT	19.4
Australia	2,489.9

## What the consumer pays

In October 2015, the department released the *Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework*.<sup>11</sup> 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.

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<sup>11</sup> Further information is available at <https://agedcare.health.gov.au/programs/commonwealth-home-support-programme/resources>



**928** operational  
home care providers



**106,707**  
home care  
consumers  
at 30 June



**\$2.5 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 older Australians' quality of life and help them to remain active and connected to their communities.

To access a home care package, individuals are first assessed by an Aged Care Assessment Team (ACAT), which determines eligibility. Once assessed as eligible for home care, an individual is placed on the National Prioritisation System and is offered a package when one becomes available.

Separate reporting which focusses 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 relating to quality of care, consumer-rights and accountability.

Between 30 June 2018 and 30 June 2019, the number of operational approved providers of home care grew from 873 to 928 representing a 6.3 per cent increase. The growth in the sector reflects the attractiveness of a more market-based environment where there is greater choice for people and increased investment in home care, in line with consumer preferences.

At 30 June 2019, there were 106,707 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 72.3 per cent of people, while for-profit providers delivered care to 20.9 per cent, and government providers delivered care to 6.8 per cent.

**Table 6: Number of people in a home care package, by provider type and state and territory, at 30 June 2019**

STATE/ TERRITORY	RELIGIOUS	CHARITABLE	COMMUNITY BASED	FOR PROFIT	STATE/ TERRITORY AND LOCAL GOVT	TOTAL
NSW	6,610	10,615	8,080	9,782	776	35,863
Vic	5,852	7,537	4,896	4,759	4,732	27,776
Qld	8,566	4,446	4,215	4,045	290	21,562
WA	1,745	4,136	764	2,067	287	8,999
SA	1,618	3,527	823	866	924	7,758
Tas	492	778	820	505	31	2,626
ACT	233	639	413	179	0	1,464
NT	95	10	246	114	194	659
<b>Australia</b>	<b>25,211</b>	<b>31,688</b>	<b>20,257</b>	<b>22,317</b>	<b>7,234</b>	<b>106,707</b>
<b>% of Total</b>	<b>23.6</b>	<b>29.7</b>	<b>19.0</b>	<b>20.9</b>	<b>6.8</b>	<b>100.0</b>

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

### 4.3. Who received care?

The Home Care Packages Program is primarily designed to assist older Australians to remain in their homes. In 2018–19, the average age of access to a package was 80.9 years.

The number of people in a home care package at 30 June 2019 was 106,707. This was an increase of 14,860 (or 16.2 per cent) from 30 June 2018. 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 7: Number of people in a home care package, by care level and by state and territory, at 30 June 2019**

STATE/TERRITORY	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	TOTAL	% OF TOTAL
NSW	3,693	15,978	6,989	9,203	35,863	33.6
Vic	1,950	14,770	4,244	6,812	27,776	26.0
Qld	1,664	8,683	4,442	6,773	21,562	20.2
WA	453	2,937	1,871	3,738	8,999	8.4
SA	520	3,060	1,866	2,312	7,758	7.3
Tas	168	1,306	438	714	2,626	2.5
ACT	62	603	268	531	1,464	1.4
NT	6	397	75	181	659	0.6
<b>Australia</b>	<b>8,516</b>	<b>47,734</b>	<b>20,193</b>	<b>30,264</b>	<b>106,707</b>	<b>100.0</b>
<b>% of Total</b>	<b>8.0</b>	<b>44.7</b>	<b>18.9</b>	<b>28.4</b>	<b>100.0</b>	

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

### Wait time between eligibility and assignment of a home care package

For people who were assigned a home care package in 2018–19, wait times for level 3 and 4 at the 25<sup>th</sup> percentile were less than level 2, as a greater proportion of level 3 and 4 packages were assigned to people with a high priority for service.

## 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).

From 20 March 2019, the rate of the dementia and cognition supplement and the rate of the veterans' supplement were both increased from 10 per cent of the home care level basic subsidy to 11.5 per cent of the home care level basic subsidy.

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<sup>12</sup> and on My Aged Care.

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

**Table 8: Home care supplements available in 2018–19**

SUPPLEMENT TYPE	DESCRIPTION
<b>Primary supplements</b>	
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.
<b>Other supplements</b>	
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 \$2 billion in 2017–18 to \$2.5 billion in 2018–19, an increase of 21.5 per cent.

**Table 9: Australian Government expenditure for home care packages 2014–15 to 2018–19, by state and territory**

STATE/ TERRITORY	2014–15 \$M	2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M
NSW	389.0	452.2	483.8	619.8	753.1
Vic	313.8	364.0	388.6	497.9	605.0
Qld	244.0	283.2	301.4	386.1	469.2
WA	161.2	187.0	198.3	254.0	308.7
SA	92.2	107.0	114.2	146.3	177.8
Tas	32.3	37.4	39.7	50.8	61.7
ACT	29.7	34.4	36.5	46.7	56.8
NT	18.6	21.4	22.2	28.4	34.6
<b>Australia</b>	<b>1,280.7</b>	<b>1,486.6</b>	<b>1,586.2</b>	<b>2,032.1</b>	<b>2,469.3</b>

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
- 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.<sup>13</sup>

#### **Reduction in the maximum basic daily fee**

From 1 July 2019, the maximum basic daily fees for home care were reduced by:

- \$400 per annum for Level 1
- \$200 per annum for Level 2
- \$100 per annum for Level 3.

To maintain the value of a person's home care package, the Government has increased the value of its contribution for each package level by the same amount.

#### **Home Care Pricing Schedule**

From 1 July 2019, all home care providers are required to publish their pricing information in a new standardised home care pricing Schedule (the Schedule) on the My Aged Care website.

The Schedule provides information on the common services and costs under a home care package, to better support people to understand and compare home care pricing information.

The Schedule has been developed following extensive consultation with older Australians and their families, home care providers, consumer representatives and peak bodies.

Providers must also publish their full price list i.e. all pricing information in the schedule as well as information about all the services and costs the provider offers. Providers must do this via, either:

- uploading a document such as a PDF, or
- including a website URL link directly to their full price list.

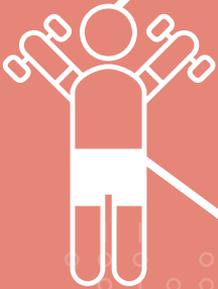
Providers are required to keep all of their pricing information on My Aged Care up to date and review it at least once every 12 months.

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<sup>13</sup> Aged care fees and charges, <https://agedcare.health.gov.au/aged-care-funding/aged-care-fees-and-charges>



**565** funded CHSP organisations and **2,579** residential aged care homes delivered respite care



**51,039** CHSP respite clients and **65,523** residential respite clients across 2018-19



**\$267.3 million** in CHSP grants and **\$392.3 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 2018–19, 565 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.

Residential respite is delivered through permanent residential aged care places. It is a matter for the provider as to what mix of respite and permanent residential care places to deliver within the financial year. In 2018–19, there were 2,579 residential aged care homes which provided residential respite services.

**Table 10: Residential respite service providers 2018–19, by state and territory**

STATE/TERRITORY	RESIDENTIAL RESPITE PROVIDERS
NSW	868
Vic	723
Qld	443
WA	197
SA	243
Tas	67
ACT	26
NT	12
Australia	2,579

## 5.3. Who received care?

In 2018–19, 51,039 clients received CHSP respite services and there were 83,455 admissions to residential respite care. Throughout 2018–19, a total of 65,523 people received residential respite care, and, on 30 June 2019, there were 6,068 people receiving residential respite care.

The number of residential respite days used in 2018–19 was 2.2 million, an increase of nearly 130,000 days since 2017–18. On average, each recipient received 1.3 episodes of residential respite care during 2018–19, and their average length of stay per episode was 25.8 days.

**Table 11: Residential respite days by level of care, during 2018–19, by state and territory**

STATE/TERRITORY	HIGH CARE RESPITE	LOW CARE RESPITE	TOTAL
NSW	701,481	176,079	877,560
Vic	256,351	235,721	492,072
Qld	287,324	60,535	347,859
WA	78,336	25,586	103,922
SA	253,665	22,789	276,454
Tas	27,499	10,279	37,778
ACT	12,428	4,038	16,466
NT	8,990	2,562	11,552
<b>Australia</b>	<b>1,626,074</b>	<b>537,589</b>	<b>2,163,663</b>

## 5.4. How were these services funded?

### What the Government pays

In 2018–19, the Australian Government provided grant funding of \$267.3 million to service providers who delivered respite services under the CHSP, and subsidies and supplements totalling \$392.3 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.





**873** operational  
residential aged  
care providers



**182,705**  
permanent  
residents  
at 30 June



**\$13.0 billion**  
in residential care  
subsidies and  
supplements

A decorative background pattern consisting of vertical lines and small circles, resembling a barcode or a stylized grid, set against a light green background.

# 6

## Residential Care

## 6. Residential Care

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

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

### 6.1. What was provided?

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

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

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

### 6.2. Who provided care?

Providers of Australian Government-subsidised residential aged care must be approved under the Act before providing care. Approved providers of residential aged care can be from a range of sectors, including religious, charitable, community, for-profit and government. All providers must adhere to the same quality and safety standards when delivering care. At 30 June 2019, there were 2,717 residential aged care services, operated by 873 approved residential aged care providers.

In order to deliver care and services, an approved provider must have an allocation of residential aged care places, which are distributed through the competitive Aged Care Approvals Round. If a provider is not yet ready to deliver care to residents, places are allocated on a provisional basis until they can be made operational. At 30 June 2019, there were 36,905 provisionally allocated residential aged care places and 213,397 operational places, with an occupancy rate of 89.4 per cent through 2018–19. This does not include flexible aged care places.

**Table 12: Operational residential care places, other than flexible care places, by provider type, at 30 June 2019, by state and territory**

STATE/ TERRITORY	RELIGIOUS	CHARITABLE	RELIGIOUS/ CHARITABLE	COMMUNITY BASED	FOR PROFIT	STATE/ TERRITORY GOVT	LOCAL GOVT	TOTAL
NSW	17,586	16,652	0	11,050	25,419	410	355	71,472
Vic	6,733	7,072	77	7,563	30,166	4,960	173	56,744
Qld	12,993	5,892	0	3,554	17,303	992	141	40,875
WA	4,996	3,218	0	2,133	6,973	56	301	17,677
SA	5,139	4,078	0	2,190	5,941	818	209	18,375
Tas	1,670	1,437	0	1,159	787	57	0	5,110
ACT	681	722	0	481	701	0	0	2,585
NT	85	0	0	339	135	0	0	559
Australia	49,883	39,071	77	28,469	87,425	7,293	1,179	213,397
% of Total	23.4%	18.3%	0.0%	13.3%	41.0%	3.4%	0.6%	100.0%

### 6.3. Who received care?

In 2018–19:

- 242,612 people received permanent residential aged care at some time during the year, an increase of 889 from 2017–18
- the average age (on entry) was 82.3 years for men, 84.6 years for women
- the average completed length of stay was 34.4 months.

On 30 June 2019, there were 182,705 people receiving permanent residential care.

**Table 13: Number of permanent residents on 30 June 2019, by state and territory**

STATE/TERRITORY	PERMANENT RESIDENTS
NSW	60,902
Vic	48,607
Qld	34,449
WA	15,340
SA	16,208
Tas	4,434
ACT	2,265
NT	500
Australia	182,705

## 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 Act*, 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 2018–19, the Australian Government paid \$13.0 billion for residential care subsidies and supplements, an increase of 6.6 per cent over the previous year.

**Table 14: Australian Government recurrent residential care funding, 2014–15 to 2018–19, by state and territory**

STATE/ TERRITORY	2014–15	2015–16	2016–17	2017–18	2018–19	% CHANGE 2017–18 TO 2018–19
NSW	3,563.5	3,836.3	3,992.5	4,053.9	4,270.3	5.3
Vic	2,758.6	2,976.2	3,144.8	3,247.6	3,465.5	6.7
Qld	1,926.4	2,061.9	2,189.1	2,274.2	2,465.8	8.4
WA	921.1	972.0	996.4	1,029.8	1,120.0	8.8
SA	1,018.2	1,084.3	1,116.6	1,126.9	1,194.0	6.0
Tas	258.0	278.5	290.9	295.0	312.0	5.8
ACT	110.6	126.0	134.2	137.9	144.3	4.6
NT	33.1	35.7	39.1	38.9	42.6	9.4
<b>Australia</b>	<b>10,589.4</b>	<b>11,371.4</b>	<b>11,903.8</b>	<b>12,204.2</b>	<b>13,014.5</b>	<b>6.6</b>

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 2017–18 and 2018–19, the growth in recurrent funding for each state and territory ranged from 4.6 per cent to 11.1 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 (at the same time the Australian Government's Age Pension changes). The current rates of payment are available on the Schedule of Subsidies and Supplements on the department's website 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, which are then used to determine an individual's ACFI score. In addition to the subsidy determined by the ACFI, supplements may be payable.

Two measures boosted ACFI funding during 2018–19. The first was a temporary increase in subsidies of \$50 million, payable between September 2018 and 30 June 2019, to support providers to transition to the new Quality Care standards. This measure equated to an approximate increase of 0.5 per cent to ACFI rates during this period. The second measure was an additional temporary subsidy boost of \$320 million, payable between March 2019 and 30 June 2019. This measure equated to an approximate increase of 9.5 per cent to ACFI rates during this period.

**Table 15: Supplements available for residential aged care 2018–19**

SUPPLEMENT TYPE	DESCRIPTION
<b>Primary supplements</b>	
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.

SUPPLEMENT TYPE	DESCRIPTION
<b>Other supplements</b>	
Accommodation supplement	A means-tested supplement paid to residential care services on behalf of care recipients who entered care on or after 20 March 2008 who are eligible for assistance with their accommodation costs.
Hardship supplement	A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.
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.
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 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". <sup>14</sup>

<sup>14</sup> More information available at <https://agedcare.health.gov.au/aged-care-funding/residential-care-supplements>

A detailed breakdown of the amount of payments for each of these subsidies and supplements in 2018–19 is shown in Table 25 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*.<sup>15</sup>

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



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.

<sup>15</sup> <https://www.gen-agedcaredata.gov.au/Resources/Reports-and-publications/2015/December/2014-15-Report-on-the-Operation-of-the-Aged-Care-A>

## 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 \$27,232.40 and assets below \$49,500.00 (single rate, at 30 June 2019) 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:

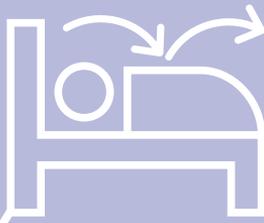
- a lump-sum refundable deposit or
- a daily payment or
- a combination of both.

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 2019, the highest of these, the maximum accommodation supplement amount, was \$57.14 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 2019 available on the department's website.<sup>16</sup>

16 <https://agedcare.health.gov.au/news-and-resources/enewsletter-for-the-aged-care-industry/aged-care-financing-authority-acfa-letter-to-providers/2019-acfa-annual-report-on-funding-and-financing-of-the-aged-care-sector>



**9,644** operational  
flexible care places  
across five programs



**24,432**  
people received  
transition care and  
**2,543**  
received  
short-term  
restorative care



**\$516.0 million**  
in Australian Government  
funding

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Flexible Care

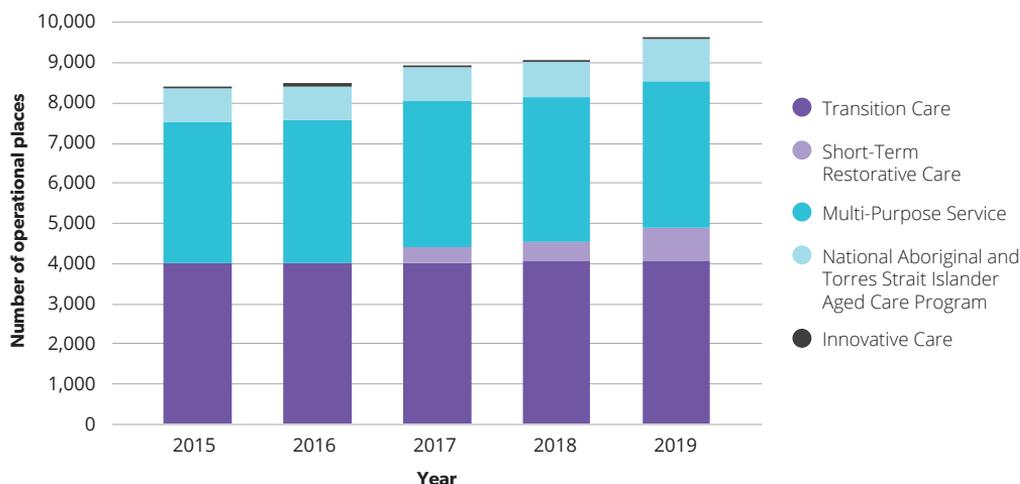
## 7. Flexible Care

The aged care needs of older Australians vary and will often require different care approaches to those provided through residential aged care or home care. There are five different types of flexible care:

- Transition Care
- Short-Term Restorative Care
- Multi-Purpose Services
- Innovative Care
- National Aboriginal and Torres Strait Islander Flexible Aged Care Program.<sup>17</sup>

At 30 June 2019, there were 9,644 operational flexible care places. In 2018–19, Australian Government funding across these programs totalled \$516.0 million.

**Figure 7: Operational flexible care places at 30 June each year between 2015 and 2019**



### 7.1. Transition Care

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

<sup>17</sup> Services funded under this program are administered outside of the *Aged Care Act 1997*.

## What was provided?

Older Australians may receive transition care for up to 12 weeks (with a possible extension of another six weeks) in either a community (home) or residential setting. To be assessed for TCP support, they must be in hospital at the time of the assessment. Once a client enters the TCP, they may receive a range of goal-oriented and therapy-focussed supports, such as allied health services, nursing support and personal care.

In 2018–19, the average length of stay for completed episodes of transition care was 53.2 days. The occupancy rate for transition care throughout 2018–19 was 88.4 per cent.

## Who provided care?

Transition Care service delivery is managed by state and territory governments, who are the approved providers of the programme. Within the framework of the programme, state and territory governments determine the model of service delivery that best responds to local service and individual transition care recipient needs.

At 30 June 2019, there were 4,060 transition care places nationally.

**Table 16: Number of operational transition care places at 30 June 2019, by state and territory**

STATE/TERRITORY	OPERATIONAL TRANSITION CARE PLACES
NSW	1,378
Vic	1,000
Qld	733
WA	406
SA	347
Tas	109
ACT	58
NT	29
<b>Australia</b>	<b>4,060</b>

## Who received care?

At 30 June 2019, 3,603 people were receiving transition care. During 2018–19, a total of 24,432 people received transition care.

**Table 17: Number of transition care recipients by state and territory, at 30 June 2019 and during 2018–19**

STATE/TERRITORY	NUMBER OF PEOPLE RECEIVING TRANSITION CARE AT 30 JUNE 2019	NUMBER OF PEOPLE WHO RECEIVED TRANSITION CARE DURING 2018–19
NSW	1,238	7,777
Vic	911	6,321
Qld	612	4,467
WA	351	2,363
SA	336	2,521
Tas	91	602
ACT	45	256
NT	19	142
<b>Australia</b>	<b>3,603</b>	<b>24,432</b>

## How were these services funded?

The TCP is a demand-driven programme jointly funded by the Australian Government and state and territory governments. Australian Government funding is provided in the form of a flexible care subsidy, payable to the provider for each service recipient, per day. In 2018–19, the Australian Government provided \$266.7 million in funding for the TCP.

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

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in a home.

## 7.2. Short-Term Restorative Care

The Short-Term Restorative Care (STRC) programme started in February 2017 as a new form of flexible care, building on the success of the Transition Care Programme. STRC aims to improve the physical functioning, well-being and independence of older Australians, to reduce or delay the person's need for further aged care services.

### What was provided?

The STRC is an early intervention programme, which provides a time-limited, goal-oriented, multidisciplinary package of care and services, over a period of eight weeks. STRC can be delivered in either a community setting (e.g. own home) or a residential setting, or a combination of both. Supports include such things as rehabilitative therapy services, personal care, assistance with preparing meals, minor home modifications, emotional support and arranging social activities.

### Who provided care?

At 30 June 2019, there were 82 operational STRC services being delivered by 53 approved providers.

**Table 18: Number of operational STRC places by state and territory, at 30 June 2019**

STATE/TERRITORY	NUMBER OF OPERATIONAL STRC PLACES
NSW	203
Vic	206
Qld	191
WA	118
SA	47
Tas	20
ACT	20
NT	20
<b>Australia</b>	<b>825</b>

### Who received care?

At 30 June 2019, 470 people were receiving STRC. During 2018–19, 2,543 people received care in the STRC programme.

**Table 19: Number of STRC recipients by state and territory, at 30 June 2019, and during 2018–19**

STATE/ TERRITORY	NUMBER OF PEOPLE RECEIVING STRC AT 30 JUNE 2019	NUMBER OF PEOPLE WHO RECEIVED STRC IN 2018–19
NSW	91	477
Vic	133	768
Qld	111	619
WA	86	386
SA	19	126
Tas	10	46
ACT	10	62
NT	10	59
<b>Australia</b>	<b>470</b>	<b>2,543</b>

### How were these services funded?

The STRC programme is funded through the flexible care subsidy. The daily rate for the subsidy in 2018–19 was \$205.83. During 2018–19, the Australian Government contributed \$26.7 million for STRC services.

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

- 85 per cent of the aged pension for care delivered in a residential setting
- 17.5 per cent of the aged pension for care delivered in the home.

## 7.3. Multi-Purpose Services

The Multi-Purpose Services (MPS) Program is a jointly-funded Australian Government and state and territory government initiative, which operates in all states, the Northern Territory and the External Territories (Norfolk Island). 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 older 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 20: Number of operational Multi-Purpose Services and places, at 30 June 2019, 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	1,006	61	119	1,186
Vic	11	260	99	19	378
Qld	36	332	118	141	591
WA	38	324	298	154	776
SA	26	509	84	14	607
Tas	3	66	15	21	102
ACT	0	0	0	0	0
NT	1	4	0	2	6
<b>Australia</b>	<b>179</b>	<b>2,501</b>	<b>675</b>	<b>470</b>	<b>3,646</b>

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

There was continued growth in Australian Government expenditure for the MPS, from \$168.8 million in 2017–18 to \$177.3 million in 2018–19.

**Table 21: Australian Government expenditure for Multi-Purpose Services, 2014–15 to 2018–19, by state and territory**

STATE/ TERRITORY	2014–15 \$M	2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M	% INCREASE 2017–18 TO 2018–19
NSW	47.9	51.0	56.9	61.0	64.5	5.8
Vic	13.4	14.0	14.6	15.0	15.6	3.9
Qld	22.4	23.1	24.6	26.3	28.1	6.8
WA	27.4	27.8	29.0	29.7	30.5	2.6
SA	26.7	27.1	29.9	32.2	34.0	5.4
Tas	4.1	4.2	4.2	4.3	4.4	2.0
ACT	-	-	-	-	-	-
NT	0.3	0.3	0.3	0.3	0.4	3.2
<b>Australia</b>	<b>142.2</b>	<b>147.6</b>	<b>159.5</b>	<b>168.8</b>	<b>177.3</b>	<b>5.1</b>

## 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 2019, there were eight projects, delivered through three services in New South Wales, two in South Australia, and one each in Tasmania, Victoria and Western Australia. No new entrants have been accepted into the program since 2006, so the number of care recipients is gradually decreasing as people leave. At 30 June 2019, there were 41 operational innovative care places, compared to 54 at 30 June 2018.

Throughout 2018–19, the Australian Government provided \$1.1 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. These services 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 2018–19, 35 aged care services received funding of \$44.1 million to deliver 1,072 aged care places. Under this program, services can be delivered in either a residential or home care setting.

**Table 22: Number of operational National Aboriginal and Torres Strait Islander Flexible Aged Care Program services and places at 30 June 2019, 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	18	109
WA	2	36	4	58	98
SA	6	87	32	81	200
Tas	3	0	0	53	53
ACT	0	0	0	0	0
NT	14	85	71	305	461
<b>Australia</b>	<b>35</b>	<b>328</b>	<b>146</b>	<b>598</b>	<b>1,072</b>



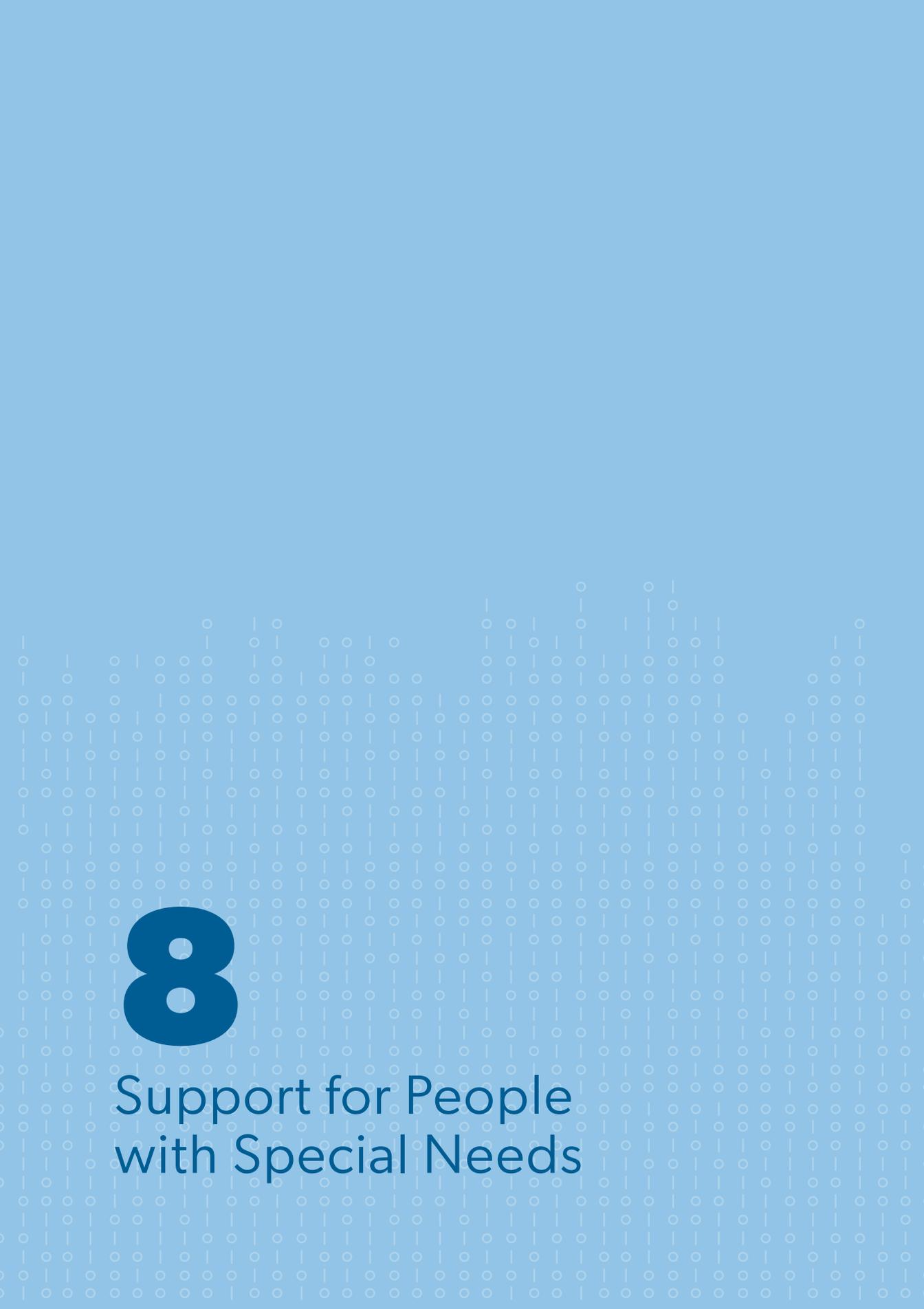
Specialist advice, assistance and funding to eligible aged care providers to support Indigenous aged care services



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



**\$6.6 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.

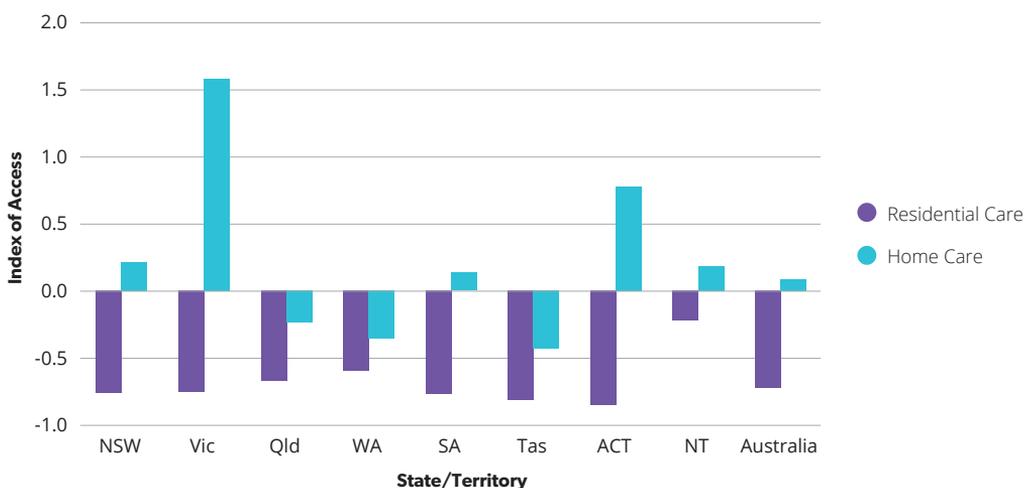
In February 2019, an action plan for older Aboriginal and Torres Strait Islander people was launched. The action plan will assist the aged care sector to address barriers and challenges faced by older Aboriginal and Torres Strait Islander people when accessing and receiving aged care.

A National Advisory Group for Aboriginal and Torres Strait Islander Aged Care has been established to advise government on the needs and views of older Aboriginal and Torres Strait Islander people in the development and implementation of Government ageing and aged care policies, programs and strategies.

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

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

**Figure 8: Index of equity of access for non-flexible aged care services for older Australians from Aboriginal and Torres Strait Islander backgrounds, 30 June 2019**



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, 30 June 2019**



An action plan for older people from Culturally and Linguistically Diverse (CALD) backgrounds was launched in February 2019 under the Aged Care Diversity Framework. The action plan can assist the aged care sector to address barriers and challenges faced by older people from CALD backgrounds when accessing and receiving aged care. Copies of the supporting consumer resource are available in 26 languages.

The department funds the longstanding Partners in Culturally Appropriate Care (PICAC) program to support the sector in its care of people from CALD backgrounds. In August 2018, the department received the final report of an evaluation which examined the implementation, appropriateness and effectiveness of the program. The department has begun working with current PICAC providers and other stakeholders on the future of CALD aged care supports. Funding to better support services targeting CALD people is also provided through the DACS fund.

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 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.

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

These include:

- the viability supplement scheme for small, remote and very remote residential care services as well as for eligible home care recipients. From 20 March 2019, the rate of viability supplement paid to eligible residential care services was increased by 30 per cent
- 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 older Australians can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of accommodation supplement payable for a supported resident, a service must have a supported-resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra service places) of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

Financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying 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 \$6.6 million in hardship supplements for residential care and home care during 2018–19.

## 8.5. Veterans

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

There were 13,392 gold or white treatment card holders in residential care at 30 June 2019, a decrease of 1,995 from 30 June 2018.

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

In 2018–19, services that support older Australians who are homeless, or at risk of becoming homeless, were funded through the Commonwealth Home Support Programme (see Chapter 3).

Funding has been provided to the Housing for the Aged Action Group (HAAG) to establish a working group to develop draft action plans for people who have experienced, or are at risk of, homelessness. HAAG undertook extensive consultation with the providers and consumers in developing the draft content for the action plans. The next step is for the Aged Care Sector Committee and its Diversity Sub-group to review and finalise the action plan.

As part of the viability supplement, support is available for eligible residential services specialising in care for people at risk of homelessness, low-care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians. In addition, the homeless supplement is paid to support eligible aged care homes that specialise in caring for people with a history of, or who are at risk of, homelessness. From 20 March 2019, the rate of homeless supplement paid to eligible residential services was increased by 30 per cent.

## 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 and/or youth. This includes the Forgotten Australians, Former Child Migrants and Stolen Generations. People known as Forgotten Australians are now reaching an age where they may require aged care services and many find traumatic childhood memories and fears return when they think about their aged care. The Australian Government has funded Helping Hand Aged Care for a project to help Forgotten Australians understand and engage with aged care services, and help aged care providers respond appropriately to their needs. The project builds on an information package launched by the Government in 2016 to raise 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.

An action plan for Lesbian, Gay, Bisexual, Trans and gender diverse, and Intersex older Australians was launched in February 2019 under the Aged Care Diversity Framework. The action plan can assist the aged care sector to address barriers and challenges faced by older LGBTI people when accessing and receiving aged care.

Funding is provided to the LGBTI Health Alliance to undertake national co-ordination and support activities to promote the well-being of older LGBTI people, and deliver national LGBTI aged care awareness training. Funding to better support services targeting LGBTI people is also provided through the DACS fund (see Chapter 9).





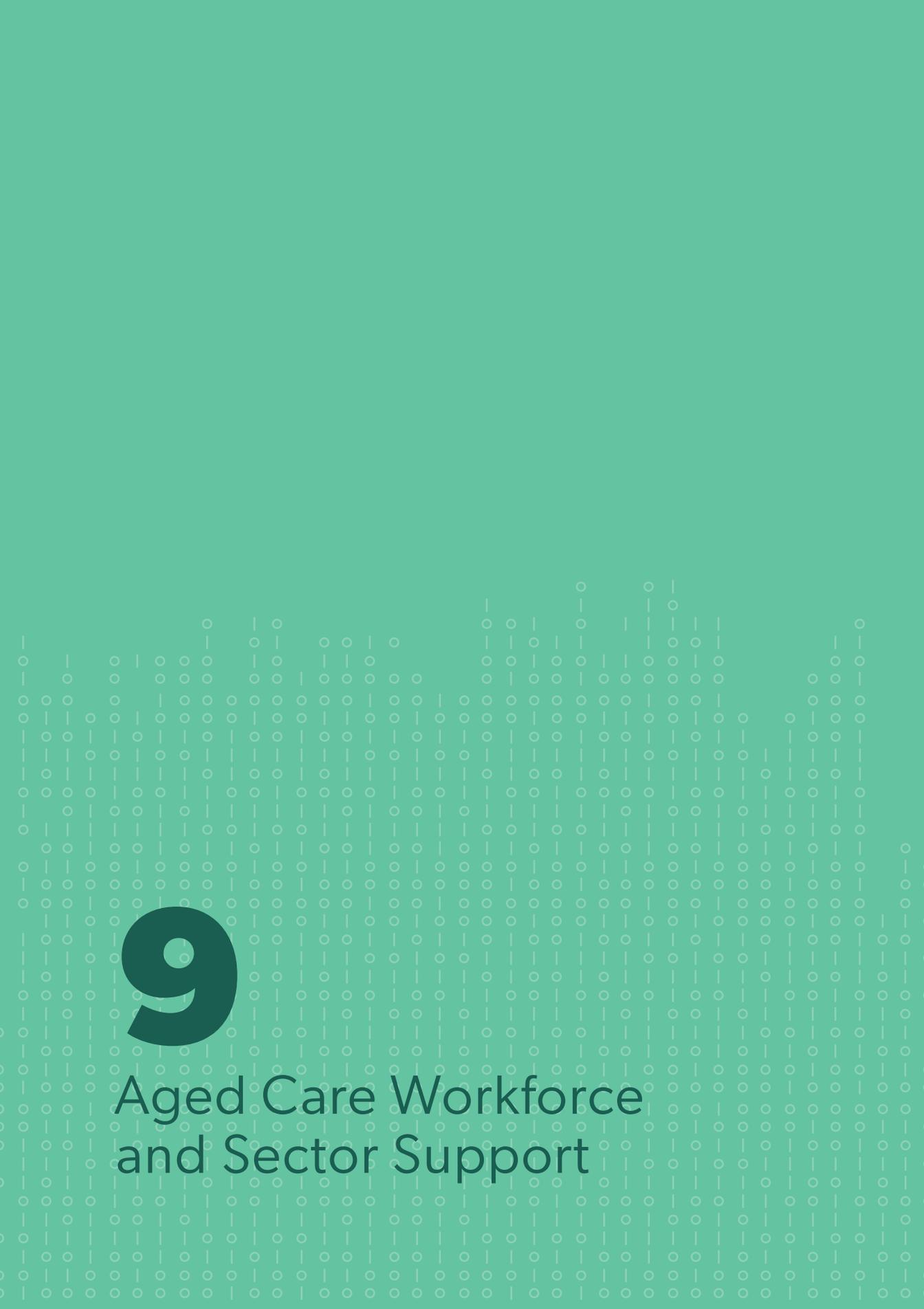
Over **366,000**  
in the aged care  
workforce



**\$351.6  
million**  
allocated over  
2018–2022 for  
the DACS fund



SBRTs provided long term  
case management for  
**795** 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.

On 13 September 2018, the Aged Care Workforce Strategy (the Strategy) was released. The Strategy sets out 14 strategic actions for industry to shift attitudes to caring careers, to attract and retain a skilled workforce, boost workforce capability and improve the quality of life for older Australians. The Government is supporting industry-led implementation of the Strategy. Three key actions from the Strategy are underway:

- the establishment of an Aged Services Industry Reference Committee, under the Australian Industry and Skills Committee
- the formation of a Remote Accord Group to provide a unified voice for remote and very remote aged care services
- the establishment of an industry-led Aged Care Workforce Industry Council to lead the implementation of the Strategy.

The Boosting the Local Care Workforce Program was announced in the 2017–18 Budget. It provides a network of regional and specialist coordinators to help meet growing pressures in the aged care and disability workforces by building capability and linking job seekers to sector employers. The Department of Social Services manages the program through a contract with Ernst and Young, which is developing and implementing governance arrangements for the Program.

### 9.1. Aged care workforce and health workforce activities funded in 2018–19

In accordance with the Australian Government's high prioritisation of Indigenous employment issues, all existing Indigenous aged care workforce-specific programs continued during 2018–19.

**Table 23: Indigenous employment programs and funding, 2018–19**

TITLE	DESCRIPTION	FUNDING \$M
Indigenous Employment Initiatives (IEI)	Subsidises aged care jobs across Australia for more than 750 Aboriginal and Torres Strait Islander people who provide aged care services to older Indigenous Australians in predominantly rural and remote locations.	20.7
The Rural and Remote Training Program (RRTP), and the Northern Territory Training Program (NTTP)	Provides 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 who are employed through the IEI program.	6.1
Indigenous Remote Service Delivery Traineeships (IRSDT)	Aims to build the business and management capacity of Indigenous aged care and primary health care services in remote areas. More than 295 trainees have received qualifications since the inception of the program in 2010. Due to unforeseen issues with the company contracted to administer the program, and to deliver the training, the start of the program was delayed in 2018–19. Alternative training arrangements are now in place for 2019–20.	4.3
Aged Care Education and Training Incentive (ACETI)	Provides incentive payments to aged care workers who undertake further studies to enhance their career as a personal care worker, an enrolled nurse or a registered nurse. Program expenditure is subject to participants lodging claims for payments. As the ACETI program closed to new applicants on 1 April 2016, the level of expenditure has been declining year on year. The program ends on 30 June 2020.	3.0

## 9.2. Dementia and Aged Care Services Fund

The Australian Government has allocated \$351.6 million over the 2018–22 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 older Australians. This includes funding for the Dementia Training Program (DTP) and Dementia Behaviour Management Advisory Services (DBMAS).

In 2018–19, the DTP provided more than 26,000 occasions of targeted dementia training for staff in residential and in-home care as well as acute and primary care health sectors.

DBMAS is the first tier in the government’s suite of support programs for carers of people experiencing behavioural and psychological symptoms of dementia (BPSD). In 2018–19, DBMAS provided support for 18,991 cases, (an increase of 23 per cent on the previous year).

During 2018–19, grants totalling \$106 million were allocated to improve the quality of aged care services through a range of projects including development of new technologies, pilot training programs and guidance for the aged care sector on best practice care. This included an allocation of \$40 million in Regional, Rural and Remote Infrastructure Grants, via a one-off grant, to aged care providers to invest in building improvements, maintenance and infrastructure expansion. Infrastructure investment was capped at \$500,000 per service.

### **9.3. Severe Behaviour Response Teams**

Building on the DBMAS mentioned above, Severe Behaviour Response Teams (SBRTs) provide a second-tier service supporting residential aged care providers with residents experiencing more severe BPSD. 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 \$30.8 million over two years from 2019–20 to 2020–21 for this service. In 2018–19, SBRTs provided long term case management including detailed clinical assessment, recommendations for intervention and multiple on-site visits for 795 cases (a 12 per cent increase on the previous year).

Feedback via surveys found that 98 per cent of clients were satisfied with DBMAS and SBRT services. Approximately 69 per cent of referrals were from major cities and 31 per cent from regional and remote areas.

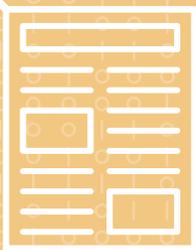




**244** applications to provide aged care were received



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



**5,233** notifications of reportable assaults in residential care were received



# 10

Quality and  
Regulation

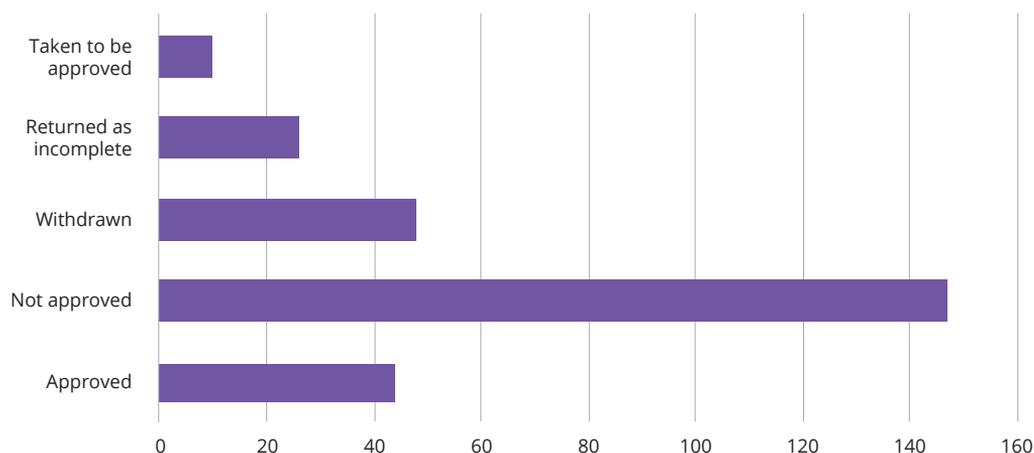
## 10. Quality and Regulation

### 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.

During 2018–19, the Department received 244 applications for approval to provide aged care. Combined with 106 applications carried over from 2017–18, a total of 350 applications were processed during 2018–19. The results are shown in Figure 10.<sup>18</sup> Seventy-five applications were carried over to 2019–20.

**Figure 10: Results of applications from organisations seeking approval to provide Australian Government-subsidised aged care, 2018–19**



The department reduced the number of applications on-hand (carried over from one financial year to the next) by 29 per cent. The proportion of applications finalised (approved or not approved) within their 90-day timeframe was 91 per cent, compared to 6 per cent during 2017–18.<sup>19</sup>

<sup>18</sup> State/Territory Government organisations are taken to be approved under the Act.

<sup>19</sup> In 2016–17, the Department received 484 applications resulting in a backlog of undecided applications that carried over into 2017–18.

The department received 28 requests to reconsider a non-approval decision, 21 of which were confirmed, three were set aside and one was withdrawn by the applicant. The three remaining requests were under review at 30 June 2019.

At 30 June 2019, there were 1,531 operational approved providers of residential and home care services (excluding providers of flexible aged care services).

## 10.2. The Aged Care Quality and Safety Commission

The Aged Care Quality and Safety Commission (the Commission) was established on 1 January 2019. The Commission has drawn together the functions of the former Australian Aged Care Quality Agency and the former Aged Care Complaints Commissioner. The aged care regulatory functions of the Department of Health will join the Commission from 1 January 2020. The Commission operates independently, performing its functions and exercising its powers as set out in the *Aged Care Quality and Safety Commission Act 2018* and the *Aged Care Quality and Safety Commission Rules 2018* (the Rules).

The Commission's functions are to:

- protect and enhance the safety, health, well-being and quality of life of aged care consumers
- promote the provision of quality care and services by:
  - approved providers of aged care services; and
  - service providers of Commonwealth-funded aged care services
- develop, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and to promote those models to providers
- deal with complaints made, or information given to the Commissioner, in accordance with the Rules about an approved provider's responsibilities under the Act, or funding agreement
- regulate aged care services according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services and registering quality assessors
- provide education and information about matters relating to one or more of the Commissioner's functions to consumers and their representatives, providers of aged care services and the public.

### 10.3. National Aged Care 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.

The voluntary National Quality Indicator Program for residential aged care providers started on 1 January 2016 and included quality-of-care indicators that focus on three clinical areas:

- pressure injuries
- physical restraint
- unplanned weight loss.

From 1 July 2019, the *Aged Care Legislation Amendment (Quality Indicator Program) Principles 2019* took effect, and the National Aged Care Mandatory Quality Indicator Program (QI Program) commenced. All Australian Government- subsidised residential aged care services must collect and submit data against the three quality indicators to the Department of Health. The QI Program data will be consolidated and published on the Australian Institute of Health and Welfare website, GEN, by the end of 2019.

### 10.4. Compliance

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

Both the department and the Aged Care Quality and Safety Commission 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 2018–19, the department issued 55 Notices of Decision to Impose Sanctions to 36 aged care providers due to failure to meet quality standards. On 30 June 2019, 25 of the 55 sanctions remained in place. Details of sanctions imposed are included in Table 30, Appendix A.

In 2018–19, the department issued 267 Notices of Non-Compliance against aged care providers as follows:

- failure to meet quality standards – 247
- prudential matters – 14
- ACFI matters – 5
- Compulsory reporting – 1

During 2018–19, 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 of, 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 2018–19, the department received 5,233 notifications in relation to assaults reported under the Act. Of these 4,443 were recorded as alleged or suspected unreasonable use of force, 739 as alleged or suspected unlawful sexual contact, and 51 as both. With 242,612 people receiving permanent residential care in 2018–19, the incidence of reports of suspected or alleged assaults was 2.16 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 2018–19, there were 1,514 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 2017–18, 903 providers were asked to complete and lodge an APCS by 31 October 2018. The APCS outcomes for the periods, 2015–16, 2016–17 and 2017–18 are in Table 27, 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 Commonwealth so it can pursue recovery of the funds.

The Guarantee Scheme was not triggered during 2018–19.

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

Approved providers receive 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 6,600 reviews of ACFI claims in 2018–19. Of these reviews 2,854 (43.2 per cent) resulted in reductions in funding and 21 (0.3 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 2018–19, providers requested reconsiderations of 314 reviews. Of these, 292 requests were finalised in the financial year. Of the finalised reconsiderations: 136 (47 per cent) confirmed the department's review decision; 89 (30 per cent) reinstated the provider's original classification; 67 (23 per cent) resulted in a new decision which reduced the original classification.

# 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.

The Australian Government's needs-based planning framework is designed to increase the supply of residential and home care places in line with the growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the Australian Bureau of Statistics and

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

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 \$69,100 per care recipient, an increase of 5.4 per cent per care recipient from 2017–18.

**Table 24: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient 2014–15 to 2018–19**

2014–15	2015–16	2016–17	2017–18	2018–19	INCREASE 2017–18 TO 2018–19
\$60,200	\$63,400	\$65,500	\$65,600	\$69,100	5.4%

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 25: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2014–15 to 2018–19**

TYPE OF PAYMENT		2014–15 \$M	2015–16 \$M	2016–17 \$M	2017–18 \$M	2018–19 \$M
Basic Subsidy	Permanent	9,662.4	10,507.7	11,024.2	11,163.5	11,947.4
	Respite	239.1	264.4	280.6	312.3	348.8
Primary Care Supplements	Oxygen	16.4	16.5	17.5	18.3	18.3
	Enteral Feeding	6.7	6.3	5.9	5.9	5.2
	Payroll Tax*	107.4				
	Respite Incentive	22.6	29.0	30.1	34.6	40.6
Other Supplements	Viability	35.4	35.6	43.2	55.8	62.0
	Veterans'	3.5	1.8	1.1	1.6	1.7
	Homeless	7.4	7.6	8.3	8.6	9.8
Hardship	Hardship	4.1	5.2	4.9	4.0	3.9
	Hardship Accommodation	4.1	3.6	2.9	2.6	2.5
Accommodation Supplements	Accommodation Supplement	677.2	845.7	907.5	1,029.6	1,134.2
Supplements relating to Grandparenting	Concessional	72.3	64.0	55.6	51.3	46.5
	Transitional	7.4	6.0	4.8	3.8	3.2
	Accommodation Charge Top-up	3.1	2.1	1.4	1.0	0.7
	Charge Exempt	1.0	3.8	2.0	1.8	1.7
	Pension	48.0	36.3	27.2	20.7	16.3
	Basic Daily Fee	0.8	0.6	0.4	0.3	0.2
	Transitional Accommodation Supplement	31.7	22.3	15.5	10.7	7.6
Reductions	Means Testing Reduction**	-377.0	-455.7	-560.8	-564.0	-627.2
	Other	15.8	-31.5	31.5	42.0	-9.1
<b>Total (\$million)</b>		<b>10,589.4</b>	<b>11,371.4</b>	<b>11,903.8</b>	<b>12,204.2</b>	<b>13,014.5</b>

\* 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 26: Summary of Australian Government payments by subsidies and supplements for home care, 2016–17 to 2018–19**

TYPE OF PAYMENT		2016–17 \$M	2017–18 \$M	2018–19 \$M
Subsidy	Home care subsidy	1,627.9	2,074.8	2,586.0
Supplements	Oxygen	2.4	3.1	3.7
	Enteral Feeding	0.7	0.9	0.9
	Dementia and Cognition	24.7	29.3	36.2
	Veterans'	0.2	0.3	0.4
	Hardship	0.2	0.3	0.2
	Viability	11.4	16.0	18.1
Reductions	Income testing reduction	-21.3	-36.2	-48.8
	Other	-60.0	-56.2	-127.4
Total (\$million)		1,586.2	2,032.1	2,469.3

### 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 2018–19, the department revoked approval for four providers.

During 2018–19, the main areas of non-compliance related to approved providers not meeting Standard 2 of the Accreditation Standards: 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 2018–19, 903 providers were asked to complete and lodge an APCS by 31 October 2018. The APCS outcomes for 2015–16, 2016–17 and 2017–18 are shown below.

**Table 27: Annual Prudential Compliance Statement outcomes, 2015–16, 2016–17 and 2017–18\***

ANNUAL PRUDENTIAL COMPLIANCE STATEMENT REPORTED NON-COMPLIANCE	2015–16	2016–17	2017–18
Reported instances of non-compliance with the Records Standard	11	7	11
Reported instances of non-compliance with the Disclosure Standard	11	44	84
Reported instances of non-compliance with the Liquidity Standard	3	16	16
Reported instances of non-compliance with the Governance Standard	8	12	13
Reported instances of non-compliance with refunding responsibilities**	111	109	106

\* 2018–19 data are unavailable at the time of publication.

\*\* 2015–16, 2016–17 and 2017–18 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 2018 was \$27.5 billion. There was a \$2.7 billion (10.9 per cent) increase in bonds held by aged care homes across the 2017–18 financial year.

### **63-2 (2) (cb) the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments<sup>20</sup>**

In 2017–18, a total of \$3.5 billion was paid to providers in accommodation payments and accommodation contributions.

The 862 providers who held RADs at 30 June 2018 reported through their APCS that they held a total of 91,031 RADs with a total value of approximately \$27.5 billion. These figures include the RADs held by ten providers who reported on an alternate financial year. This is an increase of almost 2,900 RADs. The average RAD holding per provider was 106 RADs valued at \$32 million.

20 When available, 2018–19 data will be published on GEN, in ACFA's reports, and in the 2019–20 ROACA.

### 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 2017–18 was a refundable accommodation deposit of \$422,000, equivalent to a daily payment of \$66.78 at 30 June 2018. Forty seven per cent of non-supported residents chose to pay by lump sum, 29 per cent by daily payment, and 26 per cent by combination of both.

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

Table 28 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 28: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment during 2018–19**

2 DAYS OR LESS	7 DAYS OR LESS	LESS THAN 1 MONTH	LESS THAN 3 MONTHS	LESS THAN 9 MONTHS
2.0%	6.8%	21.4%	41.9%	59.4%

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 2017–18, or in progress at June 2018, exceeded \$4.9 billion, up from \$4.7 billion in 2016–17. When available, 2018–19 data will be published on GEN, in ACFA's reports and in the 2019–20 ROACA.

**Table 29: Consolidated building activity report 2013–14 to 2017–18**

		2013–14	2014–15	2015–16	2016–17	2017–18
Building work	Estimated building works completed during the year or in progress at June (\$m)	\$3,142.0	\$3,820.0	\$4,535.9	\$4,715.4	\$4,912.0
	Proportion of homes that completed any building work during the year	12.1%	19.6%	24.3%	20.8%	19.2%
	Proportion of homes with any building work in progress at the end of the year	16.9%	17.3%	17.8%	13.1%	13.9%
New building work	Proportion of homes that completed new building work during the year	1.8%	2.7%	2.0%	2.2%	2.6%
	Proportion of homes with new building work in progress at the end of the year	2.2%	1.8%	2.6%	2.2%	2.3%
	Estimated new building work completed during the year (\$m)	\$703.0	\$945.0	\$820.6	\$1,198.5	\$1,243.0
	Estimated new building work in progress at the end of the year (\$m)	\$865.0	\$565.0	\$1,075.5	\$1,042.0	\$1,086.0
	Proportion of homes that were planning new building work	3.5%	3.6%	4.9%	2.2%	2.7%

		2013–14	2014–15	2015–16	2016–17	2017–18
Rebuilding work	Proportion of homes that completed rebuilding work during the year	0.9%	0.9%	1.1%	1.0%	0.9%
	Proportion of homes with rebuilding work in progress at the end of the year	0.9%	1.1%	1.6%	1.5%	1.2%
	Estimated rebuilding work completed during the year	\$337.0	\$314.0	\$250.4	\$403.9	\$497.0
	Estimated rebuilding work in progress at the end of the year (\$m)	\$240.0	\$736.0	\$1,042.0	\$650.0	\$649.0
	Proportion of homes that were planning rebuilding work	3.8%	3.1%	4.5%	2.0%	1.8%
Upgrading work	Proportion of homes that completed upgrading work during the year	9.3%	16.4%	20.7%	17.8%	16.2%
	Proportion of homes with upgrading work in progress at the end of the year	14.0%	14.7%	13.9%	10.0%	10.8%
	Estimated upgrading work completed during the year (\$m)	\$514.0	\$479.0	\$483.3	\$539.7	\$666.0
	Estimated upgrading work in progress at the end of the year (\$m)	\$484.0	\$781.0	\$864.2	\$881.4	\$770.0
	Proportion of homes that were planning upgrading work	12.0%	14.5%	14.0%	8.8%	5.4%

### 63-2 (2) (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

In 2018–19, the department issued 55 Notices of Decision to Impose Sanctions to 36 providers due to failure to meet quality standards. On 30 June 2019, 25 of the 55 sanctions remained in place. Information about these sanctions is given in Table 30. Full details of current and archived sanctions, and of compliance actions taken by the department, can be found on the My Aged Care website.<sup>21</sup>

**Table 30: Sanctions imposed under the Aged Care Act 1997 – 1 July 2018 to 30 June 2019**

APPROVED PROVIDER	DATE AND NUMBER OF SANCTIONS IMPOSED	OUTCOMES
Assist Services Pty Ltd <i>Service: Assist HomeCare (Home Assist)</i>	05/10/2018 3 sanctions imposed	Sanctions expired on 05/04/2019.  The Provider's approval was revoked effective 29/04/2019.
BaptistCare NSW & ACT <i>Service: BaptistCare Griffith</i>	26/07/2018 4 sanctions imposed	Sanctions expired on 26/01/2019.
The Maitland Benevolent Society Ltd <i>Service: Benhome</i>	08/09/2018 4 sanctions imposed	Sanctions expired on 08/03/2019.
Denever Pty Ltd <i>Service: Botany Gardens Nursing Home</i>	05/04/2019 2 sanctions imposed	Sanctions expired on 05/10/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Berry</i>	09/11/2018 4 sanctions imposed	Sanctions expired on 9/11/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Berwick</i>	09/11/2018 3 sanctions imposed	Sanctions expired on 9/11/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Calwell</i>	21/11/2018 3 sanctions imposed	Sanctions expired on 24/03/2019.

<sup>21</sup> <https://www.myagedcare.gov.au/compliance-information>

APPROVED PROVIDER	DATE AND NUMBER OF SANCTIONS IMPOSED	OUTCOMES
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Campbelltown</i>	07/05/2019 5 sanctions imposed	Sanctions expire on 07/02/2020.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Echuca</i>	26/03/2019 4 sanctions imposed	Sanctions expired on 26/09/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Eden</i>	07/12/2018 4 sanctions imposed	Sanctions expire on 19/12/2019
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Eden</i>	19/03/2019 3 sanctions imposed	Sanctions expire on 19/12/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Griffith</i>	21/11/2018 3 sanctions imposed	Sanctions expired on 21/05/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Roseville</i>	28/06/2019 5 sanctions imposed	Sanctions expire on 28/03/2020.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Seaforth</i>	18/09/2018 4 sanctions imposed	Sanctions expire on 18/01/2020.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa South Hobart</i>	25/10/2018 4 sanctions imposed	Sanctions lifted on 23/07/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Stirling</i>	13/02/2019 4 sanctions imposed	Sanctions expired on 13/11/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Traralgon</i>	18/04/2019 5 sanctions imposed	Sanctions expire on 18/01/2020.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Traralgon</i>	27/07/2018 4 sanctions imposed	Sanctions expired on 27/01/2019.
Bupa Aged Care Australia Pty Ltd <i>Service: Bupa Woodend</i>	19/09/2018 4 sanctions imposed	Sanctions expired on 19/03/2019.
Allity Pty Ltd <i>Service: Carinya Residential Care Centre</i>	08/03/2019 4 sanctions imposed	Sanctions expired on 7/06/2019.
Whyalla Aged Care Inc <i>Service: Copperhouse Court Hostel</i>	24/01/2019 3 sanctions imposed	Sanctions expired on 24/07/2019.

APPROVED PROVIDER	DATE AND NUMBER OF SANCTIONS IMPOSED	OUTCOMES
Eldercare Inc <i>Service: Eldercare Allambi</i>	24/12/2018 3 sanctions imposed	Sanctions expired on 23/04/2019.
Garden View Aged Care Pty Ltd <i>Service: Garden View Nursing Home</i>	26/01/2019 4 sanctions imposed	Sanctions expired on 26/07/2019.
Genista Nursing Home Pty Ltd <i>Service: Genista Aged Care Facility</i>	07/07/2018 3 sanctions imposed	Sanctions expired on 07/01/2019.
Kincsem Pty Ltd <i>Service: Glenlyn Aged Care Facility</i>	06/06/2019 4 sanctions imposed	Sanctions expire on 06/12/2019.
Rasko Holdings Pty Ltd <i>Service: Goondee Aged Care Home</i>	05/09/2018 4 sanctions imposed	Sanctions expired on 05/03/2019.
Menarock Aged Care Services (Victoria) Pty Ltd <i>Service: Greenway Gardens</i>	15/02/2019 3 sanctions imposed	Sanctions lifted on 04/07/2019.
UnitingSA Ltd <i>Service: Hawksbury Gardens Aged Care Facility</i>	15/12/2018 3 sanctions imposed	Sanctions expired on 01/04/2019.
Allity Pty Ltd <i>Service: Henry Kendall Aged Care</i>	29/04/2019 4 sanctions imposed	Sanctions expired on 29/10/2019.
Froniditha Care <i>Service: Hippocrates Aged Care Centre</i>	17/04/2019 4 sanctions imposed	Sanctions expired on 17/10/2019.
Froniditha Care <i>Service: Hippocrates Aged Care Centre</i>	05/12/2018 3 sanctions imposed	Sanctions expired on 05/06/2019.
Country Health SA Local Health Network Incorporated <i>Service: Ira Parker Nursing Home</i>	21/03/2019 4 sanctions imposed	Sanctions expired on 21/09/2019.
Illawarra Retirement Trust <i>Service: IRT Dalmeny</i>	15/02/2019 4 sanctions imposed	Sanctions expired on 15/08/2019.
Illawarra Retirement Trust <i>Service: IRT Lakeview Lodge</i>	15/02/2019 3 sanctions imposed	Sanctions expired on 15/08/2019.

APPROVED PROVIDER	DATE AND NUMBER OF SANCTIONS IMPOSED	OUTCOMES
Fremantle Italian Aged Persons Service Association <i>Service: Italian Village Fremantle</i>	22/08/2018 4 sanctions imposed	Sanctions expired on 09/01/2019.
RSL LifeCare Limited <i>Service: John Goodlet Manor</i>	21/12/2018 4 sanctions imposed	Sanctions expired on 21/06/2019.
Rosha Pty Ltd <i>Service: Kiandra Residential Aged Care</i>	18/04/2019 4 sanctions imposed	Sanctions expired on 18/10/2019.
Home Nursing Solutions Pty Ltd <i>Service: Meet My Senior Needs - Total In Home Care</i>	08/11/2018 4 sanctions imposed	Sanctions expired on 08/05/2019.
Mercy Aged and Community Care Ltd <i>Service: Mercy Place Ave Maria</i>	15/03/2019 3 sanctions imposed	Sanctions expired on 12/07/2019.
MiCare Ltd <i>Service: MiCare Avondrust Lodge</i>	29/08/2018 4 sanctions imposed	Sanctions expired on 11/01/2019.
Minda Incorporated <i>Service: Minda Nursing Home</i>	24/12/2018 4 sanctions imposed	Sanctions expired on 24/06/2019.
Willshire Pty Ltd <i>Service: Olive Grove Aged Care</i>	25/01/2019 3 sanctions imposed	Sanctions expired on 14/05/2019.
Allity Pty Ltd <i>Service: Pemulwuy Aged Care</i>	15/02/2019 4 sanctions imposed	Sanctions set aside on 13/06/2019.
Pines Living Pty Ltd <i>Service: Pines Living</i>	29/11/2018 4 sanctions imposed	Sanctions expired on 29/05/2019.
Pioneer House Living Limited <i>Service: Pioneer House Aged Care</i>	27/02/2019 3 sanctions imposed	Sanctions expired on 27/08/2019.
Croatian Ukrainian and Belarussian Aged Care Association of SA Incorporated <i>Service: St Anna's Residential Care Facility</i>	05/06/2019 3 sanctions imposed	Sanctions expire on 05/12/2019.

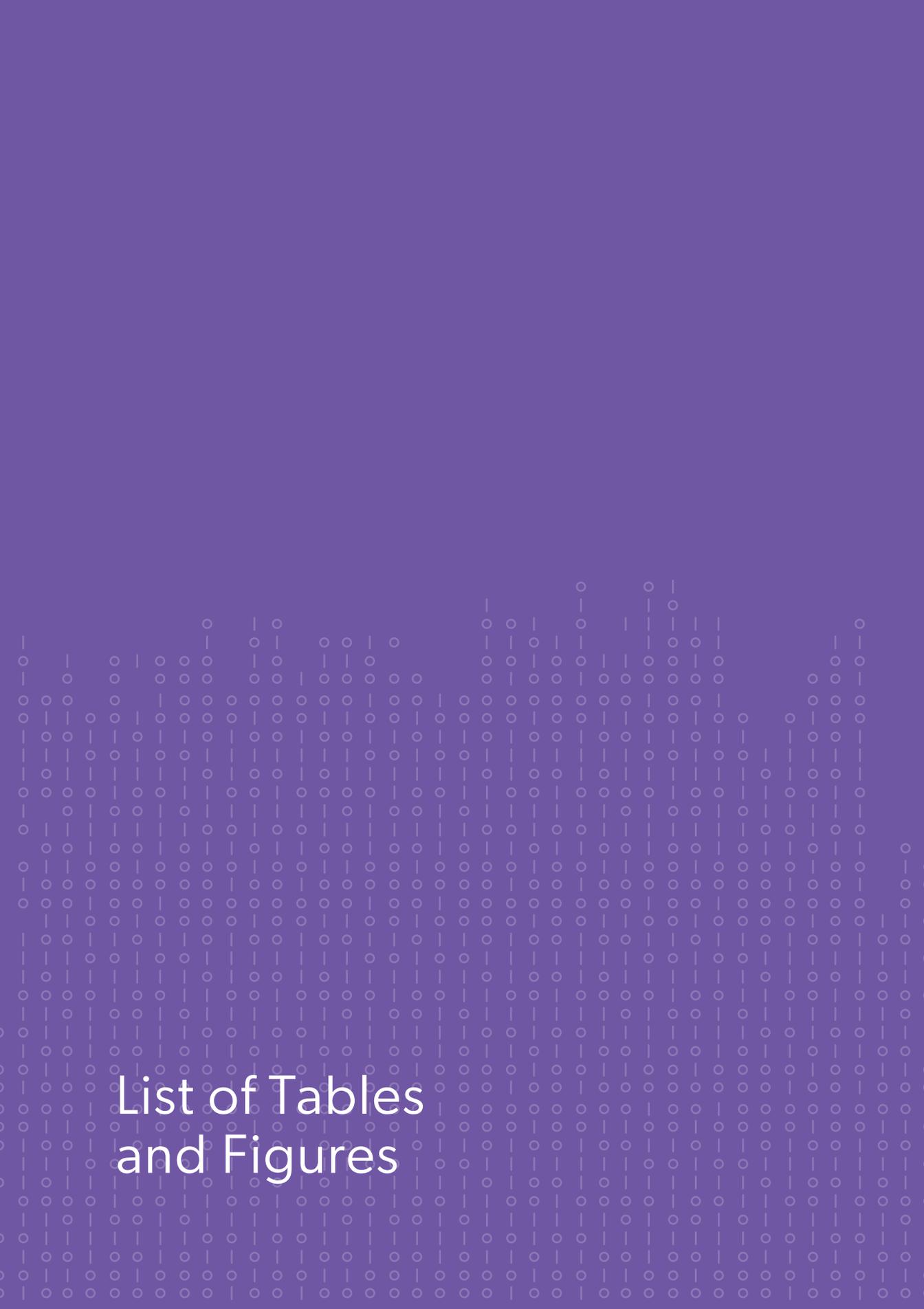
APPROVED PROVIDER	DATE AND NUMBER OF SANCTIONS IMPOSED	OUTCOMES
St Basil's Homes <i>Service: St Basil's Randwick</i>	19/09/2018 4 sanctions imposed	Sanctions expired on 19/03/2019.
Trustees of Catholic Aged Care Sydney <i>Service: St Joan of Arc Hostel</i>	04/07/2018 3 sanctions imposed	Sanctions lifted on 19/10/2018.
St Vincent's Care Services Ltd. <i>Service: St Vincent's Care Services Mitchelton</i>	12/09/2018 4 sanctions imposed	Sanctions expired on 01/03/2019.
Frenchmans Lodge Nursing Home Pty Limited <i>Service: SummitCare Randwick</i>	22/11/2018 4 sanctions imposed	Sanctions expired on 14/05/2019.
Thomas Holt <i>Service: Thomas Holt Kirrawee</i>	07/03/2019 3 sanctions imposed	Sanctions expired on 20/05/2019.  The Approved Provider no longer owns this service.
Thomas Holt <i>Service: Thomas Holt Kirrawee</i>	16/04/2019 4 sanctions imposed	Sanctions expired 20/05/2019.  The Approved Provider no longer owns this service.
The Trustees of the Roman Catholic Church for the Diocese of Lismore <i>Service: Vincent Court</i>	19/12/2018 3 sanctions imposed	Sanctions expired on 19/06/2019.
Warrigal Care <i>Service: Warrigal Care Warilla</i>	16/01/2019 4 sanctions imposed	Sanctions expired on 16/07/2019.
Southern Cross Care (Tas) Inc <i>Service: Yaraandoo Hostel</i>	09/11/2018 4 sanctions imposed	Sanctions expired on 08/08/2019.

# Glossary

# Glossary

TERM	DEFINITION
ACAP	Aged Care Assessment Program
ACAR	Aged Care Approvals Round
ACAT	Aged Care Assessment Team
ACETI	Aged Care Education and Training Incentive
ACFA	Aged Care Financing Authority
ACFI	Aged Care Funding Instrument
ACFR	Aged Care Financial Report
Act, the	The <i>Aged Care Act 1997</i> , 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
AN-ACC	Australian National Aged Care Classification
APCS	Annual Prudential Compliance Statement
BPSD	Behavioural and Psychological Symptoms of Dementia
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
HAAG	Housing for the Aged Action Group
IEI	Indigenous Employment Initiatives
IRSDT	Indigenous Remote Service Delivery Traineeships
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
Minister, the	The Minister for Aged Care and Senior Australians

TERM	DEFINITION
MPS	Multi-Purpose Services
NACAP	National Aged Care Advocacy Program
NACWCS	National Aged Care Workforce Census and Survey
NDSP	National Dementia Support Program
NTP	Northern Territory Training Program
OPAN	Older Persons Advocacy Network
PICAC	Partners in Culturally Appropriate Care
QI	Quality Indicator
Quality Agency	The Australian Aged Care Quality Agency
RAD	Refundable Accommodation Deposit
RAS	Regional Assessment Service
ROACA	Report on the Operation of the <i>Aged Care Act 1997</i>
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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