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

1 July 2005 to 30 June 2006

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Foreword

By the Minister for Ageing,
Senator the Hon. Santo Santoro

I am pleased to present the *Report on the Operation of the Aged Care Act 1997* for 2005-06.

This was a year of solid achievement in ageing and aged care.

The number of Australian Government subsidised aged care places continues to increase. In 2001, the Government set a target of 200,000 operational places by June 2006. During 2005-06, over 11,000 new aged care places were allocated. The target in operational places was not only achieved by June 2006, it was exceeded.

The 2006-07 Budget confirmed the Government's commitment to choice, quality and financial sustainability for Australia's aged care, committing $420.6 million for new initiatives and to extend existing programs—including further investment in the skills of aged care staff, increased spot checks in aged care homes, payment of viability supplement to community care, and capital assistance for aged care homes in rural and remote areas. The Budget also included $152.7 million for improved provision of hospital care to older people who are eligible for aged care. This was part of the Council of Australian Governments' Better Health Initiative, agreed in February.

Also as part of the COAG initiative, the Australian Government is providing new funding of $24.2 million for improved, nationally consistent, arrangements for aged care assessment, especially for Home and Community Care. In July, I announced up to $30 million in extra, one-off, unmatched funding to build on and extend this work.

Building on advances already made, in September 2006 I announced a review to examine equity, access, funding, fees, quality and accountability of Commonwealth-funded community aged care programs. The Government's objective with this refining review is to provide easier access to community care, a fairer system of care distribution and improved quality of care for older Australians who choose to stay at home.

The Australian Government has acted decisively in response to alleged serious incidents of abuse in aged care homes. I have announced a $90.2 million package of reforms to further safeguard people in residential care. The changes include more robust complaints and compliance arrangements and a new Office for Aged Care Quality and Compliance, with enhanced powers and responsibilities. Together with other initiatives announced in the 2006-07 Budget, this brings the value of the Government's response to abuse allegations to more than $100 million.

I am impressed by the dedication of aged care providers and their staff in caring for our frail aged. I am confident that by working together we can we can build on the excellent aged care system we now have to provide even better care and support for older Australians who were the builders of our nation as we know it today.

Santo Santoro

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Executive Summary

The *Report on the Operation of the Aged Care Act 1997* meets the requirement of Section 63-2 of the Act that the Minister for Ageing present to Parliament a report on the operation of the Act for each financial year. This report describes the operation of the Act during 2005-06 and includes additional information to aid understanding of aged care programs and policies.

Access to care

The Australian Government has established planning and assessment arrangements to ensure equitable access to aged care and to provide diverse and flexible services to all older Australians, including those with special needs.

The number of Australian Government subsidised aged care places continues to increase and the Government has met its commitment to provide 200,000 places by June 2006. There were 204,869 operational aged care places at 30 June 2006, equating to a ratio of 105.8 places per 1,000 people aged 70 years or older. There were 228,384 places allocated at 30 June 2006.

In the 2005 Aged Care Approvals Round, 11,208 new places were allocated. A further 8,771 new places have been made available for allocation in 2006-07, including 7,678 in the 2006 Aged Care Approvals Round.

The 2004-05 Budget announced a national Transition Care Program, developed and jointly funded by the Australian Government and the states and territories. Transition Care services are now operational in all states and the Australian Capital Territory and 1,507 places had been allocated by 30 June 2006. The Northern Territory is expected to commence services in 2006-07.

There were 2,926 aged care homes receiving Australian Government funding at 30 June 2006. Occupancy declined slightly, with an average of 95.0 per cent of all residential places being used during 2005-06.

The use of residential respite care increased again during 2005-06. There were over 51,300 admissions to residential respite, using an estimated 1.10 million resident days.

In 2004-05, Aged Care Assessment Teams recorded 187,723 assessments, of which 176,877 were completed. In February 2006, the Council of Australian Governments endorsed work already underway toward more consistent entry, eligibility, assessment and referral processes for frail older people requiring care services.

The Australian Government continued to support care recipients with special needs, providing targeted care places for people from Aboriginal and Torres Strait Islander communities, people from diverse cultural and linguistic backgrounds, veterans (including spouses, widows and widowers of veterans), people who are socially or financially disadvantaged, and people living in rural or remote areas.

The Australian Government provides over $2.8 billion annually for services of direct benefit to people with dementia and their carers, some of which are provided under the *Aged Care Act 1997*. In the 2005-06 Budget, the Australian Government announced a $320.6 million initiative, *Helping Australians with dementia, and their carers – making dementia a National Health Priority*. Action to implement the initiative during the year is outlined in this report.

The Australian Government is committed to ensuring that people are aware of the options available to them and that they have access to appropriate services. It provides a range of information products and services, including information lines, brochures and fact sheets, Internet websites, and the Commonwealth Carelink Centres network. Fifty-four Commonwealth Carelink Centres provided approximately 184,000 clients with information about community, residential and other aged care services during the year.

Funding for care

Australian Government funding for aged care increased to $7.1 billion in 2005-06, including $5.3 billion for residential aged care subsidies and supplements and $357 million for Community Aged Care Packages. Australian Government funding outside the *Aged Care Act 1997* included increases to $858 million for Home and Community Care and $140 million for the National Respite for Carers Program.

In the 2004-05 Budget, the Australian Government allocated an additional $877.8 million over four years for a Conditional Adjustment Payment, payable to eligible approved providers of residential aged care on certain conditions. In 2005-06, the payment was 3.5 per cent of the basic subsidy amount.

Capital income is also available to service providers through resident accommodation payments, the capital component of recurrent funding, and targeted capital assistance grants. Some 59.4 per cent of homes received income from accommodation charges in 2005-06 and about 76.1 per cent held accommodation bonds at 30 June 2006. The average accommodation charge for new residents was an estimated $15.62 per day. The average accommodation bond agreed with a new resident in 2005-06 was an estimated $141,690 and the median new bond amount was an estimated $122,500.

Quality of care

The Aged Care Standards and Accreditation Agency accredits all Australian Government-funded aged care homes, with 93 per cent of homes accredited for at least three years. At 30 June 2006, over 96 per cent of homes were compliant with all 44 Accreditation Standard Outcomes.

Building quality and amenity continue to improve and the average number of residents per room continues to decline.

An estimated total of $1,138.4 million of new building, refurbishment and upgrading work was completed during 2005-06, involving around 16.4 per cent of

all homes. An estimated further $1,111.4 million of work was in progress at 30 June 2006, involving around 11.0 per cent of all homes.

The quality framework is reinforced by a program of spot checks, audits and other contacts, the imposition of sanctions, and other regulatory action against providers that do not meet their responsibilities under the Act. The Agency and the Department undertook 5,495 visits to homes in 2005-06. In 2005-06, the Department took sanctions action against 11 approved providers, including the issuing of 12 Notices of Decision to Impose Sanctions and 83 Notices of Non-Compliance.

Early in 2006, the Minister for Ageing established a Residential Aged Care Abuse Taskforce to consider stakeholder feedback concerning physical and sexual abuse in aged care homes. Its work assisted development of the Australian Government's response, including introduction of compulsory police checks for employees and volunteers, increased spot checks of homes, changes to complaints handling procedures, compulsory reporting of certain incidents, and whistleblower protection.

The 2004-05 Budget allocated $13.7 million for Quality Reporting in Community Care. The first three-year cycle commenced nationally on 1 July 2005, covering Community Aged Care Packages, Extended Aged Care at Home, and the National Respite for Carers Program.

Prudential arrangements provide protection for residents who pay bonds and include a guarantee of repayment. In March 2006, Parliament passed legislation to strengthen the prudential arrangements and introduce a scheme to guarantee repayment of bond balances should an aged care provider become bankrupt or insolvent.

During 2005-06, the Australian Government continued to expand investment in the education and training of aged care staff, including the provision of nursing scholarships and training opportunities for other care staff. New initiatives included provision of $13.8 million in the 2005-06 Budget for dementia-specific training of aged care workers and $13.4 million in the 2006-07 Budget for training of community care workers, especially those providing Extended Aged Care at Home.

Glossary

ACAT	Aged Care Assessment Team
Act, the	The *Aged Care Act 1997*
Agency, the	The Aged Care Standards and Accreditation Agency
Approved provider	A person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation.)
ACFI	Aged Care Funding Instrument
ACPAC	Aged Care Planning Advisory Committee
ACPR	Aged Care Planning Region
AIHW	Australian Institute of Health and Welfare
CACP	Community Aged Care Package
CAP	Conditional Adjustment Payment
COAG	Council of Australian Governments
Department, the	Department of Health and Ageing
EACH	Extended Aged Care at Home
EACHD	Extended Aged Care at Home Dementia
Extra service	Extra service status allows aged care homes to offer a 'significantly higher' than average standard of accommodation, services and food in return for additional payment under certain conditions.
HACC	Home and Community Care
High care	Includes: • accommodation related services—for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance; • personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and

	• nursing services and equipment—for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen.
Low care	Includes: • accommodation related services—for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance; • personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments.
Minister, the	to 27 January 2006, the Hon. Julie Bishop MP, Minister for Ageing; from 27 January 2006, Senator the Hon. Santo Santoro, Minister for Ageing
MPS	Multi-purpose Service
Principles, the	the Aged Care Principles, which are regulations made by the Minister under subsection 96-1(1) of the *Aged Care Act 1997*
RCS	Resident Classification Scale
Secretary	Secretary to the Department of Health and Ageing

1 Introduction

This *Report on the Operation of the Aged Care Act 1997* is the eighth in the series and covers the period 1 July 2005 to 30 June 2006. It meets the requirement of Section 63-2 of the Act that the Minister for Ageing present to Parliament a report on the operation of the Act for each financial year.

The *Aged Care Act 1997* requires the report to include information on:

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

The Act does not limit the report to these matters.

1.1 The National Strategy for an Ageing Australia

The National Strategy for an Ageing Australia is a framework for Australia's national response to the challenges and opportunities presented by the ageing of Australia's population. It provides a coordinated approach to issues surrounding population ageing and encourages the development of appropriate economic and social policies by governments, business, the community and individuals. It is a vehicle for ongoing leadership by the Australian Government in engaging these groups in consultation and action.

The National Strategy aims to support older Australians in the community and enable them to lead healthy, independent and active lives for as long as possible, by encouraging positive and proactive attitudes to ageing and removing barriers to continued economic and social participation.

The National Strategy recognises the breadth and complexity of issues in an ageing society, and the importance of effective and coordinated action in making the necessary adjustments.

In the 2004-05 Budget, the Australian Government renewed funding support for the Strategy following an independent evaluation in 2003 by the Australasian Centre on Ageing, which concluded that there was a unanimous view among stakeholders that Australian Government support of the Strategy should continue.

The provision of affordable, quality aged care services, described in this report, is essential to achieving the world class care goals of the National Strategy.

1.2 Structure and scope of this Report

This report is organised around three themes.

- Chapter 2 deals with access to care. It includes information on the planning framework employed in the distribution of new places, current provision levels of aged care places, support for people with special needs, respite care, dementia care and support, access to aged care through independent assessment, and provision of information to clients and potential care recipients.
- Chapter 3 outlines the funding of aged care services, focusing particularly on funding in 2005-06 through accommodation payments, other user contributions, and Australian Government payments.
- Chapter 4 gives information on quality of care and accommodation. It describes the quality assurance framework, measures to ensure that approved providers of aged care meet their responsibilities, action to enhance the quality of care and equip the aged care workforce, and action to support consumers in the aged care system.

Appendices include information about:

- amendments to the *Aged Care Act 1997* and the Aged Care Principles in 2005-06;
- responsibilities of approved providers under the Act;
- sanctions imposed in 2005-06; and
- Aged Care Assessment Teams.

While the report focuses primarily on activities under the *Aged Care Act 1997*, those activities occur within the wider context of programs and policy for older Australians. The report therefore includes information on matters outside the strict scope of the Act, when this is useful for a more complete picture of activities under the Act. Important services provided outside the Act, and therefore not discussed in detail in this report, include the Home and Community Care program, the National Respite for Carers Program, and some aspects of dementia care and support.

1.3 Sources

Information for this report was collected primarily from Departmental information systems and records. Information has also been obtained from the Aged Care Standards and Accreditation Agency, the Complaints Resolution Committees and Aged Care Assessment Team data.

This report must include information on the amounts of accommodation bonds and charges charged (paragraph 63-2(2)(d) of the Act) and the extent of building, upgrading and refurbishment of aged care facilities (paragraph 63-2(2)(e)). This information is not available to the Department in the ordinary course of business. Therefore a survey of aged care providers is conducted each year in August and September to obtain the required information for the preceding financial year. Taverner Research Company was contracted to undertake the survey for this report. 82.2 per cent of aged care homes responded to the survey, compared with 84.2 per cent in the previous year.

2 Access to care

The Australian Government aims to ensure access to Government-funded aged and community care for all frail older Australians who need care. In 2005-06:

- 199,013 people received permanent residential care—equivalent to 10.5 per cent of people aged 70 years or over at 30 June 2005;
- 37,349 people received residential respite care—equivalent to 2.0 per cent of people aged 70 years or over at 30 June 2005—of whom 16,699 were later admitted to permanent care;
- 48,050 people received care through a community care place (either a Community Aged Care Package, an Extended Aged Care at Home package or Extended Aged Care at Home Dementia package)—equivalent to 2.5 per cent of people aged 70 years or over at 30 June 2005—including some who also received permanent or respite residential care during the year; and
- 852 people received care as the Transition Care Program began provision of services during the year.

An estimated 792,200 people received services through the Home and Community Care program, of whom 67.5 per cent were aged 70 years or over.[1]

2.1 Planning framework

Through a planning framework, the Australian Government seeks to achieve and maintain a national provision level of 108 operational aged care places for every 1,000 people aged 70 years or over. An increase from 100 places to 108 places was part of the 2004-05 Budget package, *Investing in Australia's Aged Care: More Places, Better Care*, with a view to reaching the new target in 2007. The ratio is made up of 40 residential high care places, 48 residential low care places and 20 community care places.

The Australian Government ensures that the growth in the number of aged care places matches growth in the aged population. It also ensures balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing differing levels of care. Each year, the Australian Government makes available new residential and community care places for allocation in each state and territory. The number of new places relates to a comparison of the planning benchmarks with the number of people aged 70 years or over in the general population.

The allocation of places to Aged Care Planning Regions within each state and territory is determined by the Secretary of the Department of Health and Ageing, acting on the advice of Aged Care Planning Advisory Committees (ACPACs). ACPACs provide advice on comparative aged care needs in the Aged Care Planning Regions, including consideration of people from the prescribed special needs groups.

1 Estimate based on the first two quarters of 2005-06.

ACPAC members in each state and territory are appointed by the Secretary and comprise people from government and the community with experience and/or interest in aged care. Members are not appointed to represent a particular body or group. They are chosen because of their ability to contribute to the planning of aged care and to give effective advice to the Secretary.

Following the Secretary's allocation of places within each state and territory, an open competitive process, the annual Aged Care Approvals Round, is conducted to allocate the places to approved providers. Places are allocated to approved providers that demonstrate that they can best meet the aged care needs within a particular planning region, community or group.

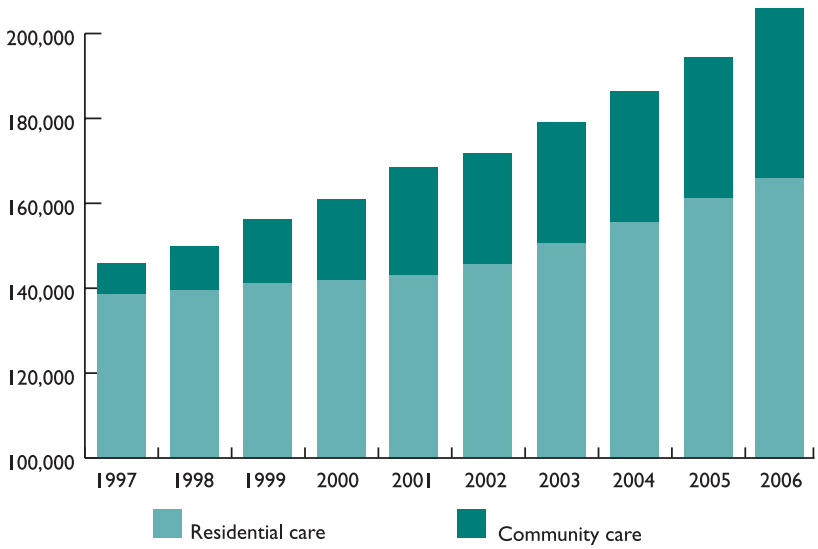
Particularly because of the time required for building approval and construction, providers have two years to make aged care places operational. This may be extended in certain circumstances. Providers allocated new residential places must make quarterly progress reports on when the places are expected to become operational. A consideration in the Aged Care Approvals Rounds is the ability of applicants to bring places into operation as quickly as practicable. Community Aged Care Packages and Extended Aged Care at Home places tend to become operational soon after allocation.

Providers advise that about 70 per cent of the difficulties in making residential places operational in a timely manner relate to delays in gaining planning approval from state, territory or local governments and to the availability of land. The Australian Government consults with state, territory and local governments on ways to reduce these delays.

2.2 Provision

The number of Australian Government subsidised aged care places continues to increase; 228,384 places had been allocated by 30 June 2006. This included 187,935

Figure 1: Operational aged care places at 30 June, 1997 to 2006



residential places, 38,942 community care places and 1,507 Transition Care places.[2] The Australian Government has met its commitment to provide 200,000 places by June 2006. The number of operational aged care places increased from 193,753 at 30 June 2005 to 204,869 at 30 June 2006. This included 165,782 residential places, 38,492 community care places and 595 Transition Care places. The operational ratio at 30 June 2006 was 105.8 places per 1,000 people aged 70 years or older.

The number of operational places at 30 June 2006 is an increase of 63,576 places, or 45.0 per cent, in the ten years since June 1996.

Table 1: Allocated and operational residential, community and transition care places per 1,000 people aged 70 years or older, 30 June 2006, by state and territory

	Residential care—high	Residential care—low	Total residential	Community care	Transition care	Total places
Allocated places:						
NSW	47.9	49.2	97.1	19.5	0.8	117.4
Vic	45.0	52.9	98.0	20.1	0.8	118.8
Qld	44.8	51.3	96.1	19.0	0.8	116.0
SA	48.1	49.3	97.4	19.9	0.7	118.0
WA	43.9	51.7	95.6	20.6	0.6	116.8
Tas	49.3	46.1	95.3	21.3	1.0	117.6
NT	63.8	45.9	109.6	135.1	0.0	244.8
ACT	41.2	58.7	99.9	24.3	1.6	125.7
Australia	**46.3**	**50.8**	**97.0**	**20.1**	**0.8**	**117.9**
Operational places:						
NSW	44.4	39.7	84.1	19.2	0.5	103.8
Vic	39.7	46.3	86.0	20.0	0.1	106.2
Qld	39.6	45.9	85.5	18.9	0.2	104.7
SA	45.6	46.2	91.8	19.9	0.5	112.3
WA	38.5	46.1	84.7	19.8	0.3	104.7
Tas	44.8	42.8	87.6	20.6	0.3	108.5
NT	59.5	44.3	103.8	135.1	0.0	238.9
ACT	29.7	41.8	71.5	23.9	0.4	95.9
Australia	**41.8**	**43.8**	**85.6**	**19.9**	**0.3**	**105.8**

2 Place numbers in section 2.2, including Figure 1, include flexible care places. EACH and EACH Dementia places are attributed as community care while MPS, permanently allocated Innovative Care places, and flexible care places under the National Aboriginal and Torres Strait Islander Aged Care Strategy are attributed as either high care, low care or community care packages.

2.3 Recent provision of new places

The 2005 Aged Care Approvals Round allocated 11,208 new places, including 4,352 Community Aged Care Packages (CACPs), 915 Extended Aged Care at Home (EACH) packages, 667 Extended Aged Care at Home Dementia packages and 5,274 residential aged care places. When allocated, these new places were worth more than $256.6 million annually in Australian Government subsidies. The residential care places were allocated to 194 aged care services.

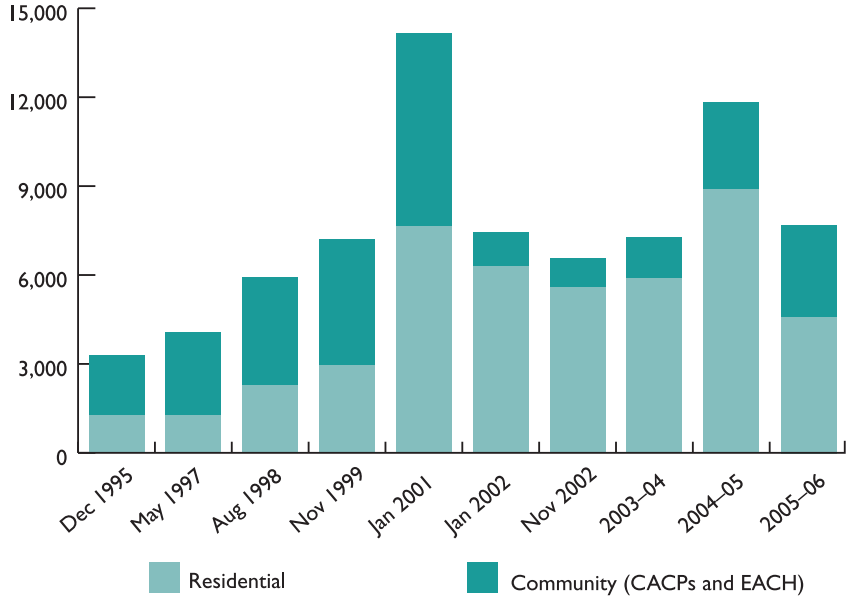
Table 2: New residential and community care places allocated in the 2005 Aged Care Approvals Round, by state and territory

	Residential Aged Care Places	Community Aged Care packages	Extended Aged Care at Home Packages	Total Places
New South Wales	2,056	1,314	530	3,900
Victoria	868	1,137	406	2,411
Queensland	1,416	923	265	2,604
South Australia	293	339	133	765
Western Australia	310	489	138	937
Tasmania	126	90	45	261
Northern Territory	20	20	30	70
Australian Capital Territory	185	40	35	260
Australia	**5,274**	**4,352**	**1,582**	**11,208**

The Australian Government has made 8,771 new aged care places available for allocation in 2005-06, including 7,678 in the 2006 Aged Care Approvals Round. Places available in the 2006 Aged Care Approvals Round include 4,585 residential care places, 1,926 CACPs, 500 EACH packages and 667 EACH Dementia packages. Most of the remaining 1,093 places are available for allocation through the flexible care programs, including Transition Care, Multi-purpose Services and the Innovative Pool

Figure 2 shows allocations of new places since 1995. In January 2001 the Australian Government moved to accelerate achievement of the then target of 100 places per 1,000 people aged 70 years or over, by allocating additional places. In subsequent Aged Care Approvals Rounds, the allocation of places returned to more usual growth levels, until 2004-05, when the Australian Government increased the target ratio from 100 to 108 places per 1,000 people aged 70 or over.

Figure 2: New places allocated in annual rounds, 1995 to 2005-06



Note: co-ordinated Aged Care Approvals Rounds commenced in 1999

2.4 New places in the next three years

The allocation process has been improved by announcing, three years in advance, indicative numbers of new aged care places to be made available. It is anticipated that this will increase the rate at which new places become operational, by allowing existing and new providers more time to plan for expansion or restructuring of their services. It is also expected to encourage new providers into the sector.

On 1 May 2006, the Australian Government announced the numbers of new aged care places to be made available in 2006-07 as well as indicative releases for 2007-08 and 2008-09. An estimated 26,391 new aged care places will be made available through Aged Care Approvals Rounds in 2006 (7,678 places), 2007 (8,737 places) and 2008 (9,976 places), in addition to places available each year for national programs.

Table 3: New aged care places to be allocated in 2006-07 and indicative releases for 2007-08 and 2008 -09

	2006-07				2007-08	2008-09	Three year totals
	Residential	CACP	EACH (a)	Total			
NSW	1,410	579	395	2,384	2,630	2,614	7,628
Vic	1,005	427	290	1,722	2,018	1,927	5,667
Qld	1,000	583	201	1,784	1,953	2,955	6,692
SA	260	115	98	473	559	311	1,343
WA	566	167	103	836	1,198	1,745	3,779
Tas	155	35	35	225	166	171	562
NT	15	10	20	45	41	54	140
ACT	174	10	25	209	172	199	580
Subtotals	4,585	1,926	1,167	7,678	8,737	9,976	26,391
National programs				(b) 1,093	600	600	2,293
Total				**8,771**	**9,337**	**10,576**	**28,684**

Actual future releases of places may differ from the indicative figures, due to Australian Bureau of Statistics revision of population projections and variations in the rate at which previously allocated places become operational. (a) Includes EACH (Dementia) in 2006-07 and 2007-08 only. (b) Includes 893 flexible places, for national programs, plus 150 residential and 50 community places.

2.5 Community care

The Australian Government is committed to community care, including care in the home, as the preference of most older people needing care.

2.5.1 Home and Community Care

The largest part of the Australian Government's support for community care is provided through the Home and Community Care (HACC) program. HACC is an Australian Government, state and territory jointly-funded program administered under the *Home and Community Care Act 1985*.

The HACC program funds care services, including nursing, personal care, domestic assistance, delivered meals, day care, transport, home modification and maintenance, and respite care. An aim of the program is to delay or prevent the need for residential care. In 2005-06 there was an estimated 5.5 per cent increase in the number of people who received HACC services, of whom 67.5 per cent were aged 70 years or over.[3]

The Australian Government contributes approximately 60 per cent of HACC program funding nationally. State and territory governments contribute approximately 40 per cent of program funding and manage the day-to-day delivery of services. The HACC program complements Community Aged Care Packages, which are administered under the *Aged Care Act 1997* and funded directly by the Australian Government.

3 Estimate based on the first two quarters of 2005-06.

2.5.2 Community Aged Care Packages

Community Aged Care Packages (CACPs) are individually tailored packages of low level care to support frail older people with complex conditions in their own homes. They are complemented by Extended Aged Care at Home (EACH) packages, which provide high level care. Table 4 shows the number of CACPs available in 1995 and 2006 and the percentage increase in available packages since 1995, by state and territory.

Table 4: Number of allocated CACPs, 30 June 1995 and 30 June 2006, by state and territory

	1995	2006	Increase
New South Wales	1,847	12,021	551%
Victoria	1,212	9,113	652%
Queensland	733	6,000	719%
South Australia	465	3,184	585%
Western Australia	437	3,192	630%
Tasmania	150	983	555%
Northern Territory	64	625	877%
Australian Capital Territory	36	456	1,167%
Australia	**4,944**	**35,574**	**620%**

Note: the percentage increases vary significantly due to low base figures in 1995

2.5.3 The Way Forward

A New Strategy for Community Care—The Way Forward[4] outlines actions aimed at strengthening and improving the community care system. It builds on the current strengths of the community care system and outlines a number of ways to improve the system to reduce complexity and achieve greater consistency, as well as simplifying and creating a fairer system for people requiring care to stay at home.

In consultation with state and territory governments, good progress was made in a number of areas during 2005-06, including the key priority of developing nationally consistent eligibility and assessment processes for community care. At its February 2006 meeting, the Council of Australian Governments:

- endorsed work already underway toward more consistent entry, eligibility, assessment and referral processes in the Home and Community Care (HACC) Program; and
- agreed to improved performance management of Aged Care Assessment Teams, to ensure timelier, more consistent and accountable assessments for frail older people requiring care services.

4 *The Way Forward—A New Strategy for Community Care*. Department of Health and Ageing, 2004.

2.6 Residential care

The Australian Government funds aged care homes to provide residential aged care to older Australians whose care needs are such that they can no longer remain in their own homes. Residents receive either low level care or high level care. As their care needs change, residents often move between care levels while staying in the same aged care home. Low level care includes the provision of suitable accommodation and related services (such as laundry, meals and cleaning) and personal care services (such as assistance with the activities of daily living). High level care includes accommodation and related services, personal care services and nursing care and equipment. There were 2,926 aged care homes receiving Australian Government funding at 30 June 2006. Occupancy of residential places, including permanent and respite care, was 95.0 per cent in 2005-06, compared with 95.3 per cent in 2004-05. Table 5 shows the distribution of operational residential places, excluding flexible care places, by type of provider.

Table 5: Operational residential places other than flexible care places, by provider type at 30 June 2006, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt	Local Govt	Totals
NSW	17,805	11,559	8,618	16,570	817	738	56,107
Vic	7,149	2,600	6,570	19,072	6,000	1,039	42,430
Qld	12,379	4,102	3,539	7,330	1,536	238	29,124
SA	4,468	4,046	2,053	3,694	1,041	373	15,675
WA	4,509	2,231	1,673	4,701	72	564	13,750
Tas	1,643	960	1,074	550	110	16	4,353
NT	239	80	66	50	0	0	435
ACT	366	755	125	348	0	0	1,594
Aust	**48,558**	**26,333**	**23,718**	**52,315**	**9,576**	**2,968**	**163,468**

2.6.1 Entry periods for residential care

The Australian Government is committed to ensuring that older people can access residential and community care services when they need them. Table 6 shows the proportion of residents placed in permanent residential care within a specified time period after assessment by an Aged Care Assessment Team (ACAT), by level of care.

Table 6: Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry, 2005-06

	2 days or less	7 days or less	1 month or less	3 months or less	6 months or less
High care	12.3%	29.0%	59.3%	82.4%	92.2%
Low care	4.3%	10.9%	30.7%	60.2%	80.2%
All residents	8.5%	20.4%	45.7%	71.8%	86.5%

As described in previous editions of the *Report on the Operation of the Aged Care Act 1997*, a report by the Australian Institute of Health and Welfare in May 2002 found that entry period is not valid as a proxy for waiting time or as a measure of the accessibility of residential aged care services. The report also confirmed that increased availability of community care and respite care has a significant effect in delaying entry into permanent care.[5]

ACAT approval for admission to residential care is valid for one year. This allows time for people who have been approved for care to visit different homes, consider their options, settle their affairs and make arrangements with the home of their choice before entering care. In emergency situations, residents may be placed before ACAT assessment.

2.6.2 Utilisation

Since the introduction of the *Aged Care Act 1997*, places allocated for low level care may be used for high level care to enable residents to age in place. Table 7 gives information on the utilisation of residential places for low level care and high level care.

Table 7: Utilisation of operational residential aged care places by state and territory, 30 June 2006

	Proportion of all operational residential places utilised for high care	Proportion of operational places allocated as low care and utilised for high care
New South Wales	64.9%	31.3%
Victoria	59.6%	30.8%
Queensland	64.6%	40.4%
South Australia	70.9%	45.8%
Western Australia	60.1%	31.4%
Tasmania	68.8%	42.0%
Northern Territory	69.7%	37.9%
Australian Capital Territory	65.0%	42.5%
Australia	**63.7%**	**34.6%**

2.6.3 Extra Service

The Act provides that aged care homes may be approved to offer residents Extra Service, which involves a significantly higher than average standard of accommodation, services and food. Approval may be for the whole of a residential home or for a distinct part. Extra Service does not affect the care provided to residents, as all residential aged care providers are required to meet designated care standards for all residents. Homes approved for Extra Service may charge

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

an additional Extra Service daily amount. They may also charge accommodation bonds for both high care and low care residents.

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

Amendment of the Extra Service Principles removed from 1 July 2005 the requirement for Extra Service status to be renewed every five years. This amendment was made to provide more certainty for providers, particularly in relation to their capital-raising requirements.

At 30 June 2006, there were 10,266 residential aged care places approved for Extra Service status, of which 7,712 were operational for Extra Service. The total number of places approved for Extra Service represented 5.5 per cent of all allocated residential mainstream places and comprised 8,066 high care places and 2,200 low care places. In 2005-06, new Extra Service approvals were granted for 958 places, comprising 807 high care and 151 low care.

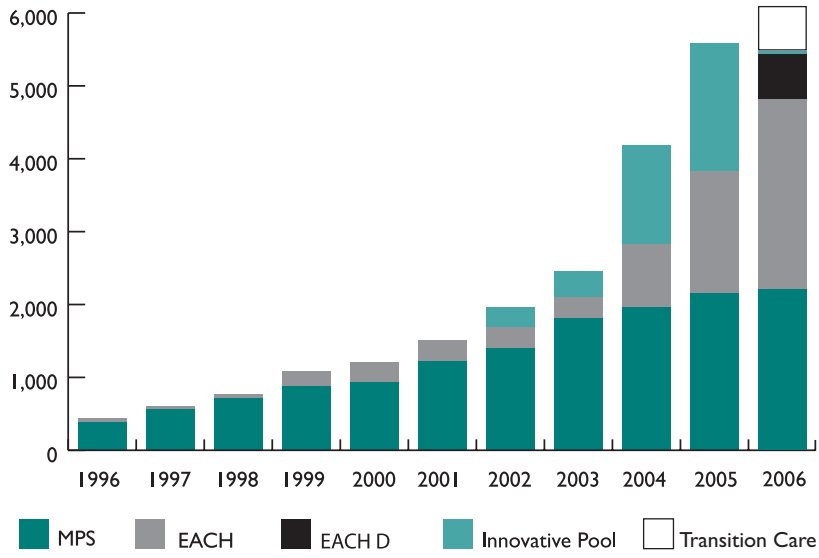
2.7 Flexible care

Flexible care addresses the needs of care recipients in ways other than the care provided through mainstream residential and community care. Four types of flexible care are now provided for under the Act—Extended Aged Care at Home (EACH) and Extended Aged Care at Home (EACHD) packages, Innovative Care, Multi-purpose Service places and Transition Care. Following an announcement in the 2004-05 Budget, the Act was amended to provide for the introduction of Transition Care from 1 July 2005 (see 2.7.4 below).

In addition, flexible models of care are provided under the National Aboriginal and Torres Strait Islander Aged Care Strategy, often in remote areas where no aged care services are otherwise available. Services delivered under the Strategy are outside the *Aged Care Act 1997*.

Figure 3 shows the total number of operational flexible care places funded under the Act at 30 June in each year from 1996 to 2006.

Figure 3: Operational flexible places funded under the Aged Care Act 1997, 30 June 1996 to 30 June 2006



2.7.1 Extended Aged Care at Home

The Extended Aged Care at Home (EACH) program provides high level aged care to people in their own homes, complementing Community Aged Care Packages, which provide low level care.

In the 2005 Aged Care Approvals Round, 915 new EACH packages and 667 EACH Dementia packages were allocated, bringing the total to 3,368 packages allocated nationally at 30 June 2006. The Australian Government has made available a further 500 EACH packages and 667 EACH Dementia packages for allocation in the 2006 Round.

Table 8: Operational and allocated Extended Aged Care at Home packages at 30 June 2006, by state and territory

	Operational packages			Allocated packages		
	EACH	EACH Dementia	Total operational	EACH	EACH Dementia	Total allocated
NSW	816	174	990	874	225	1,099
Vic	718	166	884	718	166	884
Qld	424	115	539	439	115	554
SA	230	58	288	230	58	288
WA	205	48	253	235	58	293
Tas	55	15	70	75	20	95
NT	60	10	70	60	10	70
ACT	67	15	82	70	15	85
Aust	**2,575**	**601**	**3,176**	**2,701**	**667**	**3,368**

The EACH Dementia program was announced in the 2005-06 Federal Budget as part of the initiative *Helping Australians with dementia, and their carers—making dementia a National Health Priority*. Funding of $225.1 million over four years is being provided to create 2,000 packages.

The EACH Dementia packages are individually tailored packages of care for approved care recipients who have complex care needs because of behaviours of concern and psychological symptoms, associated with dementia, that impact on their ability to live independently in the community. The care packages provide services necessary to maintain the person at home, including nursing care or personal assistance (or both). The care recipients have been assessed by an Aged Care Assessment Team as requiring high level care, wish to remain living at home, and are able to do so with the assistance of an EACH Dementia package.

2.7.2 Multi-purpose Services

Multi-purpose Services (MPS) are a joint initiative between the Australian Government and those states and territories that need such services. They deliver a mix of aged care, health and community services in rural and remote communities, many of which cannot sustain separate services. Some health, aged and community care services may not be viable in a small community if provided separately. By bringing the services together, economies of scale are achieved to support the services. Each MPS is financed by a flexible funding pool to which the state and the Australian Government contribute. This is reviewed regularly. An MPS can use the money to provide a mix of services, including aged care, best suited to its community's needs.

The Australian Government is providing Multi-purpose Services with an additional $9.3 million in additional flexible funding over four years from 2006-07 to fund more than 122,000 days of respite care in rural areas.

At 30 June 2006, there were 94 operational MPS, with a total of 2,259 flexible aged care places. Some of the MPS serve more than one location.

Table 9: Multi-purpose Services and operational places, 30 June 2006, by state

	Number of Multi-purpose Services with operational aged care places	Operational aged care places
New South Wales	34	631
Victoria	7	318
Queensland	16	345
South Australia	5	233
Western Australia	29	638
Tasmania	3	94
Australia	**94**	**2,259**

2.7.3 Innovative Care Services

The Innovative Pool

The Innovative Pool provides the opportunity for the Australian Government to work with service providers and state and territory governments to develop and test flexible models of care in areas where mainstream aged care services may not meet the needs of a location or target group. Since 2001-02 the Innovative Pool has focussed on the following care pilots.

Innovative Care Rehabilitation Services (ICRS) pilots and Intermittent Care Services pilots provided care at the interface between aged care and hospital care. The pilots have concluded and lessons learned from them influenced the development of the Transition Care Program. A national evaluation of the ICRS pilots was conducted by Healthcare Management Advisors and published on the Department's website.

Pilots at the interface between aged care and disability services were established to explore approaches to:

- meeting the needs of people with disabilities living in disability supported accommodation who are ageing and at risk of entry to aged care homes (The evaluation of this pilot category is underway with the report expected to be completed and published in 2006-07.); and
- addressing the needs of younger people with disabilities who are inappropriately accommodated in aged care homes and who need support to make the transition to disability supported accommodation.

Dementia pilots explored the provision of services in alternative settings for people with dementia. A national evaluation was finalised in 2005-06 and published in July 2006.[6]

High Needs pilots explored alternative approaches to the provision of care in areas where the provision of aged care services presents a particular challenge.

The Retirement Villages Care Pilot

The Retirement Villages Care Pilot was announced in the 2002-03 Budget. Its focus was on residents of retirement villages who require additional aged care services to assist in their choice to stay at home for as long as possible. Ten projects were selected and 321 flexible care places allocated, comprising high and low care equivalent places. The pilot projects operated from October 2003 to June 2006 and evaluation was completed during 2005-06.[7] On 3 May 2006 the Australian Government announced funding of $24.2 million over four years to improve access to community care services by people living in retirement villages. As part of this initiative, during 2005-06 the Department allocated 321 permanent community care

6 Australian Institute of Health and Welfare: Hales C, Ross L & Ryan C 2006. *National evaluation of the Aged Care Innovative Pool Dementia Pilot: final report*. Aged Care Series no. 10. AIHW cat. no. AGE 48. Canberra, AIHW, 2006. See http://www.aihw.gov.au/publications/index.cfm/title/10288

7 Australian Institute of Health and Welfare: Hales C, Ross L & Ryan C 2006. *National evaluation of the Retirement Villages Care Pilot: final report.* Aged Care Series no. 11. Canberra, AIHW, 2006. See http://www.aihw.gov.au/publications/index.cfm/title/10287

(CACP and EACH) places to the pilot providers so that participants in the pilot program could continue to receive care services after the pilots ended.

2.7.4 Transition Care

The 2004-05 Budget announced a national Transition Care Program to be developed and jointly funded by the Australian Government and the states and territories. Transition care assists older people with time-limited support and therapy-focused care, after completion of a hospital stay. It helps them complete their recovery and optimise their capacity, while also assisting them and their families and carers to make long term care arrangements.

Transition care is directed to older people who are eligible for residential aged care and can be delivered in either a residential or community setting. A person may only enter transition care directly after discharge from hospital. The average duration of transition care is expected to be 8 weeks, with a maximum duration of 12 weeks that can, in some circumstances, be extended by up to 6 more weeks.

A total of 2,000 transition care places will be allocated by June 2007 and 1,507 places had been allocated by 30 June 2006. Services are operational in all states and the Australian Capital Territory. The Northern Territory is expected to commence services in 2006-07. A national evaluation of the Transition Care Program is to commence in 2006-07.

2.8 Respite care and carer support

Respite care is residential or community care to assist frail older people and others with care needs to continue living in the community by giving carers a break from their usual care arrangements. The Australian Government gives respite support through the residential care program under the *Aged Care Act 1997*, through the National Respite for Carers Program, and through the Home and Community Care program. An estimated 475,000 Australians are primary carers, helping older Australians or younger people with disabilities to live at home and in their community.

2.8.1 2005-06 Budget initiatives

Since 1996 the Australian Government has delivered a tenfold increase in funding to the National Respite for Carers Program. The 2005-06 Budget built on this by investing a further $207.6 million for the following initiatives.

Employed carers

The Australian Government is providing $95.5 million over four years to give working carers of the frail aged more opportunities and flexibility to combine caring with work or training and study to enter the workforce. Under this measure, 96 new or expanded respite services were funded in 2005-06. The services include respite delivered in centres and in the homes of carers.

As part of this initiative, the Department is piloting innovative models of respite for employed carers through the Employed Carer Innovation Pilots. The goals of the Pilots include:

- identifying innovative, comprehensive, cost effective, models of respite for employed carers;
- fostering collaborations between employers and community care service providers; and
- exploring the cost benefits of different approaches to supporting employed carers of the frail aged.

In recognition of the broader policy considerations involved in supporting employed carers, an interdepartmental reference group has been established to advise on the development, implementation and evaluation of the Employed Carer Innovation Pilots.

Overnight Community Respite

The Australian Government is providing $61.0 million over four years for overnight respite in community settings, particularly in areas where respite options may be limited. Seventy one respite services were funded under the Overnight Community Respite initiative in 2005-06. This funding also supports the development of additional information on standards and reporting for community respite houses, supplementing the Community Care Quality Reporting Framework.

Workshops

Three workshops were delivered in May and June 2006 for service providers who received funds under the Overnight Community Respite and Employed Carer initiatives. Over 400 representatives of funded organisations attended the workshops, which were designed to:

- develop good practice in providing overnight community respite and respite for employed carers;
- promote an understanding of quality in service delivery and of Community Care Quality Reporting; and
- provide an opportunity for service providers and Commonwealth Carer Respite Centres to network and share examples of good practice.

More high care respite

The 2005-06 Budget also included $41.8 million over four years to increase high care respite in residential facilities, through incentives to aged care providers. The incentive is paid as an additional $28 per day subsidy for high care respite to residential facilities who have met at least 70 per cent of their respite conditions of allocation. Thirteen workshops were delivered in metropolitan and regional areas for representatives from residential facilities, Commonwealth Carer Respite Centres and Aged Care Assessment Teams to promote the measure and help develop networks within regions. Over 800 representatives participated in the workshops.

Respite in Multi-purpose Services

The Australian Government is providing Multi-purpose Services with an additional $9.3 million in additional flexible funding over four years from 2006-07 to fund more than 122,000 days of respite care in rural areas.

2.8.2 Residential respite

Residential respite gives short term care in aged care homes. It may be used on a planned or emergency basis. Admissions to residential respite have increased from about 49,700 in 2004-05 to 51,300 in 2005-06. The number of resident respite days used increased from an estimated 1.04 million days in 2004-05 to an estimated 1.10 million days in 2005-06—an increase of 5.4 per cent.

Table 10: Estimated respite care resident days by level of care 2005-06, by state and territory

	High care	Low care	Total
New South Wales	225,050	258,872	483,922
Victoria	67,310	177,269	244,579
Queensland	54,280	80,508	134,788
South Australia	50,580	61,493	112,073
Western Australia	18,763	48,739	67,502
Tasmania	13,695	14,329	28,024
Northern Territory	5,451	3,250	8,701
Australian Capital Territory	6,201	9,844	16,045
Australia	**441,330**	**654,304**	**1,095,634**

2.8.3 National Respite for Carers Program

The National Respite for Carers Program continued to provide support for carers of frail older Australians and people with disabilities. Funding has increased more than tenfold since the program commenced in 1996, to $140.4 million in 2005-06.

Commonwealth Carer Respite Centres coordinate respite services, help carers access them, and arrange individual respite when needed. Carers received approximately 126,000 occasions of service from Commonwealth Carer Respite Centres in 2005-06. Respite services under the National Respite for Carers Program provided approximately 2.34 million hours of respite in 2005-06, including respite provided by the new and expanded employed carer projects and overnight community respite services.

Commonwealth Carer Resource Centres provide information, training and resource development, enhance volunteer support, and promote recognition of carers' needs. The total number of carers assisted by them in 2005-06 is estimated at 31,000. Approximately 5,800 carers received counselling services in 2005-06 under the National Carer Counselling Program, delivered through Commonwealth Carer Resource Centres, compared with 4,000 in 2004-05.

A Carers Eligibility and Needs Assessment tool has been developed in readiness for technical trials to begin early in 2006-07.

2.9 Dementia care and support

The Australian Government provides over $2.8 billion annually for a range of services to directly benefit people with dementia and their carers. Some services for people with dementia and their carers are provided under the *Aged Care Act 1997*; other services are provided outside the Act. In the 2005-06 Budget, the Australian Government announced a $320.6 million initiative, *Helping Australians with dementia, and their carers—making dementia a National Health Priority*. In August 2005, the Minister appointed a Dementia National Health Priority Taskforce of industry and peak body and clinical experts in the field of dementia research and care. It is charged with guiding and informing the development and implementation of the initiatives.

2.9.1 Dementia—a National Health Priority

Funding of $70.5 million over five years for *Dementia—a National Health Priority* will increase the capacity of health and aged care sectors to provide good dementia care by:

- funding dementia research, mapping and consolidating existing dementia research, encouraging collaboration across research institutes, and piloting innovative dementia care and treatment. Three new Dementia Collaborative Research Centres have been established. The Department is also funding dementia research through the National Health and Medical Research Council and has already announced 41 community grants;
- supporting the primary care sector to diagnose and manage dementia, including through:
  - extension of specialised behaviour support services, expanding the current Psychogeriatric Care Unit Program,
  - undertaking work within primary care; and
  - development of Dementia Training and Study Centres to train doctors, nurses and other health care workers—four new centres have been established—; and
- encouraging early intervention for people with dementia and their carers, by:
  - establishing a network of Dementia and Memory Community Centres in each state and territory,
  - supporting prevention through local projects and improved early intervention services, and,
  - awareness strategies to encourage prevention and early intervention.

2.9.2 Dementia specific training

The 2005-06 Budget initiative included $25 million over four years to support dementia specific training for up to 9,000 aged care workers and for 7,000 people in the community who may come into contact with people with dementia, such as police.

The first of these, Dementia Care Skills for Aged Care Workers, will now deliver dementia specific training to almost 17,000 aged care workers rather than the 9,000 originally planned.

Additional support for the workforce will be provided through development of Special Needs Groups training resources and a Dementia Care Kit.

2.9.3 EACH Dementia

Funding of $225.1 million over four years is being provided to create 2,000 Extended Aged Care at Home Dementia packages for people with complex high care needs and a diagnosis of dementia who experience difficulties in their day to day life because of behavioural and psychological symptoms associated with their dementia. (For more details, see 2.7.1 above.)

2.9.4 Information and support

The level of information and support provided to carers of people with dementia continued to increase in 2005-06. The National Dementia Support Program integrates and expands services previously provided by Alzheimer's Australia, and includes new services to meet the growing need for dementia prevention, early intervention, management and support. It provides:

- National Dementia Helpline and referral services (freecall 1800 100 500);
- Dementia and Memory Community Centres;
- early intervention programs, such as the Living with Memory Loss Program;
- advice, counselling and support services;
- education and training, including training through the Carer Education and Workforce project;
- awareness raising services, including activities such as Dementia Awareness Month; and
- support for people with special needs including the Dementia Cross Cultural Network and new activities for Aboriginal and Torres Strait Islander peoples.

More than 40,000 people use these services each year.

2.10 Independent assessment

Under the Aged Care Assessment Program, the Australian Government provides grants to state and territory governments to operate 115 Aged Care Assessment Teams (ACATs).

ACATs comprehensively assess the needs of frail older people using a multi-disciplinary approach. They assess the medical, physical, psychological, social and restorative care needs of older people and provide information and assistance to help people to gain access to care services. ACATs assess the eligibility of people for residential aged care, community care, and flexible care under the Act.

People qualified in one or more core assessment professions may be delegated under the Act to undertake assessments. They include geriatricians, general practitioners or other medical specialists, nurses, social workers, occupational therapists, physiotherapists, or psychologists. This ensures that ACAT members have the skills and experience to assess people for aged care services.

A total of 187,723 assessments were recorded in 2004-05, of which 176,877 were completed, compared with 190,203 assessments recorded in 2003-04, of which 176,955 were completed. (Some assessments are not completed because, for example, the client's circumstances may change or the client may withdraw mid-way through the assessment process.) From 1 July 2004 it has not been necessary that a resident be assessed by an Aged Care Assessment Team before moving from low level care to high level care in the same facility. The small decrease in assessments recorded may largely be attributed to this change and to continued improvements in data validation procedures. Only 37, about 0.02 per cent, of completed 2004-05 assessments were the subject of an appeal.

At its February 2006 meeting, the Council of Australian Governments:[8]

- agreed to strengthened performance management of Aged Care Assessment Teams, to ensure timelier, more consistent and accountable assessments for frail older people requiring care services; and
- endorsed work already underway toward more consistent entry, eligibility, assessment and referral processes in the Home and Community Care (HACC) Program. Current arrangements for access to HACC can be inconsistent and confusing to people who need services. Access to the HACC program will be improved through work with the states and territories to simplify entry and improve consistency in eligibility and assessment processes.

2.11 Support for people with special needs

The *Aged Care Act 1997* aims to provide aged care services in a way that best meets the identified needs of the community. It facilitates access to care irrespective of gender, race, culture, language, economic circumstance or geographic location. In accordance with these aims, the Secretary may decide, under Section 12-5 of the Act, that a number of aged care places will be made available to focus on the care of particular groups of people. People with special needs are identified under the Act and Principles as people from Aboriginal and Torres Strait Islander communities, people from non-English speaking (culturally and linguistically diverse) backgrounds, people who live in rural or remote areas, people who are financially or socially disadvantaged, and veterans, including spouses, widows and widowers of veterans. The Act requires approved providers of all special needs groups when applying for new places or the transfer of places.

In the 2005 Aged Care Approvals Round, 1,050 residential aged care places and 1,588 community aged care places were allocated to aged care providers seeking to

8 See Council of Australian Governments' Meeting, 10 February 2006. *Communiqué*. Attachment D—Better health for all Australians: action plan.

provide services to people from four of the special needs groups. A further 2,144 residential and 2,120 community aged care places were allocated to rural, remote and regional areas.

People from special needs groups also have access to places allocated to serve the needs of the general population.

2.11.1 Aboriginal and Torres Strait Islander people

Conditions associated with ageing generally affect Aboriginal and Torres Strait Islander people substantially earlier than other Australians. Therefore planning for aged care services is based on the Aboriginal and Torres Strait Islander population aged 50 years or older, compared with 70 years or older for other Australians. Aboriginal and Torres Strait Islander people access mainstream services, as well as those managed by Aboriginal and Torres Strait Islander organisations. In many areas, services managed by non-Indigenous approved providers have a significant number of Aboriginal and Torres Strait Islander clients. There are 29 services funded under the Act and operating under the auspices of Aboriginal and Torres Strait Islander organisations, providing 744 places at 30 June 2006.

In addition, at 30 June 2006 there were around 600 flexible aged care places, delivered under the National Aboriginal and Torres Strait Islander Aged Care Strategy. The 2006-07 Budget is providing funding of $15.1 million over four years for an additional 150 aged care places under the Strategy. These flexible care places help ensure that Aboriginal and Torres Strait Islander people can access culturally appropriate care services as close as possible to their communities. In the 2004-05 Budget, the Australian Government provided an additional $10.3 million nationally over four years to improve the viability of Aboriginal and Torres Strait Islander flexible services.

2.11.2 People from culturally and linguistically diverse backgrounds

Partners in Culturally Appropriate Care is a program developed in 1997 to support aged care service providers in the provision of culturally appropriate care to people from non-English speaking (culturally and linguistically diverse) backgrounds. The 2005-06 Budget provided $5.1 million over three years to continue the Partners in Culturally Appropriate Care initiative.

In the 2004-05 Budget, the Australian Government provided $11.6 million over four years to establish a new Community Partners Program to assist older people from established culturally and linguistically diverse communities to have access to aged care services. The Community Partners Program commenced on 1 January 2005 with six months transitional funding to organisations affected by the cessation of the Department's Ethnic Aged Services Grants Program and the former Department of Immigration, Multicultural and Indigenous Affairs Community Settlement Services Scheme. $2.765 million was made available for the 2005-06 Community Partners Program funding round and 48 projects were approved during the year.

2.11.3 Veterans

Veterans, including spouses, widows and widowers of veterans, as a group are ageing faster than the overall population, so that the number in need of aged care will continue to increase until around 2007 before declining. Veterans are designated as 'people with special needs' under the *Aged Care Act 1997*.[9]

2.11.4 People who live in rural or remote areas

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

The Multi-purpose Service (MPS) program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community and to allow change, as the community's needs change. Nationally, the number of MPS increased from 92 in June 2005 to 94 services in June 2006. Some MPS provide services at more than one location. (For more information on MPS see 2.7.2 above.)

2.11.5 People who are financially or socially disadvantaged

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

Concessional residents

The concessional resident arrangements established under the *Aged Care Act 1997* mean that older people have access to care, irrespective of their capacity to make accommodation payments. Concessional residents do not pay accommodation bonds or charges. The Australian Government gives additional supplements to aged care providers on behalf of concessional residents. Concessional residents are those who:

- receive an income support payment; and
- have not owned a home for the last two or more years (or whose home is occupied by a 'protected' person, for example, the care recipient's spouse or long term carer); and
- have assets of less than 2.5 times the annual single basic age pension.

Aged care homes also receive an additional supplement for assisted residents. Assisted residents are a subset of the concessional resident group. The criteria for determining assisted resident status are the same as for concessional resident status, except that an assisted resident has assets of between 2.5 and 4.0 times the annual single basic age pension amount. Assisted residents have sufficient assets to make a small contribution to their accommodation costs and they are subsidised at a lower rate than concessional residents.

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

For each aged care planning region, there is a minimum target ratio for concessional residents, based on regional socio-economic indices. The lowest regional target ratio is 16 per cent and the highest is 40 per cent. In 2005-06, the targets were exceeded in every region. The concessional resident ratio includes concessional and assisted residents, and certain residents approved under the hardship provisions.

The concessional resident supplement is paid at two levels. An aged care home receives a higher rate of supplement for eligible concessional residents if more than 40 per cent of its residents are concessional or assisted residents. The lower rate is paid for eligible concessional residents of homes where 40 per cent or fewer of their residents are assisted or concessional residents.

The supplement paid for eligible assisted residents is not affected by changes to the proportion of concessional and assisted residents.

From 1 July 2005, asset testing for new residents has been undertaken by Centrelink (and, for Veterans, by the Department of Veterans' Affairs), rather than by the providers of aged care. Previously, providers had to assess residents' assets, while Centrelink or DVA assessed their income. The Review of Pricing Arrangements in Residential Aged Care found that providers were not always in the best position to perform this role and recommended the new arrangements.[10]

The 2005-06 Budget provided $19.7 million over four years to fund asset testing by Centrelink and the Department of Veterans' Affairs. The change has added integrity and fairness and relieved providers of the administrative burden of conducting assessments of assets. Residents are better placed to make decisions about their care needs because they have greater certainty about their financial situation and status prior to entry to care. People who were aged care residents at 1 July 2005 are not affected by the revised asset testing arrangements, unless they move to a new aged care home.

Hardship provisions

Financial hardship assistance provisions under the *Aged Care Act 1997* cater for the minority of residents who have difficulty paying care fees and accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily care fees, the income tested fee, accommodation charge, or accommodation bond. Where assistance is granted, the Australian Government pays an additional supplement so that the aged care provider is not disadvantaged. During 2005-06, the Department processed 768 applications for financial hardship assistance. Of these, 54 per cent were approved and 14 per cent were ineligible. Following advice from the Department, the remaining 32 per cent of applications were withdrawn when, for example, the Department was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the Residential Care Subsidy Principles.

10 Review of Pricing Arrangements in Residential Aged Care. *Final report*. Canberra, 2004, p. 288, which includes Recommendation 10.

Assistance with Care and Housing for the Aged

The Assistance with Care and Housing for the Aged (ACHA) program supports frail, low income, older people who are renting, in insecure housing arrangements, or who are homeless. The program helps them to remain in the community by facilitating access to housing that is linked to community care. Because their housing arrangements are insecure, some frail older people whose care needs could be met by a Community Aged Care Package (CACP) are at risk of premature admission to residential care. Through the ACHA program, the Australian Government contributes recurrent funds to organisations that provide support through paid workers and volunteers, linking people to mainstream housing and care services. The ACHA program operates outside the *Aged Care Act 1997*.

$2.74 million was paid to 43 providers in 2005-06, to assist older people to obtain access to permanent housing and other community support. In each Aged Care Approvals Round, CACPs are allocated to providers able to target and care for people in designated rental accommodation or insecure housing arrangements who need low level care.

2.12 Information

Good information and support services are important to achieving timely and appropriate access to care.

2.12.1 Information line

Since 1997, the Department has provided an Aged Care Information Line (free call 1800 500 853) open to the public. There were 90,389 calls to the information line in 2005-06, compared with 75,458 calls in 2004-05.

Table 11: Calls to the information line by main category of caller and main reason for call, 2005-06

Caller Type	Number of calls	Percentage of all calls (*)
Main category of caller:		
Carer/friend/family member	50,238	55.6%
Self/general public	11,482	12.7%
Providers of residential care	13,444	14.9%
Health service/support service	3,553	3.9%
Main issue/reason for call:		
Income tested/means tested fees	20,510	22.7%
Accommodation bonds and charges	21,159	23.4%
Daily care fees	18,209	20.2%
Health and Ageing publications	21,100	23.3%

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

2.12.2 Fact sheets, newsletters and updates

The Department disseminates a wide range of information products on ageing and aged care to consumers, care providers, health professionals and the general community.

Over nine million individual information products were distributed to consumers, including:

- *5 Steps to residential aged care*;
- the *Australian Government directory of services for older people*, of which 60,000 copies were distributed to aged care stakeholders, community organisations and consumers;
- brochures covering topics such as care choices, fees and charges, the assessment process, community and residential care, and the Aged Care Complaints Resolution Scheme;
- publications and information sheets for people with dementia and their carers; and
- 24 general information sheets covering topics such as care options, quality of care, special needs groups, and fees and charges for residential care (2 of these information sheets are translated into 14 community languages).

Manuals and other publications for care providers include:

- the *Residential care manual* and the *Documentation and accountability manual*;
- *The guide: implementing occupational health and safety in residential aged care*;
- *Pain in residential aged care facilities—management strategies*, a booklet launched in October 2005 and distributed to all aged care homes in 2006;
- *Preventing falls and harm from falls in older people: best practice guidelines for Australian hospitals and residential aged care facilities*, a kit developed by the former Australian Council for Safety and Quality in Health Care and distributed to all aged care homes in early 2006; and
- newsletters—in June 2006 the first issue of *Care Essentials* was sent to all Australian Government-funded aged care homes. It is a quarterly newsletter with a particular focus on clinical safety and quality in aged care, informing clinicians, managers and care staff working in residential care about new initiatives in those areas. Newsletters also include *Payment E$$ential$*, which gives aged care homes and approved providers recent news from the Department, including updates on payment-related matters.

Providers are advised through email or mailfax of amendments to policy and procedures that occur throughout the year. 104 e-mail or mailfax information circulars were sent to service providers and major stakeholders during 2005-06.

Through the National Continence Management Strategy, more than 300 information resources have been developed, including a series of general information fact sheets, information for people with spinal cord injury or constipation, post surgery for bowel cancer, women who have recently had a baby and information for carers. There is an average annual distribution of over three million individual resources.

There are also resources specifically for Aboriginal and Torres Strait Islander communities and a range of 15 fact sheets translated into 14 languages.

2.12.3 Internet

The Department's Ageing and Aged Care website offers information about Australian Government aged care services. The site includes updates and amendments to documents that are routinely distributed to all providers, as well as major reports and other publications.

The Seniors Portal (www.seniors.gov.au) is the Australian Government's principal site for people over 50, bringing together information from over 290 government and non-government sources. Visits to the Seniors Portal averaged 35,000 per month in 2005-06.

The 2004-05 Budget package included provision for a website to assist consumers in understanding and making aged care choices. Early in 2005, the Department released the online Commonwealth Carelink Services directory (www.commcarelink.health.gov.au) which contains information about aged care homes and community care services. Building on this start, developmental work continued during 2005-06 on a consumer website to provide more comprehensive information for consumers and tools to help them better understand their needs and the services available. The site is planned for release in 2006.

2.12.4 Commonwealth Carelink Centres

Fifty-four Commonwealth Carelink Centres (www.commcarelink.health.gov.au) provided approximately 184,000 clients with information about community, residential and other aged care services during 2005-06. Clients include general practitioners, other health professionals, service providers, individuals and their carers. Commonwealth Carelink Centres may be contacted through a national freecall number, 1800 052 222.

2.12.5 Dementia information and support

The level of information and support provided to carers of people with dementia continued to increase in 2005-06; see 2.9 above for details.

2.12.6 Carer Information and Support Program

The Carer Information and Support Program funds the development and distribution of carer information products, including education programs for carers and information about government programs that support carers. In response to an increase in demand, the Carer Information and Support Program distributed an estimated 545,300 items in 2005-06, compared with an estimated 500,000 items in 2004-05.

3 Funding for care

3.1 Growth in funding for aged care

The Australian Government is committed to ensuring that frail older Australians receive the best possible care and to providing sufficient funding for aged and community care services to provide this care. Australian Government expenditure for ageing and aged care was $7.1 billion in 2005-06, compared with $6.7 billion in 2004-05.

- Expenditure on residential aged care subsidies and supplements was $5.3 billion in 2005-06, compared with $5.0 billion in 2004-05—an increase of 6.2 per cent. This was an increase of 117 per cent since 1995-96 when expenditure was $2.5 billion.
- Australian Government expenditure on the Home and Community Care Program was $858 million in 2005-06, compared with $792 million 2004-05—an increase of 8.3 per cent. This was an increase of 103 per cent since 1995-96 when Australian Government expenditure for Home and Community Care was $423 million.
- Expenditure on Community Aged Care Packages was $357 million in 2005-06, compared with $328 million in 2004-05—an increase of 8.8 per cent. This was an increase of more than 977 per cent since 1995-96 when expenditure was $33 million.[11]

3.2 Community care

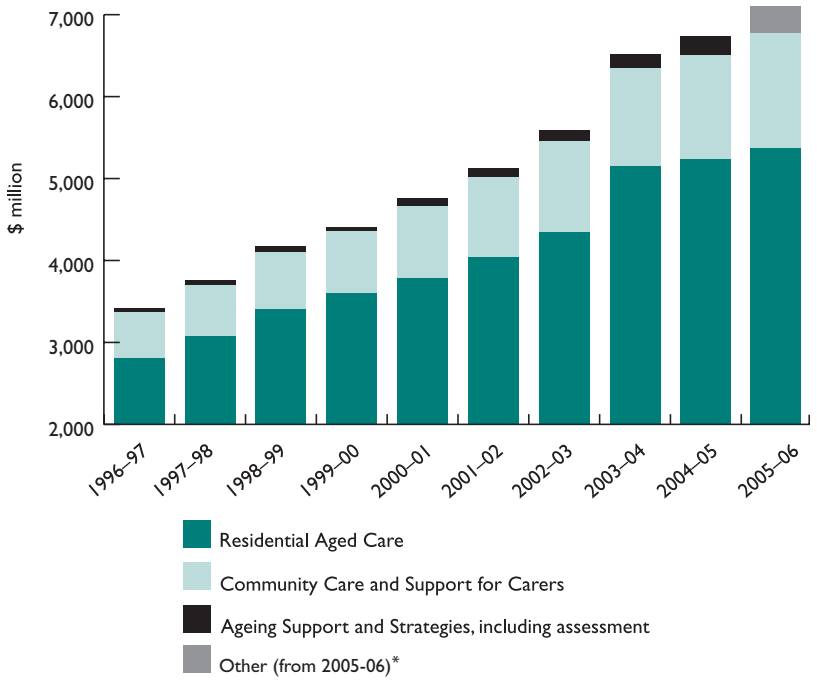
3.2.1 Home and Community Care

The Australian Government contributes approximately 60 per cent of Home and Community Care (HACC) program funding nationally and maintains a broad strategic role. States and territories contribute approximately 40 per cent of program funding and manage the program on a day-to-day basis. Australian Government funding available for HACC in 2005-06 was $857.8 million, an increase of 103 per cent since 1995-96. Total combined Australian, state and territory funding for 2005-06 was $1.409 billion, an increase of $107.8 million over the previous year.

On 26 July 2006, the Australian Government announced provision of up to $30 million in extra, one-off, unmatched funding to build on and extend the work agreed by the Council of Australian Governments in February for improved, nationally consistent, arrangements for access, assessment and referral for HACC. The extra funding recognises costs associated with implementing the reforms and will be available only to those states and territories that implement the reforms outlined in *A New Strategy for Community Care—The Way Forward*, released in August 2004.

11 In 2005-06 the program group structure for the outcome changed from four outcome groups to eight, to provide greater clarity in the reporting of expenditures. Expenditure figures reported in this paragraph have been compiled to provide comparability between 1995-96, 2004-05 and 2005-06. The new program groups are 4.1 Aged care assessment ($55.6m in 2005-06); 4.2 Aged care workforce ($32.6m); 4.3 Ageing information and support ($31.2m); 4.4 Community care ($1,408.5m); 4.5 Culturally Appropriate Aged Care ($20.7m); 4.6: Dementia ($22.9m); 4.7 Flexible aged care ($158.9m); and 4.8: Residential care ($5,370.6m).

Figure 4: Growth in Australian Government outlays for aged care, 1996-97 to 2005-06



* Includes, Aged care assessment, Aged care workforce, Ageing information and support, Culturally Appropriate Aged Care, Dementia, and Flexible aged care.

3.2.2 Community Aged Care Packages and Extended Aged Care at Home packages

Australian Government financial assistance for Community Aged Care Packages (CACPs) and Extended Aged Care at Home (EACH) packages is paid to service providers as a contribution to the cost of providing care. The Minister for Ageing determines the rates for subsidies and supplements, usually on 1 July of each year. The current rates of payment can be found on the Department's Internet site.[12] As set out in Table 12, the Australian Government's recurrent expenditure on CACPs has increased from $33.1 million in 1995-96 to $356.6 million in 2005-06.

12 See http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-finance-subsidies.htm

Table 12: Australian Government expenditure for Community Aged Care Packages, 1995–96 and 2005-06, by state and territory

	1995–96	2005-06	Increase	%
New South Wales	$12.7m	$124.1m	$111.4m	877.5%
Victoria	$6.4m	$94.3m	$87.9m	1,374.1%
Queensland	$5.9m	$54.7m	$48.8m	826.6%
South Australia	$3.6m	$33.1m	$29.5m	818.1%
Western Australia	$2.8m	$29.0m	$26.2m	936.8%
Tasmania	$1.3m	$10.1m	$8.8m	673.8%
Northern Territory	$0.0m	$6.3m	$6.3m	—
Australian Capital Territory	$0.4m	$5.0m	$4.6m	1,157.5%
Australia	**$33.1m**	**$356.6m**	**$323.5m**	**977.3%**

The 2004-05 Budget provided new funding of $225.1 million over four years to create 2,000 EACH Dementia packages (see 2.7.1). Table 13 shows Australian Government recurrent expenditure on EACH and EACH dementia packages, which has risen from $15.5 million in 2003-04 to a combined total of $66.5 million in 2005-06, an increase of 330 per cent.

Table 13: Australian Government expenditure for Extended Aged Care at Home Packages 2003-04 and 2005-06 and Extended Aged Care at Home Dementia packages 2005-06, by state and territory

	EACH				EACH Dementia
	2003-04	2005-06	Increase	%	2005-06
NSW	$3.5m	$19.9m	$16.4m	475.7%	$0.81m
Vic	$3.8m	$19.5m	$15.6m	407.8%	$0.28m
Qld	$1.5m	$9.9m	$8.4m	558.0%	$0.08m
SA	$1.6m	$5.9m	$4.3m	261.0%	$0.01m
WA	$2.8m	$4.8m	$2.0m	71.2%	$0.01m
Tas	$0.6m	$1.9m	$1.3m	223.3%	$0.02m
NT	$0.6m	$1.5m	$0.9m	150.8%	–
ACT	$1.0m	$1.9m	$0.9m	85.6%	–
Aust.	**$15.5m**	**$65.3m**	**$49.8m**	**322.1%**	**$1.21m**

3.2.3 Care recipients' contribution

The Australian Government does not set the level of fees that CACP and EACH recipients are asked to pay, but it does set the maximum level of the daily care fees that providers may ask care recipients to pay. For older people on the maximum basic rate of pension, fees must not exceed 17.5 per cent of the pension ($6.02 a day at 30 June 2006). Additional fees are limited to 50 per cent of any income above the maximum pension rates. However, no one may be denied a service because they cannot afford to pay. CACPs and EACH packages are GST exempt.

3.2.4 Community care grants (CACP establishment grants)

Community care grants assist organisations that may be disadvantaged in meeting the cost of establishing viable CACP services. Those receiving grants include organisations without an established service infrastructure, those servicing remote or isolated communities where there are limited resources, and services with only small numbers of CACPs. Individual grants may be up to $50,000 (GST-exclusive), depending on the circumstances of the organisation, and are paid prior to the commencement of services. Forty-seven community care grants were made in 2005-06, of a total value of $1.746 million.

Table 14: Community care establishment grants, 2005-06, by state and territory

	Number of grants made	Total value ($'000)
New South Wales	16	$649.1
Victoria	8	$244.7
Queensland	15	$513.3
South Australia	5	$213.4
Western Australia	1	$46.8
Tasmania	1	$28.7
Northern Territory	1	$50.0
Australia	**47**	**$1,745.9**

3.2.5 Viability supplement

The 2006-07 Budget provided $19.4 million over four years for a new viability supplement to community aged care programs such as Community Aged Care Packages and Extended Aged Care at Home in rural and remote areas. The supplement recognises the higher costs and recruitment difficulties faced by these services. The Australian Government already provides a viability supplement to residential aged care services in rural and remote areas of Australia (see 3.3.3).

3.3 Residential care—recurrent funding

3.3.1 Australian Government recurrent funding

Australian Government funding for residential care has risen from $2.5 billion in 1995-96 to $5.3 billion in 2005-06. This includes funding appropriated through the Health and Ageing portfolio as well as funding for veterans in residential care through the Veterans' Affairs portfolio. These combined appropriations are paid as subsidies and supplements to aged care homes through the Health and Ageing payment system, managed by Medicare Australia.

As part of the 2004-05 Budget package, *Investing in Australia's Aged Care: More Places, Better Care*, the Australian Government is providing an additional $877.8 million over four years for a Conditional Adjustment Payment (CAP) to eligible approved providers of residential aged care. For more information about the CAP, see 3.3.2 below.

The Australian Government is providing an extra $211.1 million in subsidies over four years from 2002-03, to assist residential aged care providers to meet increased costs of nurses' wages. This is equivalent to $50 million per year, indexed each year; $54.4 million was provided in 2005-06 within the residential care funding base.

Table 15: Australian Government recurrent residential aged care funding 2004-05 and 2005-06, by state and territory

	2004–05	2005–06	Increase	%
New South Wales	$1,749.3m	$1,849.8m	$100.5m	5.7%
Victoria	$1,237.2m	$1,316.8m	$79.5m	6.4%
Queensland	$903.0m	$953.7m	$50.7m	5.6%
South Australia	$505.8m	$550.3m	$44.5m	8.8%
Western Australia	$414.0m	$441.1m	$27.1m	6.5%
Tasmania	$140.7m	$147.2m	$6.5m	4.6%
Northern Territory	$15.9m	$17.7m	$1.8m	11.3%
Australian Capital Territory	$48.0m	$51.6m	$3.6m	7.5%
Australia	**$5,021.5m**	**$5,333.6m**	**$312.1m**	**6.2%**

Note: Totals may not sum exactly, due to rounding. To enable comparison continuing funding levels in 2005-06 with those in 2004-05, these figures exclude the one-off payment of $1,000 per resident ($152.0m) in 2004-05; includes funding through the Veterans' Affairs portfolio.

The Australian Government subsidises the provision of residential aged care to those approved to receive it. The payment for each resident is calculated as follows:

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the Resident Classification Scale and, for respite residents, by the Aged Care Assessment Team's assessment of the resident;
- plus any primary supplements for concessional residents, transitional residents, oxygen, enteral feeding and payroll tax and the Conditional Adjustment Payment (see 3.3.2 below);
- less any reductions in subsidy resulting from the provision of extra services, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment;
- less any reduction resulting from the income-testing of residents who entered residential care on or after 1 March 1998;
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (which reduces charges for residents who would otherwise experience financial hardship).

The Minister for Ageing determines the rates for subsidies and supplements, usually on 1 July of each year. The current rates of payment can be found on the Department's Internet site.[13]

Under the Australian Government's Funding Equalisation and Assistance Package (FEAP), rates of payment are being adjusted so that all states and territories are

13 See http://www.health.gov.au/internet/wcms/publishing.nsf/Content/ageing-finance-subsidies.htm

paid at the national average. By 1 July 2004, all states and territories had reached the national average except Victoria and Tasmania, which followed from 1 July 2006. By the end of the six years in which the FEAP is operating, a total of $147.9 million will have been provided in the states and territory previously below the national average.

Table 16: Average Australian Government payments (subsidy plus supplements) for each residential aged care recipient, 1995-96, 2004-05 and 2005-06

	1995–96	2004–05	2005–06	Increase 1995–96 to 2005–06	Increase 2004–05 to 2005–06
High care resident	$26,793	$42,879	$43,952	64.0%	2.50%
Low care resident	$6,817	$15,563	$15,757	131.1%	1.25% (a)
All residents	(b)	$33,408	$34,599	(b)	3.60%

(a) The relatively small increase in the average low care subsidy reflects the impact of the June 2005 one-off payment of $1,000 per resident.

(b) An average cost for all residents for 1995-96 is not available, as high care and low care were then provided through separate programs for nursing homes and hostels.

3.3.2 Conditional Adjustment Payment

In the 2004-05 Budget package, the Australian Government allocated an additional $877.8 million over four years for a new Conditional Adjustment Payment (CAP) to eligible approved providers of residential aged care. The conditions imposed for the receipt of CAP aim to strengthen financial management and corporate governance arrangements in the aged care industry and assist approved providers to improve their services so that they can continue to provide high quality care to residents. For 2005-06, CAP was calculated at 3.5 per cent of the basic subsidy amount. For 2006-07 it will be 5.25 per cent and in 2007-08 it will rise to 7 per cent.

Receipt of CAP funding by individual approved providers is voluntary and conditional on compliance with requirements set out in the Principles.[14] In summary, the participating approved provider must offer opportunities for, and encourage, staff training, prepare audited financial reports, and participate in Departmental workforce surveys.

Only six approved providers have chosen not to participate in CAP. All other participating approved providers have met (or are working to meet) the CAP requirements. All participating approved providers have:

- indicated compliance for calendar year 2005 with the CAP staff training condition, by lodging a written notice by 31 March 2006 (The same outcome was achieved for calendar year 2004.); and
- indicated compliance with the CAP audited financial reporting requirements, by lodging a written notice during 2005-06.

The Department also undertook a verification process to assess compliance with the CAP audited financial reporting requirements, through examination of a sample of 192 approved providers' financial reports. It found that 14 of those approved

14 Division 4, Part 10 Residential Subsidy Principles

providers had not fully satisfied the requirements. All have now remedied the non-compliance or are expected to do so in the near future. Key lessons from the verification process were that:

- approved providers need to ensure that their auditors are Registered Company Auditors or that a suitable alternative auditor has been approved by the Secretary; and
- there is value in approved providers working with their accountants and auditors to ensure a mutual understanding of the CAP audited financial reporting requirements.

3.3.3 Viability supplement

The Australian Government recognises that many residential aged care services in rural and remote areas face particular difficulties because of their isolation, small size and higher cost structures. A viability supplement is paid to eligible aged care homes in addition to standard care funding so that so they can continue to provide high quality care.

The amount of viability supplement paid is determined using a formula that includes location (based on accurate measures of rurality and remoteness), number of places and number of residents with special needs.

The 2004-05 Budget package provided funding of $14.5 million over four years to increase the viability supplement available to rural and remote providers, above the existing viability supplement funding of approximately $13 million per year. As also announced in the 2004-05 Budget, the Australian Government extended the availability of viability supplement to eligible Aboriginal and Torres Strait Islander Flexible Services at a cost of $10.3 million over four years.

The viability criteria were reviewed in December 2004. The rates of payment were modified to address disincentives and distribute new funding towards the more remote services. Services paid under the previous arrangements that would have received less had they been paid under the new scheme are protected by grandparenting arrangements.

Table 17: Australian Government expenditure for viability supplement 2005-06, and the number of aged care services receiving viability supplement during 2005-06, by state and territory

	Mainstream residential		Flexible care services funded under the National Aboriginal and Torres Strait Islander Aged Care Strategy		Multi-purpose Services	
	Services	$'000	Services	$'000	Services	$'000
NSW	133	$3,464.2	2	$42.7	33	$1,441.4
Vic	112	$2,227.8	-	-	7	$312.1
Qld	110	$4,259.1	2	$80.4	16	$1,126.4
SA	65	$1,671.4	4	$187.7	5	$892.4
WA	36	$1,838.8	1	$58.3	29	$1,848.9
Tas	28	$763.7	–	-	3	$129.6
NT	12	$896.9	8	$381.8	-	-
ACT	1	$2.9	–	-	-	-
Aust	**497**	**$15,124.9**	**17**	**$750.8**	**93**	**$5,750.8**

Notes: Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement. At 30 June 2006, there were 94 operational MPS of which one does not receive the viability supplement.

The 2006-07 Budget provided for viability supplement for community aged care services in rural and remote areas (see 3.2.5 above).

3.3.4 Resident contributions—care fees

The Australian Government considers that aged care residents who can afford to do so should make a contribution towards the cost of their accommodation and daily living costs, just as they would if they were living in the community. At the same time, the Australian Government recognises that quality care is expensive and that Australian Government revenues must continue to meet the major cost of providing quality care.

The Australian Government does not set the level of care fees that residents in aged care homes are asked to pay, but it does set the maximum level of the care fees that providers of care may ask residents to pay. There are two types of care fees—basic daily care fees and income tested fees. The maximum level of the two fees is determined by a resident's income and assets, the service chosen, and whether he or she has special circumstances (for example, if the resident is an ex-Prisoner of War).

At 30 June 2006, the maximum basic daily care fee that a resident could be asked to pay was, for means-tested pensioners and respite residents, $29.25 (85 per cent of the basic rate of the age pension), and for non-pensioners, $36.48.

Residents who entered care on or after 1 March 1998 and who have sufficient income can also be asked to pay an income-tested fee. Full pensioners do not pay income-tested fees. At 30 June 2006, the maximum daily income tested fee that a resident could be asked to pay was, for part-pensioners, $22.08 and, for non-pensioners, $50.17.

The Australian Government pays additional subsidy so that new residents do not pay income-tested fees for the first 28 days, while their income assessment is finalised. This ensures that they are not charged inappropriately and simplifies administrative arrangements for care providers. Around 48,500 new aged care residents each year and their aged care providers benefit from this initiative, which was reviewed in 2005-06 and extended to 2010-11.

3.3.5 Resident Classification Scale

The Resident Classification Scale (RCS) is used to appraise the care needs of residents for funding purposes. RCS appraisals are conducted by aged care homes and classify residents into one of eight funding categories. Around 195,000 appraisals were conducted in 2005-06. Appraisals are completed when residents are admitted into residential aged care, and when classifications expire. Classifications expire after one year, after a resident has been on extended hospital leave, or when there is a significant change in care needs. RCS appraisals are subject to review (see 4.3.3 below).

3.3.6 Aged Care Funding Instrument

The Australian Government announced in the 2004-05 Budget that it will introduce a new funding model for the residential aged care system to, among other things, reduce the documentation burden on staff and allow them to spend more time on care. This decision responded to recommendations of the *Final Report* of the 2004 Review of Pricing Arrangements in Residential Aged Care[15] and the report of the Resident Classification Scale Review that reported in February 2003.[16]

During 2004-05, a new dependency based funding instrument, called the Aged Care Funding Instrument (ACFI), was developed and alternatives for a new funding model with a reduced number of categories and two new supplements were explored.

During 2005-06, a large scale national trial of the new classification instrument for residential aged care was conducted. Nearly a quarter of all aged care homes nationally (23 per cent) participated in the trial. The results have provided valuable information to support the introduction of the new classification instrument and a new funding model in 2007. Their implementation will require legislative amendment.

A Reference Group consisting of representatives of the aged care industry has assisted in the development of the new classification instrument. The Group will continue to be consulted throughout the implementation.

15 Review of Pricing Arrangements in Residential Aged Care. *Final report*. Canberra, 2004, Recommendation 5.

16 Aged Care Evaluation and Management Advisors. *Resident Classification Scale Review: A report for the Department of Health and Ageing*; Aged and Community Care Services Development and Evaluation Reports, no. 43. Canberra, 2003.

3.4 Residential care—capital funding

Capital income is available to service providers through resident accommodation payments (accommodation bonds and accommodation charges), the capital component of Australian Government recurrent funding, and through targeted capital assistance.

3.4.1 Government capital and other assistance

Accommodation bonds and charges provide aged care homes with a capital stream to upgrade and maintain buildings. The Australian Government acknowledges, however, that some homes may not be in a position to attract sufficient residents who can pay accommodation payments because, for example, of their rural or remote location or because the homes target financially disadvantaged people. An ongoing program of targeted capital assistance assists providers who, as a result of such circumstances, are unable to meet the cost of necessary capital works.

$42.7 million in capital assistance was allocated during 2005-06, to assist providers of residential care to improve and upgrade 37 aged care homes, with almost 71 per cent of this funding allocated to services in rural and remote areas. Of this, $12.8 million was allocated as Residential Care Grants, to support fire and safety related improvements and other works required for accreditation and certification, as well as the construction of new accommodation. The remaining $29.9 million was provided through the Regional and Rural Building Fund (including $3.8 million in Rural Adjustment grants) to assist rural and regional aged care homes to upgrade the quality of their buildings or to expand, thereby increasing access to aged care places for rural communities.

In the 2006-07 Budget, the Australian Government committed funding of $134.2 million over four years to continue capital assistance to eligible aged care homes in rural and remote areas.

The Australian Government is also assisting with capital requirements through increased payments for concessional, respite and transitional residents, boosting the funds available to aged care providers by a further $438.6 million over four years from 2004-05.

On behalf of those residents not able to contribute to the cost of their accommodation, in the 2004-05 Budget the Australian Government increased the maximum daily concessional resident supplement by $2.76 a day, indexed annually, and proportionately increased other rates of this supplement. The rates of respite supplement and transitional resident supplement were increased similarly.

3.4.2 Resident contributions—accommodation bonds

An estimated 76.1 per cent of aged care homes held accommodation bonds at 30 July 2006, compared with 73.6 per cent at 30 June 2005. The average accommodation bond agreed with a new resident in 2005-06 was $141,690 compared with $127,618 in 2004-05. The median bond amount in 2005-06 was $122,500 compared with $118,000 in 2004-05.[17]

17 Accommodation bond and charge data for 2005-06 are based on preliminary results of the 2006 Survey of Aged Care Homes and subject to further refinement following detailed analysis of the survey results.

In about 46 per cent of the aged care homes that received new bonds in 2005-06, the average new bond amount agreed for the home was $100,000 or less. In an estimated further 13 per cent of such homes, the average amount for new bonds was in the range $100,001 to $150,000.

As shown in Table 18, the method of payment of bonds most frequently used was payment by lump sum.

Table 18: Method of payment of accommodation bonds by percentage, 2003-04 to 2005-06

Method of payment	2003–04	2004-05	2005-06
Lump sum	90.9%	91.8%	91.2%
Periodic payments	5.0%	4.5%	3.9%
Combination of lump sum and periodic payments	3.0%	3.7%	5.0%
Not stated	1.1%	0.0%	0.0%

The size of individual bonds has increased substantially over recent years. As a bond can represent a significant proportion of a resident's life savings, the Australian Government is committed to strengthening protection of residents' bonds. See 4.3.4 for more information.

3.4.3 Resident contributions—accommodation charge

In 2005–06, an estimated 59.4 per cent of homes collected accommodation charges, compared with 59.9 per cent in 2004-05. The average daily charge to new residents was $15.62, compared with $15.06 in 2004-05. Of accommodation charges agreed with new residents during 2005-06, an estimated 62.2 per cent were at the maximum allowable amount of $16.63.

3.5 Residential care—structure

The aged care sector is composed of the religious and charitable, community, private for profit and government sectors. Table 19 indicates that, since 1996–97, the proportion of places operated by the religious and charitable sector has remained relatively constant, while the proportion of places operated by government has decreased and the proportion operated by the private sector has increased.

Table 19: Residential care places by ownership sector (percentage of all operational places)

Year	Religious, Charitable or Community	State or local Government (*)	Private for profit	Total
1996–97	62.5%	11.6%	25.9%	100.0%
2005–06	59.7%	8.7%	31.6%	100.0%

(*) There are no places operated by a territory government.

Increased funding from Australian Government and user contributions, together with the requirements for certification and accreditation introduced as part of the

1997 reforms, has stimulated restructuring and investment in the aged care sector. The level of interest in investment in residential aged care places is an indicator of the viability of the sector. Other indicators of confidence in the sector include demand for new places released during the Aged Care Approvals Rounds, the prices paid for existing places, the level of building work and financial institutions' views of the sector. The 2006 Survey of Aged Care Homes has confirmed that the sector continues to engage in extensive building and upgrading work. More details of building activity are in paragraph 4.2.2.

3.6 Multi-purpose services

There was continued growth in expenditure for the Multi-purpose Services program, from $52.4 million in 2004-05 to $62.3 million in 2005-06. The 2006-07 Budget provided Multi-purpose Services with an additional $9.3 million over four years for respite care in rural areas.

Table 20: Australian Government expenditure for Multi-purpose Services, 2004-05 and 2005-06, by state

	2004-05	2005-06
New South Wales	$16.0m	$19.0m
Victoria	$7.9m	$8.2m
Queensland	$7.1m	$8.9m
South Australia	$5.9m	$6.6m
Western Australia	$13.2m	$16.6m
Tasmania	$2.3m	$3.1m
Australia	**$52.4m**	**$62.3m**

3.7 Respite care and carer support

The Australian Government continues to increase spending on respite care. Funding for the National Respite for Carers Program has increased from $14.4 million in 1995-96 to over $140.4 million in 2005-06. Australian Government support for the National Respite for Carers complements support provided to carers through residential respite care. Expenditure on residential respite care was $105.8 million in 2005-06, compared with $93.5 million in 2004-05, as shown in Table 21.

Table 21: Australian Government expenditure for residential respite care, 2004-05 and 2005-06, by state and territory

	2004-05	2005-06
New South Wales	$42.9m	$49.1m
Victoria	$18.5m	$20.9m
Queensland	$12.5m	$12.9m
South Australia	$9.6m	$11.4m
Western Australia	$5.1m	$5.9m
Tasmania	$2.7m	$3.0m
Northern Territory	$0.8m	$1.1m
Australian Capital Territory	$1.5m	$1.5m
Australia	**$93.5m**	**$105.8m**

3.8 Independent assessment

Age-related growth indexation for the aged care assessment program was first introduced in the 1998-99 Budget in recognition of the ageing of the population and associated increase in demand for assessment services. In the 2006-07 Budget, the Australian Government maintained new funding of $20.1 million over four years to assist Aged Care Assessment Teams (ACATs) to keep pace with the demand for assessment services. In addition, as part of the Australian Government's contribution to the Council of Australian Governments' *Better Health Initiative*,[18] announced on 10 February 2006, the Government is providing new funding of $24.2 million over five years (including $0.1 million in 2005-06) to improve assessments by ACATs (see 2.10 for more details). Expenditure in 2005-06 for aged care assessment was $55.6 million.

3.9 eBusiness

As part of the 2004-05 Budget measure, *Investing in Australia's Aged Care—Streamlining administration for better care*, the Department is collaborating with Medicare Australia and aged care providers to introduce eBusiness to the aged care sector, thereby streamlining administration processes and increasing efficiency. The first stage was implemented in January 2005 to enable providers to electronically lodge simple data with the Department. Feedback regarding administrative savings has so far been positive. In June 2006 more sophisticated functionality was introduced. eBusiness capability will be further extended in 2005-06 to enable subsidy claim forms from providers and eligibility assessments from Aged Care Assessment Teams to be lodged electronically.

The 2004-05 Budget measure included a one-off payment of $1,000 per resident to, among other things, assist aged care providers take advantage of new technology and improve their business practices—complementing the extension of eBusiness into the aged care sector.

18 Council of Australian Governments' Meeting, 10 February 2006. *Communiqué*. Attachment D—Better health for all Australians: action plan.

4 Quality of care and accommodation

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

- legislated responsibilities for aged care providers;
- the work of the independent Aged Care Standards and Accreditation Agency;
- a continuous quality improvement process; and
- assistance to develop and maintain a sufficient and skilled aged care workforce.

A standards framework underpins the quality of care received by older Australians in aged care and the Act provides for sanctions to be applied against the small number of providers that do not meet their responsibilities.

4.1 Community care

In the 2004-05 Budget, $13.7 million was allocated for Quality Reporting in Community Care, and the first three-year cycle commenced nationally on 1 July 2005. The primary objectives are to:

- ensure that care recipients continue to receive the levels of care they need; and
- improve measurement and reporting of the programs' operation.

Quality Reporting applies to Community Aged Care Packages (CACP), Extended Aged Care at Home (EACH) and the National Respite for Carers Program. It involves three steps in which services report against uniform quality standards and departmental officers complete desk audits and validation visits.

Quality assurance processes are already well established in Home and Community Care. All Home and Community Care services are required to appraise their performance over a three-year cycle. In the first three-year cycle, from July 2001 to June 2004, 2,709 agencies providing Home and Community Care were appraised. The current cycle commenced in 2006.

4.2 Residential care

4.2.1 Preventing elder abuse in residential aged care

Early in 2006, the Minister for Ageing, Senator the Hon. Santo Santoro, established the Residential Aged Care Abuse Taskforce, chaired by Deputy Secretary Mary Murnane, to analyse stakeholder feedback in relation to physical and sexual abuse in residential aged care facilities. The taskforce provided the platform for subsequent policy and program development to enable a prompt response

to allegations of such serious incidents. The response includes the following initiatives:

- the introduction of compulsory police checks for all current and prospective employees, and volunteers;
- an increased number of spot checks by the Aged Care Standards and Accreditation Agency;
- significant changes to complaints handling procedures, including the establishment of an Aged Care Ombudsman;
- compulsory reporting of incidents involving sexual or serious physical assault; and
- whistleblower protection for people reporting such assaults.

Subordinate legislation will be amended to ensure that relevant measures are included as approved provider responsibilities.

4.2.2 Quality of accommodation—Building standards and certification

Certification focuses on the building quality of aged care homes. A home must be certified to be able to receive accommodation payments, Extra Service charges and concessional resident supplements. Residents expect high quality and safe accommodation in return for their direct and indirect contributions.

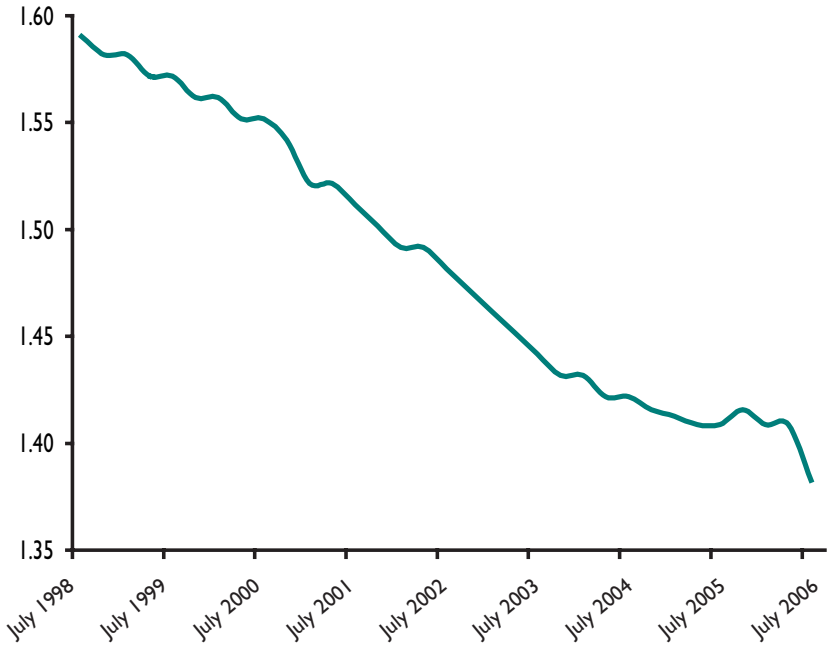
While certification is not time limited, it is based on the principle of continuous improvement and an agreed ten-year plan, which gives homes a clear framework of safety, privacy and space standards. By 2008, every service that existed prior to July 1999 will be required to have no more than four residents accommodated in any room, no more than six residents sharing each toilet and no more than seven residents sharing each shower.

For new buildings since July 1999, there is to be an average for the whole residential aged care service of no more than 1.5 residents per room. No room may accommodate more than two residents. There is also a mandatory standard of no more than three residents per toilet, including those off common areas, and no more than four residents per shower or bath.

All services are required to meet space and privacy targets by 31 December 2008. Ninety-five per cent of services met those targets at 30 June 2006, compared with 93 per cent at 30 June 2005.

The average number of residents per room has declined from 1.59 in July 1998 to 1.38 in July 2006, reflecting works carried out by homes to meet the targets.

Figure 5: Average number of residents per room in aged care homes, 1998 to 2006



The 2004-05 Budget included a one-off payment of $513.3 million ($3,500 per resident) to aged care providers in June 2004. This payment enabled further investment in better aged care homes and recognised the investment made by providers towards achievement of the agreed 10-year forward plan for improved building standards for aged care homes by 2008—particularly improved fire safety. The requirements of the 1999 Certification Assessment Instrument do not override the building and fire safety regulations within each state and territory. Through the Building Code of Australia (BCA), the state and territory building regulations set the minimum community standard for safety, health and amenity of buildings.

Eight-eight per cent of residential aged care services met the fire and safety requirements of the 1999 Certification Instrument at 30 June 2006, compared with 62 per cent at 30 June 2005. All services were required to meet these requirements by 31 December 2005. The 12 per cent of services that had not met the increased quality measure by 30 June 2006 were non-compliant and are being closely case managed.

Approved providers of residential aged care are required to complete a fire safety declaration for each calendar year. The declaration seeks assurance that Australian Government-funded residential aged care services have complied with applicable state, territory and local government fire safety laws as at 31 December each year. In 2005, all fire safety declaration forms were received. Of these, 20 indicated non-compliance and were referred to the applicable local government authorities and to the Aged Care Standards and Accreditation Agency.

The Department may take action if an approved provider fails to meet its responsibility to complete the fire safety declaration. The responsibility for monitoring compliance with fire safety laws rests with the appropriate state, territory or local government authorities.

4.2.3 Quality of accommodation—Building activity

Through accommodation payments, residential aged care providers have access to funding for continued improvement to accommodation and care. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Table 22 sets out details.[19]

An estimated total of $1,138.4 million of new building, refurbishment and upgrading work was completed during 2005-06, involving about 16.4 per cent of all homes. An estimated further $1,111.4 million of work was in progress at 30 June 2006, involving about 11.0 per cent of all homes. At June 2006, an estimated 17.6 per cent of homes were planning building work.

19 Building activity data for 2005-06 are preliminary and subject to further refinement following detailed analysis of the survey results.

Table 22: Estimated building work in residential aged care, 2003-04 to 2005-06[20]

	2003-4	2004-05	2005-06
Estimated total building work completed during the year or in progress at 30 June	$2,046.6m	$2,084.2m	$2,249.8m
Proportion of homes that completed any building work during the year	18.6%	16.8%	16.4%
Proportion of homes with any building work in progress at the end of the year	12.4%	12.1%	11.0%
New Building Work[21]			
Proportion of homes that completed new building work in the year	2.9%	3.7%	3.1%
Proportion of homes with new building work in progress at the end of the year	3.7%	2.8%	2.8%
Estimated new building work completed in the year	$362.3m	$573.1m	$771.3m
Estimated new building work in progress at the end of the year	$610.0m	$482.5m	$540.3m
Proportion of homes that were planning new building work	7.9%	7.7%	6.8%
Rebuilding Work[22]			
Proportion of homes that completed rebuilding work in the year	0.7%	0.8%	0.5%
Proportion of homes with rebuilding work in progress at the end of the year	1.2%	1.1%	1.0%
Estimated rebuilding work completed in the year	$59.2m	$85.3m	$65.3m
Estimated rebuilding work in progress at the end of the year	$179.9m	$256.0m	$240.5m
Proportion of homes that were planning rebuilding work	3.5%	3.0%	2.5%
Upgrading work[23]			
Proportion of homes that completed upgrading work in the year	14.9%	12.6%	13.3%
Proportion of homes with upgrading work in progress at the end of the year	7.7%	8.8%	7.6%
Estimated upgrading work completed in the year	$420.4m	$291.6m	$301.8m
Estimated upgrading work in progress at the end of the year	$414.8m	$395.8m	$330.5m
Proportion of homes that were planning upgrading work	16.2%	11.3%	9.5%

20 Source: Surveys of Aged Care Homes, 2004, 2005 and 2006.

21 New building is defined as work relating to a new building to accommodate new or transferred aged care places.

22 Rebuilding work is defined as the complete demolition and reconstruction of an approved service on the same site.

23 Upgrading work is defined as renovation or refurbishment of an existing service including extensions.

4.2.4 Quality of care—Accreditation process

The *Aged Care Act 1997* provides for an accreditation-based quality assurance system. Aged care homes must be accredited in order to receive Australian Government subsidies. The Review of Pricing Arrangements in Residential Aged Care found that, "There is broad industry support for accreditation and a general acknowledgment that it has substantially improved standards of care across the industry."[24] Accreditation assesses the performance of homes against the 44 expected outcomes of the four Accreditation Standards:

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

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

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

During 2005-06, the Agency held Better Practice Seminars in Sydney, Melbourne, Brisbane, Perth, Adelaide and Hobart. The seminars were part of the Agency's national program of Better Practice events. The events promote and celebrate better practice and innovation in aged care. Participants at the seminars hear the experiences of award-winning homes, and learn from subject-matter experts about ways to achieve better practices. Overwhelming support for the events continued, attracting over 1,700 participants during 2005-06. The seminars enable the Agency to focus the sector on ways of working towards achieving continuous improvement, one of the foundations of the accreditation system.

In June 2005, the Agency launched a consumer DVD, *Quality of Care, Quality of Life*. It gives important advice to potential residents and their families about residential aged care and the work of the Agency.

24 Review of Pricing Arrangements in Residential Aged Care. S*ummary of the Report*. Canberra, 2004, pp. 38-39.

The Agency publishes its own annual report, which gives details about the operation of accreditation. Further information is at the Agency's website at http://www.accreditation.org.au.

4.2.5 Quality of care—Accreditation outcomes and awareness

Aged care homes must be accredited to continue receiving Australian Government funding. At 30 June 2006, the number of homes accredited for at least three years was 2,727 or 93 per cent, and over 96 per cent of homes were compliant with all 44 Accreditation Standard Outcomes.

No homes were the subject of a decision not to accredit following a site audit by the Aged Care Standards and Accreditation Agency. No homes were granted exceptional circumstances exemption under Section 42-5 of the *Aged Care Act 1997*.

During 2005-06, sixty-four review audits were conducted, following which:

- 30 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 32 homes were the subject of a decision to vary accreditation; and
- 2 homes were subject to a decision to revoke accreditation. However both those homes made improvements and, as they are entitled to do under the legislation, applied for reconsideration of the decision to revoke accreditation. In both cases the homes retained accreditation.

4.3 Compliance by approved providers with legislative requirements

Providers of Australian Government-funded aged care must comply with responsibilities specified in the *Aged Care Act 1997* and in the Aged Care Principles. These responsibilities encompass quality of care, user rights and accountability for Government funding. The responsibilities of approved providers are outlined in Appendix B.

Australians expect high standards of care in aged care homes. The quality and accreditation framework emphasises homes accepting responsibility for providing, maintaining and improving service. Sanctions may be used to encourage compliance when other measures have failed. The regulatory processes give providers every opportunity to reach compliance. Measures to ensure approved providers meet their responsibilities include:

- targeted and random spot checks on services;
- compliance notices to encourage improvement;
- sanctions for continued or serious non-compliance with responsibilities;
- reviews of resident classifications; and
- prudential arrangements to protect residents who pay bonds.

Both the Aged Care Standards and Accreditation Agency and the Department have a role in monitoring aged care homes. In broad terms, the Agency manages the accreditation process and monitors homes' compliance with the Accreditation Standards, while the Department monitors compliance by approved providers with all their legislative responsibilities. The Department is responsible for taking sanctions action when approved providers breach their responsibilities, including failing to implement improvements required by the Agency.

Information about the standards achieved by homes is published on the Agency's website. All accreditation and review audit reports are also published on the site at www.accreditation.org.au.

4.3.1 Spot checks, site audits and visits

The Aged Care Standards and Accreditation Agency conducts support visits and regularly monitors the progress homes are making towards continuous improvement. In addition, the Department conducts visits to monitor Australian Government-funded aged care homes for compliance with their responsibilities under the *Aged Care Act 1997*.

In the 2004-05 Budget, the Australian Government provided the Agency with an additional $36.3 million over four years to, among other things, significantly increase its visiting program and ensure that all homes are visited annually. The 2006-07 Budget provided a further $8.6 million for increased spot checks of aged care homes by the Agency.

The Agency and the Department conducted a total of 5,495 visits in 2005-06 compared with 4,705 in 2004-05. During the year, the Agency conducted the following visits to assess and monitor Australian Government-funded aged care homes against the Accreditation Standards:

- 1,743 accreditation site audits;
- 64 review audits, of which 28 were unannounced; and
- 3,190 support contacts, of which 886 were unannounced.

In 2005-06, the Agency conducted a total of 4,997 visits compared with 4,438 visits in the previous year. The Agency undertook an average of 1.7 visits per home in 2005-06.

The 2006-07 Budget provided an additional $8.6 million for increased unannounced visits to aged care homes by the Agency. Around 5,200 visits will be made in 2006-07, including about 3,000 unannounced visits. The Agency conducted 914 unannounced visits in 2005-06. From 2006-07, all homes will receive at least one unannounced visit each year.

4.3.2 Sanctions

In 2005-06, the Department took sanction action against 11 approved providers, including the issuing of 12 Notices of Decision to Impose Sanctions.

The Department also issued 83 Notices of Non-Compliance. At 30 June 2006, six of the sanctions remained. Details of sanctions imposed in 2005-06 are included at Appendix C.

4.3.3 Resident Classification Scale reviews

Aged care providers are accountable for the subsidies they receive to give care to residents of aged care homes. As it is the staff of the home that use the Resident Classification Scale (RCS) to assess each resident for funding purposes, the Department checks the accuracy of classifications to protect taxpayer funding and ensure that the funding for each resident reflects his or her care needs. These RCS classification reviews are a primary accountability measure to safeguard public expenditure on residential aged care.

During 2005-06, approximately 16,472 reviews of RCS appraisals were completed. Of those reviews, 6,061, or 36.8 per cent, resulted in reductions of funding, of which 369, or 6.1 per cent, were appealed. On appeal to the Department, approximately 56.6 per cent of the 369 decisions appealed against were confirmed. In approximately 24.7 per cent of cases, the original classification by the home was reinstated. In the remaining cases, the review decision was set aside and a new decision substituted.

The Administrative Appeals Tribunal at the commencement of 2005-06 was considering one case of appeal against a review of an RCS appraisal. No cases were outstanding at the end of the year.

4.3.4 Security of bonds

All approved providers of residential care who collect accommodation bonds must comply with prudential arrangements specified under the *Aged Care Act 1997*. Developed in consultation with the sector, these prudential arrangements provide protection for residents who pay accommodation bonds. They include a guarantee of repayment from the approved provider to the resident. Within four months from the end of its financial year, each approved provider must submit a certified annual statement stating that it has refunded accommodation bonds to residents within the statutory timeframe, is able to repay accommodation bond liabilities, and has maintained adequate insurance.

Notices of Non-Compliance were issued against 29 approved providers in 2005-06 for failure to meet prudential requirements in relation to accommodation bonds. All compliance action in relation to these instances has been completed.

In March 2006, legislation was passed by Parliament[25] to provide for:

- enhanced prudential regulatory arrangements for providers holding accommodation bonds, including three new Prudential Standards; and
- a scheme to guarantee that residents' accommodation bond balances will be repaid if an aged care provider becomes bankrupt or insolvent.

25 The *Aged Care Amendment (2005 Measures No. 1) Act 2006*, *Aged Care (Bond Security) Act 2006* and the *Aged Care (Bond Security) Levy Act 2006*.

The enhanced prudential arrangements aim to increase the protection of aged care residents' accommodation bonds by:

- strengthening the management of accommodation bond monies; and
- promoting sound financial management practices by approved providers that hold accommodation bonds, to reduce the risk of a provider becoming bankrupt or insolvent.

All approved providers of residential care and flexible care services (i.e. Multi-purpose Services) that hold accommodation bonds and entry contributions must comply with the new prudential arrangements from 1 July 2006. Detailed guidance material has been distributed to assist approved providers to understand and comply with the new prudential requirements.

The Guarantee Scheme commenced on 31 May 2006. It covers existing and new accommodation bonds and entry contributions paid to providers. In the event that the Guarantee Scheme is triggered, the Government will, in the first instance, repay the accommodation bond balance directly to the resident or to the resident's estate. The Government will recover costs by pursuing the defaulting provider and/or levying all aged care approved providers that hold accommodation bonds.

4.4 Aged care workforce

An adequate and well-qualified workforce is fundamental to the delivery of quality aged care. Since 2002, the Australian Government has allocated $229 million for workforce initiatives designed to increase overall staff supply, to provide additional training opportunities for existing staff and to create better career paths for all care workers. These initiatives assist providers to meet their responsibilities under the *Aged Care Act 1997* and to develop a well trained aged care workforce.

4.4.1 More aged care nurses

In the 2002-03 Budget, the Australian Government committed $26.3 million to fund 1,000 aged care nursing scholarships to encourage more people to enter or re-enter aged care nursing, especially in rural and regional areas. The 2006-07 Budget invested a further $36 million for an additional 1,000 aged care nursing scholarships. These scholarships are administered by the Royal College of Nursing Australia. Each scholarship is valued at $10,000 per year, to a maximum of $30,000. Since the Scheme commenced in 2003, 880 undergraduate scholarships, 423 continuing professional development scholarships and 17 honours scholarships have been offered.

As part of the Australian Government Aged Care Nurses Scholarship Scheme, financial assistance is also being provided to the Royal College of Nursing Australia to provide support programs for aged care nursing scholarship recipients.

In May 2004, the Australian Government, together with ACT Health, funded a pilot project to explore the role of Aged Care Nurse Practitioners in the care of older people and identify benefits to the health of older people and the health care sector more broadly.

The pilot was conducted across a range of health care settings (residential aged care, community care and acute care) over a 12 month period and has since been extended to June 2007. There are five other trial sites in WA, SA and NSW that, along with the ACT Health trial, have been extended until June 2007.

4.4.2 Support for Aged Care Workers

The 2002-03 Budget provided $21.2 million over four years to provide training opportunities to personal care staff employed in aged care in rural and remote locations. Funds were invested in training to:

- upgrade the skills of personal care staff;
- increase the availability of skilled personal staff in aged care homes; and
- free registered nurses to concentrate on clinical care.

The 2006-07 Budget invested a further $30 million over four years to continue training to ensure that personal care staff are better able to provide high quality care to residents in aged care homes in rural and remote locations. Since its establishment, this program has benefited more than 12,700 staff in aged care homes throughout Australia.

4.4.3 Better Skills for Better Care

The Australian Government provided $101.4 million over four years in the 2004-05 Budget to:

- assist up to 15,750 care workers to have access to recognised education and training opportunities such as Certificate Level III or IV in aged care work. More than 10,000 personal care workers have been offered training as a result of the first two rounds of funding;
- assist up to 8,000 aged care workers to have access to the Workplace English Language and literacy (WELL) program;
- assist up to 5,250 enrolled nurses to receive recognised and approved medication administration education and training programs. In 2005-06 the Enrolled Nurse Medication Management initiative offered funding to 40 registered training organisations to train 1,115 aged care enrolled nurses in medication administration; and
- fund 1,600 new full or part-time nursing places at universities that demonstrate their ability to meet aged care nursing education benchmarks.

4.4.4 Dementia care skills for aged care workers

As part of the 2005-06 Budget initiative, *Helping Australians with dementia and their carers—making dementia a National Health Priority*, $13.8 million is being invested over four years to fund dementia specific training for 17,000 aged care workers across Australia—8,000 more than was originally expected. The training will cover vital aspects of good dementia care, including care planning, communication, and managing challenging behaviour.

4.4.5 Community care workforce—additional training

In the 2006-07 Budget, the Australian Government committed new funding of $13.4 million over four years to support training for the community care workforce. Around 2,700 community care workers will have access to training to improve the quality of care provided to people who receive Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages. This funding will provide community care workers with training opportunities similar to those already provided for residential aged care workers.

4.4.6 National Aged Care Workforce Strategy

The Australian Government assisted the Aged Care Workforce Committee, which represents the industry, to produce the National Aged Care Workforce Strategy, released in 2004-05. The Strategy provides a framework for the aged care sector to plan and develop best practice workplace models. It supports the aged care workforce in sustaining the flexibility, skills mix and numbers essential for effective care.

4.5 Supporting consumers

4.5.1 Aged Care Complaints Resolution Scheme

The Aged Care Complaints Resolution Scheme was established in 1997 to deal with complaints about Australian Government subsidised aged care services provided or available to people receiving care. The Scheme is free and available to anyone who wishes to make a complaint, including residents of aged care homes, people receiving Community Aged Care Packages or flexible care and relatives, guardians and representatives of those receiving care. The national toll free telephone number for the Scheme is 1800 550 552.

A complaint may be about anything that is a possible breach of a provider's responsibilities under the *Aged Care Act 1997*. Complaints may be made orally or in writing and on a confidential or anonymous basis. The Scheme aims to work with all parties to ensure that they understand and accept the actions needed to resolve a complaint. If a complaint cannot be resolved through negotiation and mediation, a Complaints Resolution Committee will decide what the parties must do to resolve the complaint. Complaints made to the Scheme are often complex, requiring detailed assessment and referral of systemic issues to appropriate authorities.

In 2005-06 there were 1,260 new complaints, compared with 1,004 in 2004-05. Of these, 86 per cent were lodged as open complaints, 12 per cent as confidential and 2 per cent as anonymous. The number of complaints was 8.4 per 1,000 residents, compared with 6.8 in 2004-05; 95 per cent of complaints handled by the scheme related to aged care homes.

Table 23: Complaints received by the Aged Care Complaints Resolution Scheme, 2004-05 and 2005-06

	2004-05		2005-06	
	Number of complaints	**Complaints per 1,000 residents (*)**	**Number of complaints**	**Complaints per 1,000 residents (*)**
New South Wales	280	5.6	338	6.6
Victoria	290	7.8	418	11.0
Queensland	105	3.9	163	6.0.
South Australia	101	7.0	105	7.1
Western Australia	151	12.1	136	10.6
Tasmania	44	11.0	64	15.9
Northern Territory	4	10.3	16	40.8
Australian Capital Territory	29	19.8	20	13.1
Australia	**1,004**	**6.8**	**1,260**	**8.4**

(*) based on the number of permanent residents at 31 December

The Commissioner for Complaints is required to report annually on the operation of the Scheme to the Minister for Ageing, for presentation to Parliament. Further information can be found at the Commissioner's web site at http://www.cfc.health.gov.au.

4.5.2 New safeguards and complaints arrangements

In July 2006, the Minister for Ageing announced the replacement of the Aged Care Complaints Resolution Scheme with more robust arrangements to deal with complaints and compliance. The new complaints mechanism will be administered by a new Office for Aged Care Quality and Compliance within the Department and underpinned by changes to aged care legislation. The new Office will have power to:

- investigate all complaints and information;
- determine whether a breach of an approved provider's responsibilities has occurred;
- take action to remedy any breach;
- issue notices of required action to providers that breach their responsibilities;
- take compliance action when a provider fails to remedy a breach; and
- provide feedback to a complainant on the outcome of a complaint.

The Office will have nationally centralised arrangements for contacts and complaints to be received and prioritised by high level, specifically trained, staff.

An Aged Care Commissioner will replace the existing Commissioner for Complaints. The new Commissioner will provide an independent avenue for review of decisions. The reforms are intended to take effect from 1 April 2007.

4.5.3 Community Visitors Scheme

The Community Visitors Scheme improves the quality of life of residents of aged care services who have limited family and social contact and may be at risk of isolation from the general community for social or cultural reasons, or through disability. The Scheme has wide acceptance in the community and the aged care sector. It currently coordinates over 6,588 volunteer visitors operating through 158 auspices Australia-wide and cost approximately $6.4 million in 2005-06.

A review of the Scheme identified issues of sustainability, access and equity within the program. In response, the number of community visitors has been increased to 7,500 nationally and the rate at which each visitor place is funded has been increased to $1,100 per annum. The additional places will be directed to regions with low levels of coverage.

In the 2006-07 Budget, the Australian Government provided $4.7 million over three years for the expansion of the Community Visitors Scheme and $1.8 million over four years to introduce police checks for community visitors.

4.5.4 Advocacy Services

Under Part 5.5 of the *Aged Care Act 1997*, the Department funds aged care advocacy services in each state and territory. Advocacy services provide independent advocacy and information to recipients or potential recipients of aged care services, their relatives, representatives and carers. The services perform an educative role for recipients and providers on the rights and entitlements of care recipients. They complement the role of the Aged Care Complaints Resolution Scheme within the quality assurance framework.

The National Aged Care Advocacy Program second strategic plan covered the years 2002 to 2005 and is currently being revised to ensure consumer protection in the current aged care environment of accreditation and continuous improvement. Total expenditure for the program in 2005-06 was $2.4 million.

In 2004-05, services under the National Aged Care Advocacy Program undertook 4,398 advocacy cases, handled 5,336 general enquiries and provided 1,744 face-to-face education sessions. Compared with 2003-04, this was an increase of 1 per cent in cases, 7 per cent in general enquiries, and 3 per cent in education sessions.

Appendix A:

Amendments to the *Aged Care Act 1997* and the Aged Care Principles

The *Aged Care Act 1997* was amended in 2005-06 by the *Statute Law Revision Act 2005* as follows:

Amendment:	Effect	References in the amended Act	Date commenced
Minor technical amendments	Corrects typographical and similar errors	s. 57-B cl. 1 of Schedule 1 (definition of 'relinquish')	1 October 1997 (retrospective)

The *Aged Care Act 1997* was also amended in 2004-05 by the *Human Services Legislation Amendment Act 2005* as follows:

Amendment:	Effect	References in the amended Act	Date commenced
Disclosure of protected information	Substitutes the Chief Executive Officer of Medicare Australia for the former Health Insurance Commission as a permitted recipient of protected information under the Aged Care Act.	para. 86-3(c)	1 October 2005

The *Aged Care Act 1997* was amended in 2005-06 by the *Statute Law Revision Act 2006* as follows:

Amendment:	Effect	References in the amended Act	Date commenced
Minor technical amendment	Corrects typographical error	para. 43-4(5)(b)	October 1997 (retrospective)

The *Aged Care Act 1997* was amended in 2005-06 by the *Aged Care Amendment (2005 Measures No. 1) Act 2006* as follows:

Amendment:	Effect	References in the amended Act	Date commenced
Prudential arrangements	One of a suite of Acts to improve management of accommodation bonds and entry contributions. (*) This Act enables the making of Prudential Standards to ensure stronger regulation of approved providers and minimise the risk of an approved provider becoming insolvent. It also amends provisions in relation to when bonds must be refunded, and ensures that rules about bonds apply to all residential or flexible care services holding them.	s. 9-3A para. 56-1(aa) s. 56-3 s. 57-1 ss. 57-2(1) s. 57-3 s. 57-4 s. 57-9 s. 57-12 s. 57-13 ss. 57-15(2) s. 57-16 s. 57-18 s. 57-20 to s. 57-23 para. 62-1(b) para. 63-1(1)(b) ss. 63-2(1) para. 66-1(j) s. 85-1 cl. 1 of Schedule 1 (definition of 'entry contribution balance', 'formal agreement' and 'operator'.	31 May 2006

(*) The *Aged Care (Bond Security) Act 2006* established a scheme to guarantee the repayment of aged care residents' bond balances in the event that the approved provider of a residential aged care service or a flexible care service becomes insolvent and is unable to meet its obligation to repay residents' bond balances. The *Aged Care (Bond Security) Levy Act 2006* operates in conjunction with the *Aged Care (Bond Security) Act 2006* and enables the imposition of levies on approved providers in receipt of bonds to recover any costs incurred by the Australian Government as a result of repaying accommodation bond balances to residents in the event that an approved provider becomes insolvent. Both Acts commenced on 31 May 2006. Together with the *Aged Care Amendment (2005 Measures No. 1) Act 2006,* they form a suite of measures to strengthen protection of residents' accommodation bonds. For more information see also section 4.3.4 of this Report.

The Aged Care Principles were amended in 2005-06 as follows:

Amendment:	Effect	References in the amended Principles	Date commenced
Approval of Care Recipients Amendment Principles 2005 (No. 2)	Establishes eligibility criteria for assessment of people requiring Extended Aged Care at Home – Dementia.	ss. 5.7(1) s. 5.7AA	15 November 2005
Classification Amendment Principles 2005 (No. 2)	Clarifies that section 9.29D specifies the expiry date for the classification of a care recipient who takes extended hospital leave plus transition care leave.	s. 9.29B	24 June 2005 (retrospective)
Extra Service Amendment Principles 2005 (No. 1)	Consistent with 2005 changes to the *Aged Care Act 1997*, deletes references to the continuation or renewal of Extra Service status.	s. 14.11 s. 14.12 s. 14.24 s. 14.26 s. 14.32	1 July 2005 (retrospective)
Flexible Care Subsidy Amendment Principles 2005 (No. 2)	Establishes Extended Aged Care at Home – Dementia as a kind of care for which flexible care subsidy may be payable.	s. 15.5 s. 15.6 s. 15.7 s. 15.8 s. 15.10 s. 15.11	15 November 2005
Residential Care Subsidy Amendment Principles 2005 (No. 4) Amendment Instrument 2005	Renames Residential Care Subsidy Amendment Principles 2005 (No. 4) to remove potential confusion with another amendment of the same name.	n/a	25 October 2005
Residential Care Subsidy Amendment Principles 2005 (No. 6)	Authorises Minister to make new determination providing for additional $28 respite supplement to be payable per resident per day for high care respite.	para. 21.19(a)	1 January 2006
Residential Care Subsidy Amendment Principles 2006 (No. 1)	Clarifies staff training and financial reporting requirements of approved providers in relation to Conditional Adjustment Payments (CAP).	ss. 21.26B(1) ss. 21.26B(2) (including note) ss. 21.26E(2A) ss. 21.26F(2A)	19 February 2005 (retrospective) and 7 July 2006

Appendix B:

Responsibilities of approved providers under the *Aged Care Act 1997*

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

Quality of care

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

User rights

- providing care and services of a quality consistent with the Charter of Residents Rights and Responsibilities and the requirements in the User Rights Principles relating to:
  - residents' security of tenure of their places;
  - access to the service by residents' representatives, advocates and community visitors;
  - providing information to residents about their rights and responsibilities and about the financial viability of the service;
  - restrictions on moving a resident within a residential service;
  - booking fees for respite days; and
  - complying with the prudential and other requirements in relation to any accommodation payments charged for a resident's entry to a service.
- charging no more than the amount permitted under the *Aged Care Act 1997* and User Rights Principles for the care and services that it is the approved provider's responsibility to provide;
- charging no more for other care or services than an amount agreed beforehand with the resident, accompanied by an itemised account of the care and services provided;
- offering to enter into a resident agreement with the resident and, if the resident wishes, entering into such an agreement;
- ensuring that personal information about the resident is used only for purposes connected with providing aged care to the resident, or for a purpose for which the information was given to the provider by the resident or their representative;

- establishing a complaints resolution mechanism for the service and using it to address any complaints made by, or on behalf of, a resident; and
- if the service has Extra Service status, complying with the requirements of the *Aged Care Act 1997* and the Extra Service Principles in relation to extra service fees and agreements.

Accountability requirements

- keeping and maintaining records that enable claims for payments of Residential Care Subsidy to be verified and proper assessments to be made of whether the approved provider has complied with, or is complying with, its responsibilities;
- cooperating with any person who is exercising the powers of an authorised officer under the *Aged Care Act 1997* and complying with the provider's responsibilities in relation to the exercise of those powers;
- notifying the Department of any change of circumstances that materially affects the provider's suitability to be a provider of aged care, and responding within 28 days to any request by the Secretary of the Department to provide further information in this regard;
- notifying the Department of any change to the provider's key personnel within 28 days after the change occurs;
- taking the steps required under section 63-1A of the Act and specified in the Sanctions Principles to ensure that none of the provider's key personnel is a disqualified individual;
- complying with any conditions that apply to the allocation of any places included in the service;
- providing records or copies of records to another approved provider relating to any places transferred to that provider;
- if the provider intends to relinquish any places:
  - notifying the Department at least 60 days beforehand of the proposed date of relinquishment;
  - complying with any proposal accepted or specified by the Secretary for ensuring that the care needs of residents occupying those places are met;
- allowing people authorised by the Secretary access to the service to assess whether residents have been approved to receive care at an appropriate level;
- conducting in a proper manner appraisals or reappraisals of the care required by residents;
- if the service or a distinct part of the service has extra service status, complying with the conditions of grant or renewal of extra service status;

- allowing people authorised by the Secretary access to the service to review the service's certification;
- complying with any undertaking given to the Secretary, and agreed by the Secretary, to remedy non-compliance with the provider's responsibilities;
- complying with the prudential requirement relating to accommodation bonds;
- —if the provider is receiving Conditional Adjustment Payment—meeting the requirements for the payment;
- allowing people acting for an accreditation body to have access to the service for the purpose of accrediting the service, or reviewing its accreditation;
- allowing people representing the Secretary to have access to the service for the purpose of making a preliminary assessment of a compliant;
- allowing a person appointed as a mediator to have access to the service for the purpose of mediating between the parties to a complaint;
- allowing a member of a Complaints Resolution Committee to have access to the service for the purpose of resolving a complaint by making a determination; and
- allowing a member of a Determinations Review panel to have access to the service for the purpose of reviewing a determination made by a Complaints Resolution Committee.

Allocation of places

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

Appendix C:

Sanctions imposed under the *Aged Care Act 1997*, 1 July 2005 to 30 June 2006

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Queensland					
Immanuel Gardens Nursing Home	Lutheran Church of Australia – Queensland District	Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months.	6 February 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards.	Sanction still in place at 30 June 2006
John Cani Estate Aged Hostel	The Roman Catholic Trust Corporation for the Diocese of Rockhampton	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. Vary the allocation condition so that no new residents assessed as requiring a high level of care can be admitted for a period of three months.	11 January 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 expired 11 July 2006 Sanction 2 expired 11 April 2006
Masonic Care Queensland Townsville Nursing Home	The Board of Benevolence and of Aged Masons Widows' and Orphans' Fund	Vary the allocation condition so that no new residents assessed as requiring a high level of care can be admitted for a period of three months.	22 June 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards.	Sanction still in place at 30 June 2006
Netherlands Retirement Village	Netherlands Retirement Village Association of Qld Inc.	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months. 3. Revocation of Extra Service status.	1 July 2005	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions 1 and 2 expired 1 January 2006 Sanction 3 remains in place indefinitely

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Netherlands Retirement Village	Netherlands Retirement Village Association of Qld Inc.	1. Approval as an approved provider of aged care services revoked unless an administrator is appointed for a period of 12 months. 2. No Australian Government funding for new residents for a period of six months.	7 April 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanction still in place at 30 June 2006
South Australia					
Barton Vale Nursing Home	Tolega Pty Ltd	1. No Australian Government funding for new residents for a period of three months. 2. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months.	21 October 2005	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 expired 21 January 2006 Sanction 2 expired 21 April 2006
Victoria					
Grace of Mary Greek Cypriot Elderly Hostel	The Community of Cypriots of the Northern Suburbs of Melbourne Inc.	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months.	14 October 2005	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired 14 April 2006

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Hastings Regional Nursing Home	Hastings Regional Nursing Home Pty Ltd	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months.	10 March 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards.	Sanction still in place at 30 June 2006
Hilary Blakiston House	Barwon Health	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months.	10 February 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanction still in place at 30 June 2006
Sir James by the Bay	Lestlin Nominees Pty Ltd	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months. 3. Prohibiting the charging of accommodation bonds for the entry of care recipients to this service.	5 August 2005	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired 5 February 2006
St Lawrence Nursing Home	Dampier Bay Pty Ltd	No Australian Government funding for new residents for a period of six months.	26 June 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards.	Sanction still in place at 30 June 2006

State and Service	Approved provider	Sanction(s) imposed	Date imposed	Reason for imposing sanction(s)	Outcomes (*)
Wyndham Manor Aged Care Facility	Mon Repos Nursing Home Pty Ltd	1. Approval as an approved provider of aged care services revoked unless an adviser is appointed for a period of six months. 2. No Australian Government funding for new residents for a period of six months.	13 January 2006	The approved provider did not comply with its responsibilities in relation to the Accreditation Standards. The Aged Care Standards and Accreditation Agency identified serious risk and the Department determined the serious risk was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 expired 13 July 2006 Sanction 2 was lifted 5 May 2006

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

Appendix D:

Aged Care Assessment Teams

There are 115 Aged Care Assessment Teams (ACATs) Australia wide. A number of these have outposted team members. Sub-teams are included with their parent ACAT.

Aged Care Assessment Teams	*Locations*
Australian Capital Territory	
ACT	Canberra City
New South Wales	
Albury	Albury
Auburn/Westmead	sub teams at Auburn and Westmead
Bankstown	Bankstown
Bathurst	Bathurst
Bega Valley	Pambula
Blacktown	Blacktown
Blue Mountains/Penrith	sub teams at Lawson (Blue Mountains) and Kingswood (Penrith)
Camden	Camden
Canterbury	Campsie
Central Coast	Gosford
Clarence Valley	Grafton
Coffs Harbour	Coffs Harbour
Concord	Concord
Cooma	Cooma — sub-team at Queanbeyan
Eurobodalla	Moruya
Far West	Broken Hill
Glebe	Camperdown
Goulburn	Goulburn
Hornsby	Hornsby
Hunter Rural	Kurri Kurri
Hunter Urban	New Lambton Heights
Kogarah	Kogarah
Liverpool	Liverpool
Dubbo	Dubbo
Lower North Shore	St Leonards
Macleay-Hastings / Kempsey	Port Macquarie
Manly / Mona Vale	sub teams at Seaforth (Manly) and Mona Vale
Manning/Great Lakes	Taree

Murrumbidgee	Griffith
Narrabri	Narrabri
Northern Illawarra Shoalhaven	sub teams at Warrawong (Northern Illawarra) and Berry (Shoalhaven)
Milton / Ulladulla	Milton (Milton/Ulladulla)
Northern Tablelands	Armidale
Orange	Orange
Parkes	Parkes
Randwick/Botany	Randwick
Richmond	Lismore
Ryde	Eastwood
Southcare	Miranda
Tamworth	Tamworth
Tweed Valley	Tweed Heads
Wagga Wagga	Wagga Wagga
Waverley	Waverley
Wingecarribee	Bowral
Young	Young
Northern Territory	
Darwin (East	Casuarina — sub-teams at Nhulunbuy Arnhem) and Tiwi (Darwin Rural)
Alice Springs	Alice Springs — sub-teams at Alice Springs (Urban and remote) and Tennant Creek (Barkly Community)
Katherine	Katherine
Queensland	
Cairns	Cairns — sub-teams at Innisfail and Mareeba
Central West	Longreach
Fraser Coast	Maryborough
Gold Coast	Southport
Mackay	Mackay
Mount Isa	Mount Isa
Prince Charles Hospital	Chermside
QEII	Acacia Ridge — sub team at Cleveland (Bayside)
Redcliffe / Caboolture	Caboolture — sub team at Strathpine (Pine Rivers)

Rockhampton	Rockhampton
Royal Brisbane Hospital	Windsor
Sunshine Coast	Nambour
Toowoomba	Toowoomba — sub-team at Roma
Townsville	Kirwan
West Moreton	Ipswich
South Australia	
Adelaide Hills and Southern Fleurieu	Mt Barker
Barossa	Angaston
Flinders Far North	Port Augusta
Kangaroo Island	Kingscote
Lower Eyre Peninsula	Port Lincoln
Lower North	Clare
Lower South East	Mount Gambier
Mid North	Port Pirie
Murray Mallee	Murray Bridge
Northern Area	Northfield
Riverland	Berri
Southern Area	Woodville
Upper South East	Naracoorte
Whyalla	Whyalla
Yorke Peninsula	Wallaroo
Tasmania	
North West	Ulverstone
Northern	Launceston
Southern	Battery Point
Victoria	
Barwon Regional ACAS (Geelong)	North Geelong
Barwon Regional ACAS Warrnambool)	Warrnambool
Eastern Metro Regional ACAS Central East)	East Burwood
Eastern Metro Regional ACAS (Outer East)	Upper Fern Tree Gully
Gippsland Regional ACAS	Traralgon
Grampians Regional ACAS (Ballarat)	Ballarat
Hume Regional ACAS (Shepparton)	Shepparton
Hume Regional ACAS (Wangaratta)	Wangaratta
Loddon Mallee Regional ACAS (Bendigo)	Bendigo
Loddon Mallee Regional ACAS (Mildura)	Mildura
North Eastern Metro Regional ACAS (St George's)	Kew
Northern Metro Regional ACAS (Bundoora)	Bundoora

Northern Metro Regional ACAS (Heidelberg)	West Heidelberg
Southern Metro Regional ACAS (Caulfield)	Caulfield
Southern Metro Regional ACAS (Kingston)	Parkdale
Southern Metro Regional ACAS (Mt Eliza)	Mt Eliza
Western Metro Regional ACAS (Northwest)	Parkville
Western Metro Regional ACAS (Western)	St Albans

Western Australia

Albany	Albany
Armadale / Kelmscott	Armadale
Bentley Geriatric	Bentley
Bunbury	Bunbury
Fremantle	Fremantle
Geraldton	Geraldton
Kalgoorlie Geriatric	Kalgoorlie
Kimberley	Broome
Mandurah	Mandurah
Narrogin	Narrogin
Northam	Northam
Osborne Park	Stirling
Pilbara	Port Hedland
Royal Perth Hospital	Perth
Sir Charles Gairdner	Nedlands
Swan District	Middle Swan