Australian Government

Department of Health and Ageing

2011–12
Report on the Operation of the *Aged Care Act 1997*

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Foreword

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

I am pleased to present this Report on the Operation of the *Aged Care Act 1997* for 2011–12.

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

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

In an important step, during 2011–12 the Commonwealth assumed sole funding and policy responsibility (except in Victoria and Western Australia) for Home and Community Care services for older people, replacing the previous joint arrangement with states and territories.

The Government continues to emphasise the importance of providing consumers with the flexibility to choose the care they want. This year an additional 500 Consumer Directed Care (CDC) packages were allocated to Approved Providers. From 1 July 2012, these packages were converted to mainstream home care packages with conditions of allocation to ensure that care recipients continue to receive care and services on a CDC basis.

On 1 September 2011, the Aged Care Complaints Scheme replaced the former Aged Care Complaints Investigation Scheme with the commencement of the new *Complaints Principles 2011*. The Scheme's new complaints framework aims to achieve quality outcomes for recipients of aged care services, with a core focus on resolving concerns.

We made legislative changes to the prudential requirements to enhance the protection of accommodation bonds by limiting the permitted uses of bonds, introduced criminal penalties for significant bond misuse and new information gathering powers from 1 October 2011.

Aged care continues to be a substantial component of Australian Government expenditure and during 2011–12, it accounted for $12.548 billion, an increase of 13.8 per cent on the previous year.

This provided 187,941 residential care places, 60,949 community care places and 4,000 transition care places as at June 2012, an increase of 2.2 per cent over the previous year.

These achievements provide the foundation on which we will implement the comprehensive 10 year plan to reshape aged care. The *Living Longer Living Better* aged care reform package, which the Prime Minister and I announced on 20 April 2012, will provide $3.7 billion over five years to create a flexible and seamless system that provides older Australians with more choice, control and easier access to a full range of services, where they want it and when they need it.

The reforms give priority to providing more support and care in the home, better access to residential care, more support for those with dementia and strengthening the aged care workforce.

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

Mark Butler
Minister for Mental Health and Ageing

Executive Summary

The Report on the Operation of the *Aged Care Act 1997* (the Act) meets the requirement of section 63–2 of the Act that the Minister present to Parliament a report on the operation of the Act for each financial year. This report describes the operation of the Act during 2011–12 and includes additional information to aid an understanding of aged care programs and policies.

Overview

The Australian Government aims to ensure that all frail older Australians have timely access to appropriate care and support services as they age, by providing: information assessment and referral mechanisms; needs-based planning arrangements; support for special needs groups and for carers; a choice of service types; and high quality, accessible and affordable care through a safe and secure aged care system.

Overall Australian Government expenditure for ageing and aged care during 2011–12 totalled $12.548 billion, compared with $11.024 billion in 2010–11 – an increase of 13.8 per cent. This includes aged care support and assistance provided both under and outside the Act. The largest single component of expenditure outside the Act was $1.5 billion for the Home and Community Care (HACC) program, which was funded jointly by the Australian Government and state and territory governments in 2011–12. This compares with $1.291 billion in 2010–11. In 2011–12, 957,448 individuals received HACC services —approximately 77 per cent of these people were aged 65 years or older.

In 2011–12, through aged care programs under the Act, a total of 222,316 people received permanent residential care in aged care facilities and 46,953 received short-term respite care in aged care facilities. In addition, 79,014 people who would otherwise be eligible for residential care, chose to receive a package of community care and support at home, and a further 21,730 people, on discharge from hospital, received transition care to optimize their functioning and allow more time for them to consider long term support arrangements. Some people received care through more than one aged care program during 2011–12.

The total number of operational aged care places across the aged care system at 30 June 2012 was 252,890—an increase of 2.2 per cent over the previous year. This included 187,941 residential care places, 60,949 community care places and 4,000 transition care places.

Aged Care Planning

To ensure that the growth in the number of aged care places available across Australia matches the growth in the aged population, the Australian Government's planning framework determines the type/s and distribution of additional places to be made available. Aged care places are generally released each year through the Aged Care Approvals Round (ACAR).

The 2011 ACAR was advertised on 18 June 2011, with applications closing on 2 August 2011. In December 2011, a total of 9,657 new aged care places were allocated comprising 7,933 residential care places and 1,724 community care places. In addition, $150 million in Zero Real Interest Loans and $58.5 million in capital grants were also allocated.

Information, Needs Assessment and Respite

Good information and comprehensive, needs-based assessment services are essential to ensure that older people on the threshold of aged care, and their carers, know about the support services available to meet their needs and how to access them. This enables them to make informed decisions about their care.

The Australian Government provides a wide range of information products and services, including information lines, brochures and fact sheets, internet websites, and the Commonwealth Respite and Carelink Centres (CRCC) network. CRCCs provide carers with information, coordinate respite services, help carers gain access to these services, and arrange individual respite when needed. There were 149,616 calls to the national number in 2011–12, compared with 100,925 calls in 2010–11 and more than 5.4 million individual information products distributed, including more than 697,000 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals and 50,000 copies of the 2011 edition of the *Australian Government Directory of Services for Older Australians*.

Australian Government expenditure in 2011–12 for the Aged Care Assessment Program was $91.3 million. In 2011–12, 108 Aged Care Assessment Teams (ACATs) operated nationally to comprehensively assess the care needs of frail older people and help them to find the services most appropriate to meet their care needs. A person must generally be assessed by an ACAT before they can access aged care services provided under the Act.

Support services for carers continue to be delivered under a range of programs. Respite care is provided in a range of settings to allow flexibility for carers and their care recipients, including respite within residential aged care facilities under the Act. There were 62,661 admissions for residential respite care in 2011–12 with care recipients using almost 1.47 million resident days at a cost of about $186 million. This represents an increase of 4 per cent compared with 2010–11.

Other community based respite is provided outside of the Act, such as through the National Respite for Carers Program (NRCP). Respite under this program is delivered in a range of settings including overnight, cottage and long day respite. More than 5 million hours of respite were provided through the NRCP in 2011–12. Respite was delivered through 640 respite services across Australia.

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

Aged Care Services

There are three main service streams that make up the Australian Government's aged care system —community care, residential care and flexible care services.

Community care

Community care, funded by the Australian Government, provides home-based care that can improve the quality of life for frail older people and help them to remain active and connected to their own communities (see Section 4.1 for a description of these services). Throughout 2011–12, the Australian Government continued to progress reforms to community care aimed at strengthening and improving the community care system.

The largest part of the Australian Government's support for community care is provided outside of the Act, through the joint Australian Government and state and territory government funded Home and Community Care (HACC) program, which delivers high quality, affordable and accessible services in the community. The Australian Government took full policy and funding responsibility for aged care services from 1 July 2012, including a transfer to the Australian Government of current resourcing for aged care services from the HACC program, in all states and territories except Victoria and Western Australia.

Under the Act, the Australian Government provides packages of community care of varying levels of assistance, depending on the care needs of the client. As at 30 June 2012, there were 46,518 Community Aged Care Packages (CACPs) being provided for frail older people who prefer to live at home, are able to remain living at home with support, and would otherwise be eligible to receive at least a low level of residential care. There were also 12,683 Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages for people with complex needs requiring high level care who have expressed a preference to live at home and are able to do so with some assistance.

In 2011–12, the Australian Government spent $561.8 million on CACPs and a total of $496.4 million on EACH and EACHD packages.

Residential Care

Residential care is a combination of care and accommodation for frail older people who have been assessed and approved as aged care recipients. Assessments take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs.

As at 30 June 2012, there were 2,725 aged care homes across Australia delivering residential care, and around 73 per cent of all operational residential care places were being used to provide high level care. On average, 92.8 per cent of all residential care places were occupied during 2011–12.

The Australian Government subsidises the provision of residential care to those approved to receive it. The payment for each resident consists of a basic subsidy plus those supplements that the resident is entitled to. Australian Government funding for residential care subsidies and supplements, paid to aged care providers for providing care, was $8.738 billion in 2011–12, compared with $7.954 billion in 2010–11 — an increase of 9.9 per cent.

A range of other payments are available to providers of residential care. The Conditional Adjustment Payment continued at 8.75 per cent of the basic subsidy in 2011–12 and is expected to continue at this level over the next financial year. This amount is paid to residential care providers, on top of the basic subsidy, to assist them to become more efficient and more able to continue to provide high quality care to residents.

Aged care residents also contribute to the cost of their care. The Australian Government does not set the level of fees that residents in aged care homes are asked to pay but it does set the maximum level of the fees that providers of care may ask residents to pay. From 1 July 2012, the maximum basic daily fee for permanent residents who entered an aged care home after 20 March 2008 is 85 per cent of the single basic age pension.

There are four rates of basic daily fee: standard rate, protected rate, non-standard rate and phased rate. The phased rate from 20 September 2009 was approximately 76.75 per cent of the single basic age pension. This rate has been gradually increasing and will continue to do so until 20 March 2013 when phased residents will pay 85 per cent of the single basic age pension.

In 2011–12, an estimated 71.6 per cent of aged care homes received income from accommodation charges, and approximately 84.7 per cent held accommodation bonds at 30 June 2012[1]. The average accommodation charge for new residents was an estimated $28.13 per day. The average accommodation bond agreed with a new resident in 2011–12 was an estimated $265,498 and the median new bond amount was an estimated $250,000.

Flexible Care

In total, five types of flexible care are provided for under the Act. Because of their nature, EACH and EACHD packages are treated as community care in this report. The remaining three: Transition Care, Multi-Purpose Services (see Section 6.2 for a description of these services) and Innovative Care (including the pilot Consumer Directed Care places)—provide alternative ways to acknowledge the needs of care recipients. In addition, flexible models of care are provided outside the Act under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

As at 30 June 2012 there were:

- 4,000 operational transition care places, including 2,000 additional places announced in the 2008 Budget;
- 137 operational Multi-Purpose Services, with a total of 3,337 operational flexible care places;
- 107 innovative care places operational nationally;
- 1,000 Consumer Directed Care packages operational nationally as part of a two year Innovative Care initiative; and
- 29 aged care services funded to deliver 675 aged care places through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Support for People with Special Needs

The Act recognises that there are groups of people that may find it more difficult to have access to aged care information and services and receive appropriate care. Known as special needs groups they include: people from Aboriginal and Torres Strait Islander communities; people from non-English speaking (culturally and linguistically diverse) backgrounds; people who live in rural or remote areas; people who are financially or socially disadvantaged; people who are veterans (including the spouse, widow or widower of a veteran); people who are homeless, or at risk of becoming homeless; and people who are care leavers[2]. From 1 July 2012, people from Lesbian, Gay, Bisexual, Transgender and Intersex communities were included within the definition of people with special needs.

1 Figures are preliminary and not finalised at time of publication (SACH 2012)

2 In 2009, the Australian Government amended the Act to include 'care leavers' as a 'special needs' group. A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century.

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

Workforce and Quality in Aged Care

The Aged Care Workforce Fund provides support for the aged care workforce through grant funding to deliver qualifications and training for personal care workers and enrolled nurses in aged care, clinical placements and scholarships. The Aged Care Workforce Fund's primary objective is to improve the quality of aged care by developing the skills of the aged care workforce through a range of training, education and support projects.

The Quality Framework for aged care services funded under the National Aboriginal Torres Strait Islander Flexible Aged Care Program was finalised in July 2011. A total of 26 of the 29 services have now been assessed under the framework since its introduction.

Ageing and Service Improvement

Under the Aged Care Service Improvement and Health Ageing Grants Fund, the Australian Government promotes healthy and active ageing and provides service support for smaller aged care services in rural and remote areas or provides care to Indigenous Australians.

In addition to mainstream aged care services, the Australian Government provides support for people living with dementia or incontinence to assist them to make informed care choices and continue to actively participate in the community.

Regulation and Compliance

The government's approach to quality and regulation, including the accreditation system for residential care and the quality reporting system for community care, emphasises Approved Providers accepting responsibility for providing, maintaining and improving service.

The Aged Care Standards and Accreditation Agency Ltd (the Accreditation Agency) accredits all Australian Government funded aged care homes. During 2011–12, the Accreditation Agency identified 229 homes as not having met one or more of the 44 expected outcomes of the Aged Care Accreditation Standards (the Accreditation Standards). As at 30 June 2012, 2,587 of the 2,731 accredited homes (94.7 per cent) were accredited for three years.

The quality assurance system is reinforced by a program of audits and unannounced visits for residential care and follow-up action as appropriate for all aged care services. Where providers are found not to be meeting their responsibilities under the Act and fail to remedy the situation, there is the possibility of regulatory action by the department, such as the imposition of sanctions. In 2011–12, the department issued 16 Notices of Decision to Impose Sanctions to 13 Approved Providers. At 30 June 2012, 11 of these sanctions remained in place. The department also issued 47 Notices of Non-Compliance against aged care services in relation to quality of care and an additional 4 Notices of Non-Compliance against Approved Providers in relation to prudential matters.

In 2011–12, the Accreditation Agency conducted 6,435 visits to homes, which represents an average of 2.36 visits per home. All homes received at least one unannounced visit from the Accreditation Agency during the year.

The Community Care Common Standards were fully implemented in 2011–12. They apply to CACP, EACH, EACHD, the NRCP and HACC aged care services. These new standards and associated review processes have streamlined quality reviews for service providers while clarifying the accountability requirements they are expected to meet. The common standards also enhance quality monitoring by increasing the involvement of consumers in the quality review process.

The department delivered a range of prudential reforms that improve protection for more than 65,000 aged care recipients who have paid more than $12.1 billion in accommodation bonds without placing an undue regulatory burden on Approved Providers. The amendments to the Act that took effect from 1 October 2011 include limiting the permitted uses of bonds, the introduction of criminal penalties for significant bond misuse where within two years of the misuse the Approved Provider becomes insolvent with at least one outstanding bond balance, and the introduction of new information gathering powers.

During 2011–12, the Accommodation Bond Guarantee Scheme was not activated due to no incidents of insolvency or default on the refund of an accommodation bond by an Approved Provider.

The Aged Care Complaints Scheme

On 1 September 2011, the Aged Care Complaints Scheme (the Scheme) replaced the former Aged Care Complaints Investigation Scheme (the CIS), with the commencement of the new *Complaints Principles 2011* under the *Aged Care Act 1997* (the Act). The Scheme was implemented in response to the independent review of the CIS by Associate Professor Merrilyn Walton in 2009 and as part of the Government's *Building an Australian Aged Care System: Consumer Focus and Protection in Aged Care* reform program.

The Scheme's new complaints framework aims to achieve quality outcomes for recipients of aged care services, with a core focus on resolving concerns.

The Scheme takes a flexible approach to complaints resolution by using a range of techniques including service provider resolution, conciliation and investigation. It also seeks to resolve complaints in a timely manner through early resolution where this is appropriate. New risk assessment tools assist Scheme staff to appropriately prioritise complaints and determine a proportionate response.

The Scheme has also improved its engagement with stakeholders, both throughout the complaints management process as well as with consumers and industry more broadly. The Scheme provides natural justice throughout the complaints process by ensuring complainants and service providers are consulted and that appropriate feedback is provided to relevant parties on outcomes.

The Scheme covers both residential and community care services subsidised under the Act, and its aim is to provide an accessible and responsive complaints system that strives to improve the experience of individual care recipients and continuously improve the delivery of aged care in Australia.

Note: the change from the CIS to the Scheme on 1 September 2011 means that this report includes the period between 1 July 2011 and 31 August 2011 where complaints were managed under the CIS. Where data relates to both the CIS and the Scheme or one or the other of the programs, this will be indicated in the associated text.

Between 1 July 2011 and 30 June 2012, the CIS and the Scheme:

- received 11,517 contacts;
- considered 60.4 per cent of these (6,955 contacts including 4,031 complaints) to be 'in-scope' and subsequently examined;
- resolved 83.3 per cent of complaints within 90 days;
- made 1,265 referrals to external agencies better placed to deal with the matters raised;
- conducted 926 site visits during the course of investigating cases;
- issued 63 Notices of Required Action under the CIS where Approved Providers were found to be in breach of their responsibilities under the Act and had not already taken action to resolve the breach;
- issued 108 Notices of Intention to Issue Directions which gives the Approved Provider the opportunity to demonstrate how they have or will resolve the issues; and
- issued 62 Directions requiring Approved Providers to demonstrate how they have or will meet their responsibilities under the Act.

Glossary

ACAR	Aged Care Approvals Round
ACAT	Aged Care Assessment Team
ACFI	Aged Care Funding Instrument
ACPAC	Aged Care Planning Advisory Committee
Act, the	the *Aged Care Act 1997*
Agency, the	the Aged Care Standards and Accreditation Agency Ltd
Approved Provider	A person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation).
APCS	Annual Prudential Compliance Statements
CACP	Community Aged Care Package
CAP	Conditional Adjustment Payment
CAPS	Continence Aids Payment Scheme
CDC	Consumer Directed Care
CDRC	Consumer Directed Respite Care
CIS	Complaints Investigation Scheme
COAG	Council of Australian Governments
COTA	Council on the Ageing
CVS	Community Visitors Scheme
DBMAS	Dementia Behaviour Management Advisory Services
Department, the	Department of Health and Ageing
EACH	Extended Aged Care at Home package
EACHD	Extended Aged Care at Home Dementia package
EBPAC	Encouraging Better Practice in Aged Care
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.
Fund, the	Aged Care Service Improvement and Healthy Ageing Grants Fund
HACC	Home and Community Care

High care	High care includes: personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and nursing services and equipment—for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen.
Low care	Low care includes: personal care services—for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments.
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex people
Minister, the	the Hon Mark Butler MP, Minister for Mental Health and Ageing
NRCP	National Respite for Carers Program
NSPAC	National Seniors Productive Ageing Centre
Office, the	Office of Aged Care Quality and Compliance
Principles, the	Aged Care Principles, which are subordinate legislation made by the Minister under subsection 961(1) of the *Aged Care Act 1997*
Residential care	Residential care includes accommodation related services—for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance
Secretary, the	Secretary to the Department of Health and Ageing
Scheme, the	the Aged Care Complaints Scheme

1 Introduction

The *Aged Care Act 1997* and associated Aged Care Principles provide the legislative framework for the provision of the majority of aged care services in Australia. These arrangements determine:

- who can provide care, and their roles and responsibilities;
- who can receive care, and their rights and responsibilities;
- what types of aged care services are available; and
- how aged care is funded.

Purpose of this report

This report details the operation of Australia's aged care system during the 2011–12 financial year and is the fourteenth in the series. It is delivered to Parliament and the Australian community by the Minister in accordance with section 63-2 of the Act, which requires that the report include information about:

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

In addition to information required by the Act, the report also includes information on related matters to provide a more useful and comprehensive picture of the Australian aged care system.

Structure of the report

Chapter 2 provides an overview of the Government's commitment to encouraging healthy active ageing and its support for the provision of aged care services. It also provides a more detailed discussion of the Government's needs-based planning arrangements and national reforms to Home and Community Care program funding and aged care reforms under the *Living Longer Living Better* package.

Chapter 3 outlines the Australian Government's support services for older people on the threshold of aged care, and their carers, including information, assessment of care needs, and respite for carers.

Chapters 4, 5 and 6 outline the operation of the three primary service streams that make up the aged care system—community, residential and flexible care services.

This is followed by a discussion of the additional support arrangements that the Australian Government has put in place for people with special needs in Chapter 7.

Chapter 8 outlines the Aged Care Workforce Fund while chapters 9 and 10 focus on measures to support service improvement, quality and safety in aged care, including regulation and compliance arrangements.

The final chapter (Chapter 11) reports activity under the Aged Care Complaints Scheme.

Appendix A provides further detail on the aged care legislative context and Appendix B lists the legislative amendments that were made during 2011–12.

Appendix C provides detail on the responsibilities of Approved Providers under the *Aged Care Act 1997.*

Appendix D lists the sanctions that were imposed on Approved Providers for breaching their responsibilities between 1 July 2011 and 30 June 2012.

Sources

Information for this report was collected primarily from Departmental information systems and records. Information has also been obtained from the Aged Care Standards and Accreditation Agency, the Aged Care Commissioner and Aged Care Assessment Teams. The data in relation to the Aged Care Commissioner examinable decisions and process reviews were confirmed with the Commissioner.

Information for the report was also obtained through a survey of aged care providers, which was conducted by Taverner Research. Overall, 90 per cent of aged care homes responded to the 2012 survey.

2 Overview of the Australian Aged Care System

The Australian Government recognises that older people make invaluable contributions to our communities. It is committed to helping older people enjoy active, healthy, engaged and independent lives by encouraging positive approaches to ageing.

The Government is also committed to ensuring that all frail older people have timely access to appropriate care and support services as they age by providing:

- comprehensive information, assessment, and referral mechanisms;
- support for carers looking after frail older people living at home;
- support for people with special needs in our communities;
- a choice of service types;
- high quality, accessible and affordable care; and
- a safe and secure aged care environment.

The Australian Government's programs and services are discussed in detail in the following chapters. This chapter provides an overview of the Government's commitment to encouraging healthy active ageing and of its support for the provision of aged care services. It also provides a more detailed discussion of the Government's needs-based planning arrangements and national reforms currently underway in aged care.

2.1 Encouraging healthy active ageing

As part of its commitment to positive ageing and to promoting respect for older people in the community, the Australian Government appointed Ms Noeline Brown as the first Ambassador for Ageing (The Ambassador). The Ambassador focuses on attending large events or conferences with predominantly older audiences in order to promote active ageing and encourage recognition and respect for the ongoing contributions made by older people. In 2011–12, the Ambassador attended 86 events and media opportunities, particularly in rural and regional areas. These included health promotion events such as flu vaccinations for the elderly and bowel cancer screenings, as well as community events such as positive ageing exhibitions.

The Australian Government also supports organisations such as National Seniors Australia and the Council on the Ageing (COTA) Australia to facilitate their participation, as peak bodies representing consumers, in the policy development processes of government.

These organisations provide a channel for seniors' views to be represented to government through, for example, contributing to Commonwealth consultation processes; participating in government advisory fora; providing input to emerging policy issues; and promoting positive images of healthy ageing and the value of older people to their communities.

The Australian Government also provides funding for the National Seniors Productive Ageing Centre (NSPAC), which was established by National Seniors Australia, to advance the knowledge and understanding of productive ageing to improve the quality of life of people aged 50 and over. The NSPAC: provides advice on productive ageing matters; undertakes consumer-orientated research and education; promotes and informs productive ageing; and supports productive ageing decisions by seniors. In 2011–12, NSPAC released reports covering ageing related issues such as health literacy, household living costs, mature age workers, private health insurance and the global financial crisis. In June 2012, the NSPAC also held the "NSPAC meets Parliament" forum in Canberra. The purpose of the forum was to stimulate public debate on the issues faced as people age and foster the development of practical long term policy solutions.

Through the Aged Care Service Improvement and Healthy Ageing Grants Fund, the Australian Association of Gerontology (AAG) receives funding to undertake an Ageing Well project. The aim of this project is to increase the evidence base on ageing well, deliver knowledge transfer and dissemination strategies, and develop and provide education programs on ageing and ageing well.

On 18 April 2012, the Government responded to the recommendations made by the Advisory Panel on the Economic Potential of Senior Australians. The response acknowledged all of the Advisory Panel's seven themes, responds positively to the majority of recommendations and includes a $36.4 million package of new initiatives that builds on the Government's comprehensive agenda on ageing. The package largely focuses on participation in the workforce, age discrimination, and insurance issues relating to volunteers and seniors' travel. Some issues identified by the Panel had already been highlighted in the Productivity Commission's Inquiry into Caring for Older Australians, and are being addressed in the *Living Longer Living Better* aged care reforms.

The response also includes the establishment of a new Advisory Panel on Positive Ageing to build on the work of the Advisory Panel on the Economic Potential of Senior Australians. The new Panel will advise Government on the development of a Positive Ageing Strategy and 10 year action plan to create milestones for Government on how best Senior Australians can stay engaged socially and economically. The 10 year action plan will also provide older Australians with greater choice and control over their lives.

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

2.2 Support for aged care services

The Australian Government funds and regulates the provision of residential, community and flexible care to those approved to receive it, and provides capital grants and zero real interest loans to assist in the establishment of new services and the expansion or upgrade of existing aged care homes. It also has in place quality assurance and consumer protection programs.

The services and regulatory framework that operate under the Act provide the foundation of Australia's aged care system and are based on the set of objectives outlined in the Act, namely to:

- promote a high quality of care and accommodation;
- protect the health and well-being of residents;
- help residents enjoy the same rights as all other people in Australia;
- ensure that care is accessible and affordable for all residents;
- plan effectively for the delivery of aged care services;
- ensure that aged care services and funding are targeted towards people and areas with the greatest needs;
- encourage services that are diverse, flexible and responsive to individual needs;
- provide funding that takes account of the quality, type and level of care;
- provide respite for families and others who care for older people; and
- promote 'ageing in place'—that is, help older people stay where they want to live, by linking care and support services.

Australian Government expenditure for ageing and aged care during 2011–12, including aged care support and assistance provided under and outside the Act, totalled $12.548 billion, compared with $11.024 billion in 2010–11—an increase of 13.8 per cent (Figure 1).

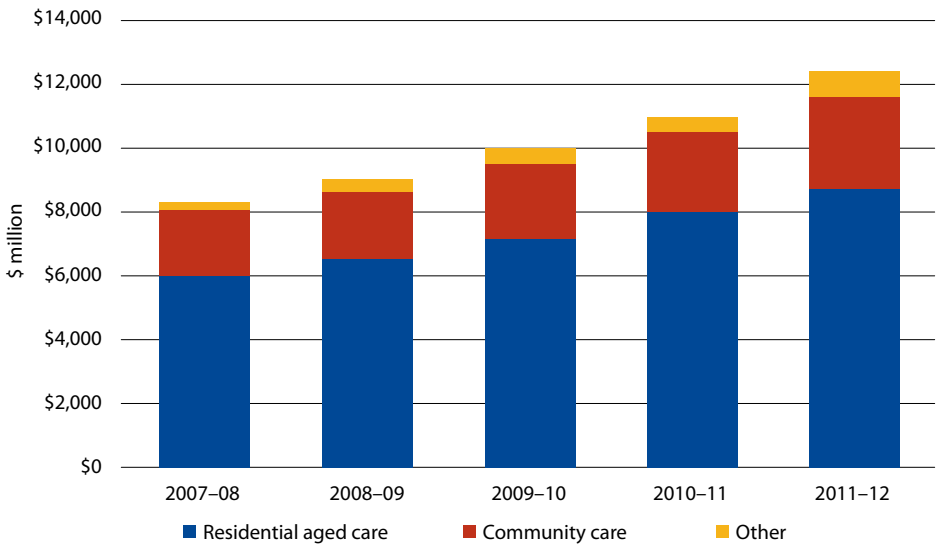
In 2011–12, for Australian Government programs provided under the Act:

- expenditure on residential care subsidies and supplements was $8.738 billion, compared with $7.954 billion in 2010–11—an increase of 9.9 per cent;
- expenditure on Community Aged Care Packages was $561.8 million, compared with $531.7 million in 2010–11—an increase of 5.7 per cent;
- expenditure on Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages was $496.4 million, compared with $364.8 million in 2010–11—an increase of 36.1 per cent; and
- expenditure on flexible care programs, (other than EACH and EACHD packages), was $338.5 million, compared with $263.5 million in 2010–11—an increase of 28.5 per cent.

The largest single component of Australian Government expenditure outside the Act was $1.5 billion for the Home and Community Care (HACC) program.

Expenditure outside of the Act of $198.7 million was also provided for the National Respite for Carers Program in 2011–12 and more than $37.7 million in 2011–12 was provided to deliver therapy services through the Day Therapy Centre (DTC) Program.

Figure 1 Australian Government outlays for aged care, 2007–08 to 2011–12



Note: 'Residential aged care' includes: residential care subsidies (including those paid on behalf of the Department of Veterans' Affairs); Rural and Regional Building Fund; Aged Care Accreditation Agency; Aged Care Bond Security; Targeted Capital Assistance; Zero Real Interest Loans; and Capital Infrastructure and Support.
'Community care' includes: community care subsidies (CACP); EACH; EACHD; Home & Community Care (HACC) program; carer respite, information and support programs; and continence support programs.
'Other' includes: aged care assessment; aged care workforce; ageing information and support; culturally appropriate aged care; dementia; and flexible aged care (excluding EACH and EACHD).

Over one million older people receive some form of aged care each year, with 1 in 10 people aged 70 or over receiving permanent residential care. In 2011–12, through aged care programs administered by the Australian Government under the Act:

- 222,316 people received permanent residential care—equivalent to 10 per cent of people aged 70 years or over (estimated population as at 30 June 2012);
- 79,014 people received care through a community care package (either a Community Aged Care Package, an Extended Aged Care at Home package or Extended Aged Care at Home Dementia package)—equivalent to 3.6 per cent of people aged 70 years or over (estimated population as at 30 June 2012);
- 46,953 people received residential respite care—equivalent to 2.1 per cent of people aged 70 years or over (estimated population as at 30 June 2012)—of whom 22,141 were later admitted to permanent care; and
- 21,730 people received care under the Transition Care Program—an increase of 21.7 per cent over the previous year.

Many older Australians received assistance through the HACC program. In 2011–12, 957,448 individual clients received HACC services; of these around 77 per cent were aged 65 years and over. In addition, some 109,210 carers were provided with assistance through the National Respite for Carers Program.

Some people received care through more than one of these programs during 2011–12.

2.3 The needs-based planning framework

The Australian Government's needs-based planning framework aims to ensure sufficient supply of both low-level and high-level residential and community care places by ensuring that the growth in the number of aged care places matches growth in the aged population. It also ensures balance in the provision of services among metropolitan, regional, rural and remote areas, as well as among people needing differing levels of care.

Under the framework, the Government seeks to achieve and maintain a specified national provision level of subsidised operational aged care places for every 1,000 people aged 70 years or over. This is known as the aged care provision ratio.

The provision ratio was first set in 1985, increased from 100 places to 108 places in 2004–05, and further increased in February 2007 to 113 operational places per 1,000 people aged 70 years or over. The proportion of different types of care places offered was also adjusted in 2007, from: 40 to 44 places for high level residential care; 48 to 44 places for low level residential care; and 20 to 25 places for community care (with 4 for high level community care and 21 for low level community care) for every 1,000 people aged 70 years or over.

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

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

Each year, the Minister determines the number of new residential, community and flexible care places that should be made available for allocation in each state and territory. The number of new places made available each year relates to a comparison of the planning benchmarks with the number of people aged 70 years or over in the general population, and current levels of service provision, including newly allocated places that have not yet become operational.

Aged care places are distributed to planning areas, known as aged care planning regions, in each state and territory. The distribution of places to aged care planning regions within each state and territory is determined by the Secretary, acting on the advice of Aged Care Planning Advisory Committees (ACPACs). These committees are established under the Act to provide advice on comparative aged care needs in the aged care planning regions, including consideration of people from the prescribed special needs groups. Committee members in each state and territory are appointed by the Secretary and comprise both government and non- government members with knowledge and/or experience in aged care. Members are not appointed to represent a particular body or group. They are chosen because of their ability to contribute to the planning of aged care and to give effective advice to the Secretary.

Following the Secretary's distribution of places across each state and territory, an annual Aged Care Approvals Round (ACAR) is conducted as an open competitive process. This process invites applications for an allocation of new aged care places and/or zero real Interest loans and/or capital grants. Places are allocated to applicants that demonstrate they can best meet the aged care needs within a particular planning region. Successful applicants who receive an allocation of aged care places may deliver the specified type/s of care to the community through one or more aged care services.

The capacity of applicants to bring places into operation as quickly as practicable is a consideration in the ACAR's assessment process.

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

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

Current provision

The total number of operational aged care places rose this year, from 247,379 as at 30 June 2011 to 252,890 as at 30 June 2012—an increase of 2.2 per cent over the previous year. This included 187,941 residential care places, 60,949 community care places and 4,000 transition care places.

The number of operational aged care places per 1,000 people aged 70 years or over as at 30 June 2012 is 111.8 (excluding transition care places). The number of allocated and operational aged care places per 1,000 people aged 70 years or over as at 30 June 2012 is provided in Table 1.

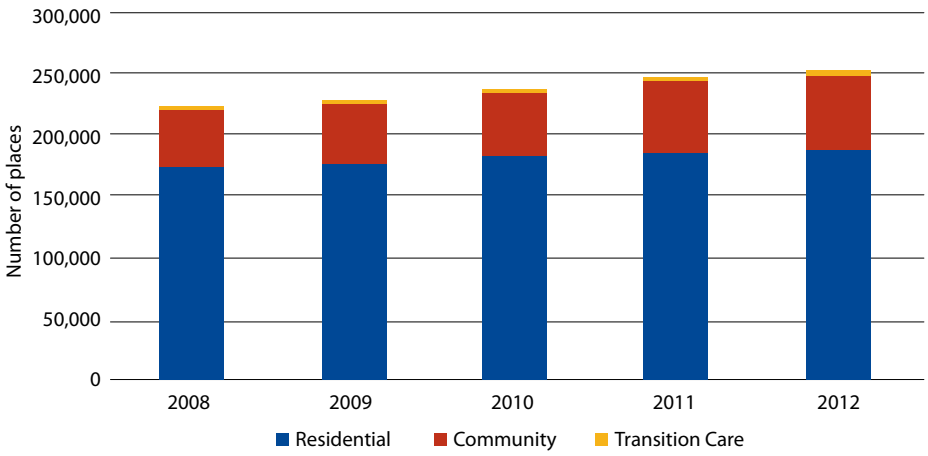
Table 1 Allocated and operational residential, community and transition care places per 1,000 people aged 70 years or over, at 30 June 2012, by state and territory

	Residential			Community			Transition Care	Total Places (excluding transition care)
	High	Low	Total	High	Low	Total		
Allocated Places								
NSW	50.3	47.3	**97.6**	4.3	20.9	**25.2**	1.8	**122.9**
VIC	48.7	49.2	**97.9**	4.5	21.0	**25.5**	1.8	**123.4**
QLD	46.9	47.8	**94.7**	6.8	20.8	**27.5**	1.8	**122.2**
WA	43.0	44.6	**87.6**	14.1	23.3	**37.4**	1.7	**125.0**
SA	53.3	45.0	**98.3**	3.5	21.3	**24.8**	1.8	**123.1**
TAS	47.4	41.4	**88.8**	5.1	21.2	**26.4**	1.9	**115.2**
ACT	50.8	49.9	**100.7**	17.9	25.5	**43.4**	2.1	**144.1**
NT	61.7	42.2	**103.8**	21.9	106.2	**128.1**	3.7	**231.9**
Aust.	**48.8**	**47.3**	**96.1**	**5.9**	**21.5**	**27.4**	**1.8**	**123.5**
Operational Places								
NSW	44.5	41.7	**86.2**	4.3	20.9	**25.2**	1.8	**111.4**
VIC	40.8	44.3	**85.1**	4.5	20.9	**25.4**	1.8	**110.6**
QLD	38.9	42.3	**81.2**	6.8	20.7	**27.5**	1.8	**108.7**
WA	36.1	40.9	**77.0**	14.1	23.2	**37.3**	1.7	**114.3**
SA	49.3	42.4	**91.7**	3.5	21.2	**24.7**	1.8	**116.4**
TAS	44.7	38.3	**83.0**	5.1	21.2	**26.4**	1.9	**109.3**
ACT	32.3	42.5	**74.8**	17.9	25.5	**43.4**	2.1	**118.2**
NT	48.8	39.6	**88.4**	21.9	103.7	**125.6**	3.7	**214.0**
Aust.	**42.0**	**42.4**	**84.4**	**5.9**	**21.5**	**27.4**	**1.8**	**111.8**

Note: Government planning targets are based on providing 113 places per 1000 people aged 70 years or over by June 2012. However, in recognition of poorer health among Indigenous communities, planning in some cases also takes account of the Indigenous population aged 50–69 years. This means that the provision ratio based on the population aged 70 years or over will appear high in areas with a high Indigenous population (such as the NT). Transition Care Program (TCP) places are not included in the target of 113.

Over the five years from 1 July 2008 to 30 June 2012, there was a steady increase in the total number of operational aged care places nationally of 29,783 places, or 13 per cent (Figure 2).

Figure 2 Operational aged care places as at 30 June 2008 to 2012.



In 2011–12, there were a total of 252,890 operational aged care places including residential, community and transition care places (Table 2).

Table 2 Number of Operational places as at 30 June 2012, by Service type and state/territory

State/ Territory	Residential High Care	Residential Low Care	Community High Care	Community Low Care	Transition Care	Total
NSW	33,451	31,384	3,241	15,736	1,378	**85,190**
VIC	23,109	25,070	2,528	11,854	1,000	**63,561**
QLD	16,279	17,680	2,826	8,664	733	**46,182**
WA	7,428	8,422	2,901	4,775	346	**23,872**
SA	9,480	8,141	675	4,078	347	**22,721**
TAS	2,577	2,204	295	1,224	109	**6,409**
ACT	877	1,154	487	691	58	**3,267**
NT	378	307	170	804	29	**1,688**
Aust.	**93,579**	**94,362**	**13,123**	**47,826**	**4,000**	**252,890**

Note: Residential places include Innovative Pool, MPS and National Aboriginal and Torres Strait Islander Aged Care Program residential places. Other Community includes of Innovative Pool, CDC, MPS and National Aboriginal and Torres Strait Islander Aged Care Program community places.

Results of the 2011 Aged Care Approvals Round.

The results of the 2011 Aged Care Approvals Round were announced on 22 December 2011. A total of 9,657 places were allocated comprising 7,933 residential aged care places, 1,419 Community Aged Care Packages, 203 Extended Aged Care at Home (EACH) packages and 102 EACH Dementia packages (Table 3).

In addition to the new places, $58.5 million in Capital Grants and $150 million in Zero Real Interest Loans were offered.

Table 3 Results of the 2011 Aged Care Approvals Round.

State/ Territory	Residential places	CACPs	EACH packages	EACHD packages	Total
NSW	2,261	488	–	–	**2,749**
VIC	2,430	665	–	–	**3,095**
QLD	1,571	–	–	–	**1,571**
WA	433	–	203	102	**738**
SA	813	231	–	–	**1,044**
TAS	92	–	–	–	**92**
ACT	233	–	–	–	**233**
NT	100	35	–	–	**135**
Aust.	**7,933**	**1,419**	**203**	**102**	**9,657**

Consumer Directed Care (CDC) Pilot Initiative

500 Consumer Directed Care (CDC) packages were allocated to Approved Providers in 2011–12 through a competitive invitation to apply process. This was in addition to the 500 CDC packages allocated in 2010–11. CDC or self-directed care allows older people and their carers to make choices and exercise greater control over the types of care services they receive and the delivery of those services, including who will deliver the services and when.

In 2011–12, the department also provided funding to Commonwealth Respite and Carelink Centres for 200 new Consumer Directed Respite Care (CDRC) packages. This was in addition to the 200 CDRC packages allocated in 2010–11.

As part of the *Living Longer Living Better* aged care reform package, the 1,000 CDC pilot packages were converted to mainstream home care packages (i.e. CACP, EACH and EACHD packages) from 1 July 2012, with conditions of allocation to ensure that care recipients continue to receive care and services on a CDC basis. Funding has been extended for the 400 CDRC packages for a further 12 months, to 30 June 2013.

Addressing gaps in service provision

As noted above, ACPACs in every state and territory provide advice on the distribution of aged care places. This advice is incorporated in the Regional Distribution of Aged Care Places, which is published in conjunction with the Invitation to Apply for places and/or a zero real Interest loan and/or a capital grant in the Aged Care Approvals Round.

The Regional Distribution of Aged Care Places may list, by aged care planning region, geographic location/s, special needs group/s and/or key issue/s identified by the respective state and territory ACPACs as having a particular focus in the relevant Approvals Round.

While the published number of places and/or identified issues represents the department's intentions in relation to the places for the region, the department cannot guarantee that the exact number of places made available with the exact same focus will be allocated to the region. The final allocation of places is dependent upon the quantity and quality of the applications received, and will reflect the best use of all the available places, having regard to the need to obtain, as far as possible, a balanced outcome for each region.

2.4 Aged Care Reform Process

During 2011–12, two key aged care reform processes were undertaken: changes in the way that the Home and Community Care Program was resourced; and the announcement of the *Living Longer Living Better* reform package.

Home and Community Care Program

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

The Australian Government has taken full policy and funding responsibility for aged care services from 1 July 2012, including a transfer to the Australian Government of current resourcing for aged care services from the Home and Community Care (HACC) program, in all states and territories except Victoria and Western Australia. This shift in responsibility will enable the development of a consistent aged care system covering basic care at home through to high level care in aged care homes. It will enable the Australian Government to drive increased integration among acute care, public hospitals, GPs, primary health care and aged care.

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

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

Timeline and scope of the HACC transition

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

From 1 July 2011, the Australian Government assumed funding responsibility for basic community aged care services, through an agreement with state and territory governments. The state and territory governments continued to administer the program. In Victoria and Western Australia the HACC Program continues as a jointly funded program.

From 1 July 2012, the Australian Government assumed full operational responsibility for aged care services for older people (that is people 65 years and older and Aboriginal and Torres Strait Islander people 50 years and over). This has involved initiating direct funding arrangements during 2011–12, between the Australian Government and service providers who deliver basic community care services to older people.

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

Living Longer Living Better

On 20 April 2012, the Prime Minister, the Hon Julia Gillard MP, and the Minister for Mental Health and Ageing, the Hon Mark Butler MP, unveiled the $3.7 billion *Living Longer Living Better* five year package of aged care reforms. The package aims to build a better, fairer, sustainable and nationally consistent aged care system to meet the social and economic challenges of the nation's ageing population.

The Government's aged care reform package was substantially informed by the Productivity Commission's inquiry *Caring for Older Australians*. Following the release of the Commission's report in August 2011, Minister Butler undertook a 'Conversations on Ageing' tour which included 31 events in capital cities and regional towns across Australia. An Interdepartmental Committee met regularly to discuss options for aged care reform and the interdependencies and interrelationships of any changes to the aged care system. Industry and consumer aged care peak bodies were consulted through the National Aged Care Alliance Working Group.

The resulting *Living Longer Living Better* aged care reform package includes a 10 year reform plan to create a flexible and seamless system that provides older Australians with more choice, control and easier access to a full range of services, where they want it and when they need it.

Reform Priorities

The reforms give priority to providing more support and care in the home, better access to residential care, more support for those with dementia and strengthening the aged care workforce.

Key components of the reforms include:

- additional support and care to help older people remain living at home;
- additional help for carers to have access to respite and other support;
- delivering better residential aged care;
- strengthening the aged care workforce;
- supporting consumers and research;
- better health care connections;
- tackling dementia;
- supporting older Australians from diverse backgrounds;
- an Aged Care Reform Implementation Council to drive the reform package;
- establishing an Aged Care Financing Authority;
- establishing a Gateway to services to assist older Australians in finding information and to better navigate the aged care system;
- improving quality in residential and home care services; and
- improved powers to handle consumer complaints.

Importantly, the reforms also ensure Australia's aged care system is underpinned by fairer and more sustainable financing arrangements. These arrangements reflect a shared commitment to meeting the costs of aged care, protecting the most vulnerable in the community and do not involve any changes to the current treatment of the family home.

The Act will undergo several amendments in the 2012–13 financial year to support the Government's *Living Longer Living Better* aged care reform package.

For further information on the aged care reform package visit www.livinglongerlivingbetter.gov.au.

3 Information, Needs Assessment and Respite

The Australian Government provides a variety of support and assistance to older people and their carers in the community, both under and outside the *Aged Care Act 1997*, to ensure people are fully informed and their needs are properly assessed. This support recognises that good information and comprehensive, needs-based assessment services are essential to ensure that older people on the threshold of aged care, and their carers, know about the support services available to meet their needs and how to access them. It enables older people and their carers to make informed decisions about their care.

As well as information services, carers are also assisted through the Australian Government support for the provision of respite care. Specialised support is also provided in the community to assist people who are dealing with some of the more common effects of ageing such as dementia and incontinence.

3.1 Enabling older people to make informed choices

Good information and support services are important to achieving timely and appropriate access to care. The Australian Government provides services to ensure that older Australians, their families and carers have access to the information they need.

From 1 July 2011, the Australian Government introduced a new national phone number to make it easier for Australians, their families and carers to gain access to information about aged care services. The new number, 1800 200 422 is answered by the experienced workforce of the 54 Commonwealth Respite and Carelink Centres across Australia. To support the implementation of the national number, the Aged Care Information Line was transitioned into the Commonwealth Respite and Carelink telephone network on 1 September 2011. There were 149,616 calls to the national number in 2011–12, compared with 100,925 calls in 2010–11.

From September 2011, the department established the 1800 900 554 number in order to meet the need for Approved Providers to have access to timely information about fees and charges. Older people, their families and carers are also directed to this number for specific questions on fees and charges that affect them, and for further information on the *Living Longer Living Better* aged care reform package announced on 20 April 2012. There were 62,993 calls to this information line in 2011–12 (Table 4).

Table 4 Calls to the information line by main category of caller and main reason for call, 2011–12

Caller Type	Number of calls	Percentage of all calls[1]
Main category of caller:		
Friend or family member	42,810	68%
Providers of residential care	5,260	8.4%
Self or general public	3,995	6.3%
Health Service / Support Service	1,772	2.8%
Main issue or reason for call:		
Asset assessment	22,627	40.7%
Accommodation bond/charge	22,406	35.6%
Income test/means test	19,777	28.2%

1. Totals do not add to 100 per cent as this table shows only the major categories of caller and reason for call.

The department also disseminates a wide range of information such as fact sheets, newsletters and updates on ageing and aged care to consumers, care providers, health professionals and the general community.

Over 5.4 million individual information products were distributed to consumers during 2011–12 including:

- Approximately 3 million items from the department's stock of aged care information products, such as the 5 Steps to Entry into Residential Aged Care and the suite of Aged Care Information Sheets;
- 1.2 million continence information products such as Continence Aids Payment Scheme application guidelines;
- 319,045 information resources, such as fact sheets on legal arrangements, managing money, and services available to consumers from the Carer Information Products from the department;
- 161,241 Commonwealth Respite and Carelink products;
- 697,000 dementia information products such as fact sheets, brochures and DVDs for consumers and health professionals; and
- 50,000 copies of the 2011 edition of the *Australian Government Directory of Services for Older Australians*.

In communicating important information to aged care stakeholders more than 63 group emails, 55 group faxes and 23 mail-outs were distributed, advising of nursing scholarships, aged care reform updates, changes to fees and charges, accommodation bond interest rate changes, and emergency management planning information.

More than 300 information resources are available to people affected by incontinence, and their families and carers, including fact sheets and brochures on incontinence and bladder and bowel management. Resources include the *Solving Common Bowel Problems for People with Spinal Cord Injury* and *Improving Bowel Function After Surgery* booklets, and the National Toilet Map.

The department's website (www.health.gov.au) offers information on aged care services provided by the Australian Government and a range of publications, reports and information sheets. Amendments and updates distributed throughout the year to aged care service providers are also published on the website.

To assist people to make informed decisions for themselves or for family members, the Aged Care Australia website (www.agedcareaustralia.gov.au) includes an aged care home finder and community care service finder function for locating services. This site has been active since 30 November 2006. The website also includes an Aged Care Assessment Team (ACAT) Finder service. An average of 4,624 searches per month were conducted on the ACAT Finder during 2011–12.

The Commonwealth Respite and Carelink Centres provide an important contact point for carers and other people seeking information. Over 502,361 episodes of information about community, residential and other aged care services were delivered by the 54 Centres in 2011–12.

In addition to providing information, the Centres also link older people to a wide range of community, aged care and support services available locally or anywhere in Australia. Commonwealth Respite and Carelink Centres can be contacted on the national number 1800 200 422. Information can also be accessed through their website www.commcarelink.health.gov.au.

The general public are not the only people to utilise the Centres with general practitioners, health professionals, and service providers also using the service.

To further assist carers, a range of carer information products are available with an estimated 319,045 of these products being distributed in 2011–12. These information products, including educational programs for carers and information about Government programs that support carers, are developed and distributed through the Carer Information and Support Program.

3.2 Assessments for subsidised care

The Australian Government funds state and territory governments to manage and administer the Aged Care Assessment Program (ACAP). In 2011–12 this funding was provided through national partnership payment arrangements under the Intergovernmental Agreement on Federal Financial Relations. State and territory governments manage the day-to-day administration of the program, including the employment of assessment staff for Aged Care Assessment Teams (ACATs) and the delivery of assessment services in each state or territory. From 2012–13, funding to state and territory governments for the ACAP is moving from a national partnership payment arrangement under the federal financial framework to be classified as a Commonwealth own purpose expense.

ACATs comprehensively assess the care needs of frail older people and assist them to gain access to the types of available services most appropriate to meet their care needs. This may involve referring clients to community care services, such as those available under the Home and Community Care program, which do not require approval under the Act. Alternatively, they may approve a person as eligible for Australian Government subsidised aged care services, including residential, community and flexible care services.

A person must generally be assessed and approved by an ACAT before they can access Australian Government subsidised care. Requirements for the approval of care recipients are outlined in Part 2.3 of the Act and in the *Approval of Care Recipients Principles 1997.*

To ensure services are accessible for all frail older people, as at 30 June 2012, 108 ACATs operate across all regions in each state and territory and are based in hospitals or in the local community. Assessments are conducted in accordance with the aged care legislation and Commonwealth guidelines for the program.

ACATs generally comprise, or have access to, a range of health professionals, including geriatricians, physicians, registered nurses, social workers, physiotherapists, occupational therapists and psychologists. Their role is to expertly assess the care needs of frail older people and to work closely with the client, their carer and their family to identify the most suitable aged care services available. If this involves a client moving from the community into an aged care home, the ACAT will approve the client for either high or low level care.

Once a person is approved as eligible for aged care services, ACAT assessors normally assist clients by making direct referrals to a service provider or by providing information on how to apply for services. Following up on referrals may also be part of the care coordination function performed by ACATs, however an ACAT approval does not guarantee a place in a facility or service.

ACATs are encouraged to develop and maintain links with hospital services and provide an interface among acute care, community care and residential care. These links are critical for effective discharge planning and continuity of care. Where appropriate, ACATs are involved in discharge planning to facilitate the referral and linkage of clients to post-discharge care and other forms of support required.

The Australian Government is committed to ensuring older people who need aged care services can have their care needs assessed in a timely manner.

The Aged Care Amendment (2008 Measures No. 2) Act 2008 which commenced on 1 July 2009 included amendments to the requirements for Aged Care Assessments. These changes were expected to reduce the number of duplications and reassessments. For instance, from 1 July 2009 ACAT approvals no longer automatically lapsed after 12 months for residential respite care, high level residential care, and some types of care at home (such as EACH and EACHD).

The total number of completed assessments has reduced from 201,393 in 2008–09 to 177,980 in 2010–11—a decrease of 23,413 (11.6 per cent) assessments. In addition to the reduction in assessments, there have also been improvements in the time from referral to assessment by ACATs.

Over the 2008–09 to 2010–11 period the average elapsed (waiting) time nationally from referral to assessment (first intervention) has reduced to 13.4 days in 2010–11 compared to 19.7 days in 2008–09. Over that same period the average elapsed (waiting) time from referral to approval of an assessment reduced to 21.0 days in 2010–11 compared to 29.4 days in 2008–09.

There is evidence that these changes have significantly improved the efficiency of ACATs by ensuring that ACAT reassessments are conducted only for the people who genuinely need them. The number of completed assessments decreased by 3 per cent between 2009–10 and 2010–11 (Table 5).

Table 5 Number of completed ACAT assessments, 2006–07 to 2010–11, by state and territory

	2006–07	2007–08	2008–09	2009–10	2010–11[1]
NSW	66,994	70,982	71,827	60,562	59,499
VIC	50,053	53,007	52,474	49,776	49,210
QLD	30,033	31,731	31,947	29,096	28,677
WA	17,907	19,169	19,627	19,447	19,106
SA	15,634	16,209	16,652	16,533	13,625
TAS	5,216	5,622	5,630	4,994	4,864
ACT	2,288	2,072	2,280	2,212	1,942
NT	997	1,072	956	959	1,057
Aust.	**189,122**	**199,864**	**201,393**	**183,579**	**177,980**

1. The data was extracted from the Ageing and Aged Care Data Warehouse in September 2012. Future extracts of this data may change and thus alter final numbers.
Note: Data for New South Wales and South Australia in the Ageing and Aged Care Data Warehouse include an unknown number of duplicate records created by a range of database changes and/or Aged Care Assessment Team amalgamations undertaken by the respective state governments. This has a flow-on effect on the national figures.

In February 2006, COAG agreed to improve access to care services for the elderly, people with disabilities and people leaving hospital[3]. As a result, state and territory governments, in consultation with the Australian Government, identified national priority areas to improve and strengthen the Aged Care Assessment Program.

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

- The ACAP National Training Strategy provides the framework for a range of training activities for ACAP staff in all jurisdictions; and
- The work of an Expert Clinical Reference Group has been progressed to develop a set of validated assessment tools for the ACAP.

In 2011–12, the funding previously available to state and territory governments under the measure was included in the base funding for the ACAP. This allows states and territories to continue activities to strengthen and improve the ACAP as appropriate in each jurisdiction.

Australian Government expenditure in 2011–12 for the ACAP was $91.3 million.

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

3.3 Support for carers—respite

Carers play a valuable role to the community by providing care and support to family and friends who are frail aged, disabled, or have a mental or physical illness. The Australian Government is committed to supporting the work of these carers who help older Australians, people with chronic illness or younger people with disabilities to live at home.

Respite care is an important support service for carers as it allows carers to have a break from their usual care arrangements. Respite care is provided in a number of settings to allow greater flexibility for carers. Under the Act respite care can be provided in an Australian Government funded aged care facility. Outside of the Act, respite services are available under the National Respite for Carers Program and the Home and Community Care Program. Funding is also supplied by the Australian Government for Multi-Purpose Services to provide respite care in rural areas.

National Respite for Carers Program

The National Respite for Carers Program (NRCP) contributes to the support and maintenance of caring relationships between carers and the people for whom they care by providing respite, facilitating access to information, and providing other support for carers.

NRCP respite services are targeted to carers of frail older people (over 65 years, or over 50 years if Indigenous), younger people with disabilities, people with dementia, people with dementia and challenging behaviours and people in need of palliative care. Funding of $198.7 million was provided for delivery of these services in 2011–12.

Under this program, 640 respite services are being delivered Australia wide. The NRCP complements the respite services provided under the Act in Australian Government funded residential aged care facilities. Respite is delivered in a number of settings to provide more options for carers. These settings include:

- Day respite in community centres;
- Respite in the home—both day and overnight;
- Overnight respite in community cottages;
- Community outings—either group or individual;
- Mobile Respite;
- Employed Carer respite; and
- Day respite in a residential facility.

In Australia, 54 Commonwealth Respite and Carelink Centres are funded under NRCP to provide information and respite services. The Centres help carers to take a break by arranging short term and emergency respite, and by linking carers to support services available in their local area.

The National Carer Counselling Program provides short term emotional and psychological support services to carers in order to reduce carer stress, improve carer coping skills and facilitate wherever possible, the continuation of the caring role. Counselling can be offered in different ways to suit the different needs of carers with individual face to face sessions, web based, telephone or group counselling sessions offered. Funding also supports provision of specialist advice to carers and guided referrals to other support services.

The Carer Information Support Service aims to assist carers in their role by providing timely and high quality information, specialist advice and community awareness raising that is both culturally and linguistically sensitive.

During 2011–12 the program assisted more than 109,210 carers which included:

- 73,170 carers who received information, carer support and emergency respite through Commonwealth Respite and Carelink Centres;
- 5,134 carers who received counselling services; and
- 30,906 carers who received respite services.

Also funded under the NRCP is the respite packages component of Consumer Directed Care. In 2011–12, funding for respite packages was increased to $2.48 million to provide packages to an estimated 400 clients.

Residential respite

Residential respite provides short-term care in aged care homes to people who have been assessed as eligible and approved by an ACAT to receive residential respite care. It can be used on a planned or emergency basis. In 2011–12, there were 62,661 admissions to residential respite care, and the number of residential respite days used increased from an estimated 1.43 million days in 2010–11 to almost 1.47 million days in 2011–12 (Table 6). On average, each client received 1.3 episodes of residential respite care during 2011–12, and their average length of stay per episode was 23.4 days.

Table 6 Respite care resident days by level of care, 2011–12, by state and territory

	High care	Low care	Total
NSW	332,610	305,706	**638,316**
VIC	109,392	232,818	**342,210**
QLD	100,138	83,898	**184,036**
WA	42,311	53,059	**95,370**
SA	89,451	57,753	**147,204**
TAS	18,642	12,851	**31,493**
ACT	7,926	9,058	**16,984**
NT	6,471	3,539	**10,010**
Aust.	**706,940**	**758,683**	**1,465,623**

The Australian Government continues to increase spending on respite care. Expenditure on residential respite care was more than $186 million in 2011–12, compared with just over $178 million in 2010–11 —an increase of around 5 per cent (Table 7).

Table 7 Australian Government expenditure for residential respite care, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	59.5	69.9	74.5	83.2	84.1	1%
VIC	25.3	28.3	31.7	34.5	37.5	9%
QLD	15.3	17.7	21.6	22.8	24.5	7%
WA	7.0	8.5	9.4	11.0	11.6	5%
SA	13.9	15.9	17.6	19.4	20.9	8%
TAS	3.4	3.7	3.6	3.9	4.3	10%
ACT	1.7	2.1	2.1	2.0	2.1	5%
NT	1.2	1.3	1.2	1.4	1.5	7%
Aust.	**127.3**	**147.5**	**161.7**	**178.2**	**186.4**	**5%**

The Australian Government also provides incentives to residential care providers to increase the availability of high level respite care. Aged care providers who use at least 70 per cent of their respite allocations towards respite care will qualify to receive a supplement for high level respite care. The supplement is calculated per recipient per day in high level respite care. In 2011–12, around $13.7 million was paid to residential care providers through this supplement.

4 Community Care

The Australian Government recognises that most older Australians want to remain independent and living at home for as long as possible, while also having the option of entering residential care. Community care gives older Australians that choice, providing home-based care that can improve their quality of life and help them to remain active and connected to their own communities.

The Australian Government provides community care support through and outside the *Aged Care Act 1997*.

4.1 What is provided?

Home and Community Care

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

The Australian Government and state and territory governments worked together to implement these new arrangements, including changes to the administration and funding of the Home and Community Care (HACC) program.

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

The program provides services such as domestic assistance, personal care, professional allied health care, nursing services and home modification, in order to support these people to be more independent at home and in the community, and to reduce the potential or inappropriate need for admission to residential care.

Community Aged Care Packages

Community Aged Care Packages (CACPs) provide a community alternative for frail older people who have complex care needs but are able to live at home with assistance. CACPs are individually tailored packages of low level care and can provide a range of services which may include personal care, assistance with meals, domestic assistance and transport. In 2011–12, there were 46,588 allocated CACPs, an increase of 3.1% from 2010–11 (Table 8).

CACPs are provided under the community care arrangements of the Act and are complemented by the Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages, which provide high level care. The EACH and EACHD programs are provided under the flexible care arrangements of the Act (see Chapter 9).

Table 8 Number of allocated CACPs as at 30 June each year, 2008 to 2012, by state and territory

	2008	2009	2010	2011	2012	Increase: 2011 to 2012
NSW	13,487	14,204	14,212	14,957	15,440	3.2%
VIC	10,135	10,582	10,582	11,020	11,685	6.0%
QLD	6,972	7,935	7,941	8,422	8,417	-0.1%
WA	3,456	4,062	4,082	4,589	4,589	0.0%
SA	3,464	3,565	3,565	3,700	3,931	6.2%
TAS	1,021	1,101	1,101	1,137	1,137	0.0%
ACT	514	604	604	676	676	0.0%
NT	587	641	641	678	713	5.2%
Aust.	**39,636**	**42,694**	**42,728**	**45,179**	**46,588**	**3.1%**

Extended Aged Care at Home and Extended Aged Care at Home Dementia

The EACH and EACHD programs provide high level aged care to people in their own homes, complementing the availability of CACPs which provide low level care.

The EACH program provides coordinated and managed packages of care, tailored to meet the needs of the individual. Packages are flexible in content but generally include qualified nursing input, particularly in the design and ongoing management of the package. Services available through an EACH package may include clinical care; personal assistance; transport; continence management; home help; social support; emotional support; therapy services; and home safety and modification. In 2011–12, there were 8,520 allocated EACH places, an increase of 2.5 per cent from 2010–11 (Table 9).

An EACHD package provides similar support as an EACH package but also offers additional levels of service to meet the specific needs of care recipients who experience behaviours of concern and psychological symptoms associated with dementia. In 2011–12, there were 4,192 allocated EACHD places, an increase of 2.5 per cent from 2010–11 (Table 9).

The Australian Government also provides a range of services under the Dementia Initiative that directly benefit people with dementia and their carers, and operate outside the scope of the Act (see Chapter 9).

Table 9 Number of allocated EACH and EACHD places as at 30 June each year, 2008 to 2012, by state and territory

	2008	2009	2010	2011	2012	Increase: 2011 to 2012
EACH						
NSW	1,415	1,700	1,723	2,180	2,180	0.0%
VIC	1,106	1,356	1,366	1,700	1,706	0.4%
QLD	691	973	992	1,764	1,764	0.0%
WA	406	689	719	1,640	1,843	12.4%
SA	355	399	399	416	416	0.0%
TAS	119	152	152	174	174	0.0%
ACT	111	146	146	321	321	0.0%
NT	83	100	100	116	116	0.0%
Aust.	**4,286**	**5,515**	**5,597**	**8,311**	**8,520**	**2.5%**
EACH Dementia						
NSW	675	787	792	947	947	0.0%
VIC	497	569	569	779	779	0.0%
QLD	351	523	533	975	975	0.0%
WA	174	321	321	883	985	11.6%
SA	179	194	194	204	204	0.0%
TAS	60	86	86	100	100	0.0%
ACT	45	50	50	154	154	0.0%
NT	30	38	38	48	48	0.0%
Aust.	**2,011**	**2,568**	**2,583**	**4,090**	**4,192**	**2.5%**

4.2 Who provides care?

Service providers vary from small community based groups to large charitable and for-profit organisations that operate nationally.

Australian Government community care packages are primarily provided by religious, charitable and community-based providers (84 per cent of places) with the remaining 16 per cent of places provided by private-for-profit organisations, and state and local governments.

In 2011–12, determining who provides care services through the Home and Community Care (HACC) program for both the younger and older aged cohort was the responsibility of individual state and territory governments. All HACC service providers were required to provide services in accordance with the HACC National Service Standards and the National Program Guidelines for the Home and Community Care Program 2007.

The following tables (Tables 10, 11 and 12) provide details, by state and territory, of the types of providers delivering services in each of the Australian Government community care programs.

Table 10 Operational community care (CACP) places by provider type, as at 30 June 2012, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	5,382	4,872	3,322	817	420	615	**15,428**
VIC	4,092	2,845	1,643	520	1,442	1,139	**11,681**
QLD	3,862	2,052	1,662	531	116	194	**8,417**
WA	1,198	2,079	287	630	92	283	**4,569**
SA	1,148	1,781	438	140	318	91	**3,916**
TAS	407	242	309	90	62	27	**1,137**
ACT	167	395	69	45	0	0	**676**
NT	218	33	138	82	0	223	**694**
Aust.	**16,474**	**14,299**	**7,868**	**2,855**	**2,450**	**2,572**	**46,518**
% of Total	**35.4%**	**30.7%**	**16.9%**	**6.1%**	**5.3%**	**5.5%**	**100%**

Table 11 Operational community care (EACH) places by provider type, as at 30 June 2012, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	622	1,057	250	225	0	26	**2,180**
VIC	889	337	137	59	214	53	**1,689**
QLD	892	524	279	50	10	9	**1,764**
WA	735	668	47	348	12	33	**1,843**
SA	77	255	61	16	0	7	**416**
TAS	42	92	13	23	4	0	**174**
ACT	58	188	75	0	0	0	**321**
NT	51	33	0	32	0	0	**116**
Aust.	**3,366**	**3,154**	**862**	**753**	**240**	**128**	**8,503**
% of Total	**39.6%**	**37.1%**	**10.1%**	**8.9%**	**2.8%**	**1.5%**	**100%**

Table 12 Operational community care (EACHD) places by provider type, as at 30 June 2012, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	298	459	95	82	0	13	**947**
VIC	397	209	60	12	73	18	**769**
QLD	415	353	161	44	0	0	**973**
WA	487	253	17	228	0	0	**985**
SA	7	166	21	5	0	5	**204**
TAS	52	22	4	13	9	0	**100**
ACT	23	92	39	0	0	0	**154**
NT	25	5	0	18	0	0	**48**
Aust.	**1,704**	**1,559**	**397**	**402**	**82**	**36**	**4,180**
% of Total	**40.8%**	**37.3%**	**9.5%**	**9.6%**	**2.0%**	**0.9%**	**100%**

4.3 Who receives care?

Community care services across Australia help many older people to remain independent, in their own homes and in their communities, instead of moving prematurely into aged care homes. Community care provided under the Act delivers support and assistance to older people at home in their own communities. Packages are available in all states and territories, including rural and remote locations.

The Home and Community Care (HACC) program delivers high quality, affordable and accessible services in the community that are essential to the well-being of older Australians, younger people with a disability and their carers. In 2011–12, the target group included people with moderate, severe or profound disabilities of any age. In 2011–12, 957,448 people received services through the HACC program, of whom around 77 per cent were aged 65 years or over.

Packaged care provides varying levels of assistance depending on the care needs of the client. The number of community care recipients as at 30 June 2012 was 53,975 (Table 13).

Table 13 Number of community care recipients, by Australian Government program, by area of remoteness, as at 30 June 2012

Remoteness Area	CACPs	EACH	EACHD	Total
Major Cities of Australia	29,112	5,267	2,342	**36,721**
Inner Regional Australia	9,457	1,749	746	**11,952**
Outer Regional Australia	3,303	649	278	**4,230**
Remote Australia	546	73	16	**635**
Very Remote Australia	417	19	1	**437**
Aust.	**42,835**	**7,757**	**3,383**	**53,975**

Note: The number of community package recipients is less than the overall number of packages available because a small proportion of packages are vacant at any one time due to client movement.

CACPs are suitable for older people who prefer to live at home, would otherwise be assessed as eligible to receive at least low level residential care, and are able to remain living at home with support. In 2011–12, a total of 61,164 people received support in the community through a CACP.

Frail older people with complex care needs who are assessed and approved by an ACAT as requiring high level care, have expressed a preference to live at home, and are able to do so with some assistance, can receive coordinated packages of community care through the EACH program.

Individually designed EACHD packages are also available for people who experience behaviours of concern and psychological symptoms associated with dementia which impact on their ability to live independently in the community. In 2011–12, 12,174 people received care through an EACH package and 5,874 people received care through an EACHD package.

Occupancy rates of CACP, EACH and EACHD packages averaged 90.3 per cent during 2011–12 (Table 14).

Table 14 Occupancy rates of CACP, EACH and EACH Dementia packages 2011–12, by area of remoteness, as at 30 June 2012

	CACP	EACH	EACH Dementia	Total Community Occupancy
Major City	91.3%	89.4%	78.2%	**90.1%**
Inner Regional	93.7%	91.4%	83.3%	**92.6%**
Outer Regional	90.9%	89.6%	80.3%	**90.0%**
Remote	81.4%	73.2%	58.7%	**79.6%**
Very Remote	77.9%	61.2%	49.9%	**76.9%**
Australia	**91.4%**	**89.6%**	**79.3%**	**90.3%**

Some people receiving community care during the year may have received support through more than one program, or through residential care.

4.4 How is community care funded?

Home and Community Care

In 2011–12, the Australian Government assumed funding responsibility for older people (that is people 65 years and older and Aboriginal and Torres Strait Islander people 50 years and over) receiving basic community care services under the Home and Community Care program.

Australian Government funding for HACC in 2011–12 for participating states totalled $1.04 billion. The Australian Government's contribution for the HACC program in Victoria and Western Australia was $462.7 million.

Community care packages

Australian Government financial assistance for community care programs (CACP, EACH and EACHD) provided under the Act is paid to service providers as a contribution to the cost of providing care. The Minister determines the rates for community care subsidies and supplements, to apply from 1 July of each year. The current rates of payment can be found on the department's internet site[4].

Community care recipients also contribute to the cost of their care. While the Australian Government does not set the fees that CACP, EACH and EACHD recipients are asked to pay, it does set a maximum level for the daily fees that providers may ask care recipients to pay. Care recipients can be asked to pay a daily fee of up to 17.5 per cent of the single basic pension ($8.38 from 1 July 2011 to 19 September 2011, $8.61 from 20 September 2011 to 19 March 2012 and $8.69 from 20 March 2012 to 30 June 2012). People on higher incomes may be asked to pay additional fees (limited to 50 per cent of any income above the single rate of basic pension). Fees must be negotiated and agreed upon by both the care recipient and the service provider and no one may be denied a service because they cannot afford to pay.

4 See www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

The Australian Government's expenditure on CACPs increased from $531.7 million in 2010–11 to $561.8 million in 2011–12—an increase of 5.7 per cent nationally (Table 15).

Table 15 Australian Government expenditure for Community Aged Care Packages, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	153.1	165.7	175.2	181.7	192.0	5.7%
VIC	118.0	125.8	131.8	137.5	146.2	6.3%
QLD	71.9	77.7	83.9	88.3	93.1	5.4%
WA	37.9	40.2	44.2	47.4	49.9	5.3%
SA	41.1	43.2	45.0	46.5	48.0	3.2%
TAS	12.1	12.8	13.5	14.4	14.8	2.8%
ACT	6.0	6.5	6.8	6.8	8.0	17.6%
NT	7.7	7.9	8.4	9.1	9.7	6.6%
Aust.	**447.8**	**479.7**	**508.7**	**531.7**	**561.8**	**5.7%**

Note: total expenditure for 2011–12 includes state and territory expenditure for CACP funding for younger people with a disability.

Australian Government expenditure on EACH and EACHD increased to a combined total of $496.4 million in 2011–12.

Expenditure on EACH increased by 36.3 per cent nationally, to reach $336.5 million in 2011–12 (Table 16).

Table 16 Australian Government expenditure for Extended Aged Care at Home, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	45.4	57.7	67.2	75.6	94.1	24.5%
VIC	39.9	46.3	53.4	61.0	74.5	22.1%
QLD	21.7	26.3	32.5	44.4	71.5	61.0%
WA	11.6	15.9	21.8	31.8	55.3	73.9%
SA	12.6	14.6	16.3	17.4	18.3	5.2%
TAS	3.5	4.5	5.9	6.4	7.8	21.9%
ACT	3.8	4.5	5.4	6.1	10.5	72.1%
NT	2.6	2.9	3.6	4.1	4.6	12.2%
Aust.	**141.1**	**172.7**	**206.0**	**246.9**	**336.5**	**36.3%**

Note: total expenditure for 2011–12 includes state and territory expenditure for EACH funding for younger people with a disability.

Expenditure on EACHD continued to increase significantly, reaching a total of $159.9 million in 2011–12 —an increase of 35.6 per cent (Table 17).

Table 17 Australian Government expenditure for Extended Aged Care at Home Dementia, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	18.7	28.2	33.3	37.6	43.6	16.0%
VIC	16.1	22.1	24.7	27.8	36.9	32.7%
QLD	9.3	13.3	16.0	21.7	36.6	68.7%
WA	4.2	6.9	10.2	14.2	23.9	68.3%
SA	5.2	7.7	8.5	9.2	9.9	7.6%
TAS	1.9	2.5	3.5	4.0	4.4	10.0%
ACT	1.3	2.0	2.1	2.2	3.1	40.9%
NT	0.9	0.9	1.2	1.2	1.5	25.0%
Aust.	**57.7**	**83.6**	**99.6**	**117.9**	**159.9**	**35.6%**

Note: total expenditure for 2011–12 includes state and territory expenditure for EACHD funding for younger people with a disability.

Community care viability supplement

The Act provides for a viability supplement to assist service providers of community care and flexible care programs in rural and remote areas. This is available to eligible providers of CACPs, EACH and EACHD packages and Multi-Purpose Services[5] providing community care and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The supplement recognises the high costs associated with attracting and retaining staff to rural and remote areas, and difficulties associated with resource availability that are faced by these services.

The Australian Government also provides a viability supplement to residential care services in rural and remote areas of Australia (see Section 5.4).

Community Care and Flexible Care Grants

Funding and support for the activities previously supported through the provision of Community Care and Flexible Care Grants has been consolidated within the Aged Care Service Improvement and Healthy Ageing Grants Fund (the Fund). Support for these activities continues to be available under the Fund. In 2011–12, three Community Care Grants remaining from the 2009–10 Aged Care Approvals Round were paid, two in Western Australia and one in Tasmania.

5 The Multi-Purpose Service Program is described in Section 6.2

5 Residential Care

Australian Government subsidised residential care is governed by the *Aged Care Act 1997* and the Aged Care Principles and is administered by the Department of Health and Ageing.

Australian Government subsidised residential care provides a range of supported accommodation services for older people who are unable to continue living independently in their own homes.

As at 30 June 2012, there were 2,725 aged care homes delivering residential care under these arrangements, with an occupancy rate of 92.8 per cent over 2011–12. This compares to 93.1 per cent in 2010–11 and 92.4 per cent in 2009–10.

5.1 What is provided?

There are two main types of residential care in Australia; low level care and high level care. While some aged care homes specialise in low or high level care, many homes now offer the full continuum of care, which allows residents to stay in the same home as their care needs increase ('ageing in place'). As part of the *Living Longer Living Better* aged care reform package, the Government has announced its intention to remove the distinction between low and high care from 2014.

Low level care focuses on personal care services (help with the activities of daily living such as dressing, eating and bathing); accommodation; support services (cleaning, laundry and meals); and some allied health services, such as physiotherapy. Nursing care can be given when required. Many low level aged care homes have registered nurses on staff, or at least have ready access to them.

High level care provides people who need almost complete assistance with most activities of daily living with 24 hour care, either by registered nurses, or under the supervision of registered nurses. Nursing care is combined with accommodation; support services (cleaning, laundry and meals); personal care services (help with dressing, eating, toileting, bathing and moving around); and allied health services (such as physiotherapy, occupational therapy, recreational therapy and podiatry).

Residential care is provided on a permanent or respite basis. Residential respite provides short term care on a planned or emergency basis in aged care homes to people who have been assessed and approved to receive it (see Section 3.3).

Ageing in place

For the continuing benefit of care recipients, the Act allows places allocated to an aged care home for low level care to be used for high level care as a care recipient's care needs increase from low to high care. The advantages of ageing in place for care recipients are significant and include less disruption and continuity of care in a familiar environment. Ageing in place is not available in all circumstances, as it is dependent on the capacity of individual aged care homes to accommodate increased care requirements within their physical environment and staffing arrangements. In 2011–12, 54.6 per cent of operational residential care places that were allocated as low care were utilised for high care (see Table 18).

Table 18 Utilisation of operational residential care places, as at 30 June 2012, by state and territory

State / territory	Proportion of all operational residential care places utilised for high care	Proportion of operational residential care places allocated as low care and utilised for high care
NSW	72.3%	51.7%
VIC	71.8%	53.8%
QLD	73.0%	56.8%
WA	72.6%	54.5%
SA	79.5%	64.4%
TAS	72.7%	52.4%
ACT	71.9%	56.7%
NT	75.8%	50.2%
Aust.	**73.0%**	**54.6%**

Extra Service

Some aged care facilities may be approved under the Act to offer Extra Service to recipients of residential care. This involves a significantly higher than average standard of accommodation, services and food. Approval may be for the whole of a residential facility or for a distinct part. Extra Service does not affect the care provided to care recipients, as all aged care facilities are required to meet designated care standards for all care recipients. Aged care facilities approved for Extra Service may charge care recipients an additional Extra Service daily amount. They may also charge accommodation bonds for recipients of both high care and low care. Aged care facilities providing Extra Service attract a reduced residential care subsidy from the Australian Government.

Extra Service increases diversity in the aged care sector by allowing care recipients to choose whether to pay the additional amounts for these additional services. When considering an application from an Approved Provider for Extra Service status, the department must be satisfied that there will be significant benefits to current and future care recipients in the region if the application is approved —including increased diversity of choice and better access to continuity of care. However, approval of Extra Service status must not be granted if it would result in an unreasonable reduction of access for supported, concessional or assisted care recipients or persons aged at least 70 years who would have difficulty affording an Extra Service amount. No more than 15 per cent of places in each state or territory may be approved to be offered as Extra Service.

As at 30 June 2012, there were 23,186 residential care places approved for Extra Service status. The total number of places approved for Extra Service represented 10.95 per cent of all allocated mainstream residential care places and comprised 18,729 high care places and 4,457 low care places.

5.2 Who provides care?

Aged care is delivered to older Australians by service providers who have been approved under the Act. Matters considered in approving service providers include the applicants' suitability to provide aged care, which encompasses aspects such as suitability and experience of key personnel, previous experience in providing aged care, record of financial management, and ability to meet standards for the provision of aged care.

Approved Providers are also required to comply, on an ongoing basis, with a range of responsibilities under the Act relating to factors such as quality of care, user rights, accountability requirements, and conditions relating to allocation of aged care places (see Appendix C).

The amount of aged care that an Approved Provider can deliver depends on the number of aged care places allocated to it under Part 2.2 of the Act. Under these arrangements, an Approved Provider can receive payment for care (subsidies) only for the specified number and type of aged care places allocated through the Australian Government's allocation processes.

Occupancy rates for residential places averaged 92.8 per cent during 2011–12 (Table 19).

Table 19 Occupancy rates of residential places 2011–12, by state and territory

State / territory	Occupancy rate
NSW	92.6%
VIC	92.4%
QLD	92.1%
WA	93.7%
SA	95.2%
TAS	92.6%
ACT	93.7%
NT	91.6%
Aust.	**92.8%**

In general, residential care in Australia is delivered by providers from the religious and charitable, community, private for profit and government sectors. In 2011–12 there were 210,499 allocated residential care places (Table 20).

Table 20 Allocated Residential places (other than flexible care places) by provider type as at 30 June 2012, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	18,578	16,467	10,487	25,780	539	557	**72,408**
VIC	8,269	3,839	7,337	28,909	6,172	480	**55,006**
QLD	13,807	6,111	3,554	13,930	1,529	181	**39,112**
WA	5,290	2,726	2,204	6,744	73	327	**17,364**
SA	5,077	5,067	2,197	4,504	908	430	**18,183**
TAS	2,158	1,105	868	793	87	16	**5,027**
ACT	861	866	225	782	0	0	**2,734**
NT	504	135	26	0	0	0	**665**
Aust.	**54,544**	**36,316**	**26,898**	**81,442**	**9,308**	**1,991**	**210,499**

In 2011–12, the not-for-profit group (comprising religious, charitable and community-based providers) were responsible for approximately 58.2 per cent of operational residential care places while private-for-profit providers increased their share of operational residential care places by a further 0.6 per cent to 35.9 per cent (Table 21).

Table 21 Operational residential care places, other than flexible care places, by provider type, as at 30 June 2012, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	17,752	14,438	9,761	20,933	539	468	**63,891**
VIC	7,193	3,410	6,706	24,127	5,847	480	**47,763**
QLD	12,513	5,635	3,250	10,468	1,501	170	**33,537**
WA	4,879	2,461	1,901	5,571	66	327	**15,205**
SA	4,691	4,722	2,041	4,131	894	430	**16,909**
TAS	2,086	973	857	670	87	16	**4,689**
ACT	761	610	225	435	0	0	**2,031**
NT	384	135	26	0	0	0	**545**
Aust.	**50,259**	**32,384**	**24,767**	**66,335**	**8,934**	**1,891**	**184,570**
% of Total	**27.2%**	**17.5%**	**13.4%**	**35.9%**	**4.8%**	**1.0%**	**100%**

The proportion of residential care places operated by the not-for-profit sector has remained relatively constant since 1996–97, while the proportion of places operated by state and local government has decreased and the proportion operated by the private sector has continued to increase.

5.3 Who receives care?

The Australian Government funds residential care for people who are frail or disabled, require at least a low level of continuing personal care and are incapable of living in the community without support. During 2011–12, a total of 222,316 people received permanent residential care in Australia's aged care homes. On 30 June 2012 there were 167,009 people receiving permanent residential care and 4,056 people receiving residential respite (Table 22).

Table 22 Number of Permanent and Respite residents, as at 30 June 2012, by state and territory, by level of care

Care Type and Level	Permanent		Respite		Total
	High	Low	High	Low	
NSW	45,266	12,168	913	833	**59,180**
VIC	33,972	9,102	318	658	**44,050**
QLD	24,218	6,114	279	223	**30,834**
WA	10,907	3,096	131	129	**14,263**
SA	13,181	2,415	269	160	**16,025**
TAS	3,363	865	46	38	**4,312**
ACT	1,449	397	12	28	**1,886**
NT	404	92	9	10	**515**
Aust.	**132,760**	**34,249**	**1,977**	**2,079**	**171,065**

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

People entering into Australian Government subsidised residential care must first be approved as a care recipient under Part 2.3 of the Act. Under these arrangements, comprehensive assessments are conducted to take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs. This assessment is undertaken by an Aged Care Assessment Team (see Section 3.2). In emergency situations, a person in need of care may be placed in an aged care home before an ACAT assessment.

People who have been approved for care will often take time to consider their options, visit different aged care homes, settle their affairs and make arrangements with the home of their choice before entering care.

Table 23 (below) shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT, by level of care.

This entry period measure is not a proxy for waiting time for admission to an aged care home. The ACAT recommendation is simply an option for that person. Many people who receive a recommendation for residential care may also receive and take up a recommendation for a CACP place instead, or simply choose not to take up residential care at that time. The increased availability of community care and respite care has a significant effect in delaying entry into permanent care[6].

Table 23 Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry, during 2011–12

	2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 9 months
High care	7.4%	22.6%	51.2%	73.2%	87.3%
Low care	4.1%	11.8%	34.0%	65.0%	92.1%
All residents	6.1%	18.2%	44.3%	69.9%	89.3%

5.4 How is residential care funded?

The *Aged Care Act 1997* provides for a combination of public and private financing of aged care services.

Approximately 70 per cent of the total funding for residential care is provided by the Australian Government. Subsidy and supplement payments are paid directly to Approved Providers of aged care services on behalf of the residents in those services. Residents who can afford to do so also contribute to the cost of their care and accommodation.

Subsidies and payments can be grouped into two main categories:

- Care payments—for example, the basic subsidy amount and income tested fees. These payments fund care and related services. In general, the Australian Government funds these payments, through the basic subsidy and supplements such as the oxygen and enteral feeding supplements. Residents who have sufficient income may be asked to contribute to the cost of their care through an income tested fee. The amount of subsidy payable by the Government is reduced by the amount of the income tested fee; and
- Payments for accommodation and hotel-type services, which cover the cost of food, utilities and providing accommodation for residential care. These payments include the standard resident contribution (or basic daily fee), accommodation payments and related supplements. In most cases, residents pay for the majority of these charges, with the Government paying where residents cannot afford to make these payments.

6 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).

What the Government pays

The Australian Government subsidises the provision of residential care to approved residents. The payment for each resident consists of a basic subsidy plus any relevant supplements. Since 20 March 2008, the amount of basic subsidy payable for permanent residents has been assessed using the Aged Care Funding Instrument (ACFI). There are two levels of basic subsidy for respite residents based on whether the ACAT approves the resident as requiring high or low respite care.

The Government calculates the total amount of payment for each resident by determining the basic subsidy and applying relevant supplements and/or deductions as follows:

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI and, for respite residents, by the ACAT's approval of the resident for care;
- plus an additional Conditional Adjustment Payment which is an additional percentage of the basic subsidies paid to eligible providers of residential care (for more information see Care Payments, below);
- plus any primary supplements for new supported residents or former concessional residents, transitional residents, respite residents, oxygen, enteral feeding and payroll tax;
- less any reductions in subsidy resulting from the provision of Extra Service, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment[7];
- less any reduction resulting from the income testing of residents who entered residential care on or after 1 March 1998; and
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (the last of which reduces fees for residents who would otherwise experience financial hardship).

The Minister determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time as the Australian Government's pension changes). The current rates of payment are available on the department's website[8], in the Aged Care Essentials newsletter and from the national number.

Australian Government funding for residential care subsidies and supplements has risen from $7.954 billion in 2010–11 to $8.738 billion in 2011–12 (see Table 24). This includes funding appropriated through the Health and Ageing portfolio as well as funding for veterans in residential care through the Department of Veterans' Affairs. These combined appropriations are paid as subsidies and supplements to aged care homes through payment systems managed by the Department of Human Services (Medicare).

7 The adjusted subsidy reduction was removed from former government owned homes effective 1 July 2007. Transfers of places from Government to a non-Government owned service have the adjusted subsidy reduction removed from the date of transfer.

8 See www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

Table 24 Australian Government recurrent residential care funding, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	2,084.2	2,248.1	2,429.6	2,734.4	2,998.9	9.7%
VIC	1,495.4	1,626.8	1,801.4	2,032.8	2,237.8	10.1%
QLD	1,058.8	1,127.9	1,268.6	1,407.5	1,573.8	11.8%
WA	495.5	536.7	594.2	669.1	727.3	8.7%
SA	632.1	680.2	736.1	800.7	872.6	9.0%
TAS	161.5	167.7	177.8	196.1	215.3	9.8%
ACT	57.7	61.3	68.9	80.9	91.0	12.5%
NT	17.9	18.6	20.5	25.1	29.0	15.5%
Aust.	**6,002.9**	**6,474.0**	**7,097.1**	**7,954.4**	**8,738.4**	**9.9%**

Note: Totals may not sum exactly, due to rounding. Aust. totals also include amounts that cannot be attributed to individual states or territories. Table includes funding through the Department of Veterans' Affairs. Total expenditure for 2011–12 includes state and territory expenditure for residential care funding for younger people with a disability.

Table 25 below shows recurrent residential care funding broken down by different types of subsidies and supplements. Principal subsidies and supplements are outlined below. Full details can be found in the Residential Care Manual 2009[9].

Table 25 Summary of Australian Government payments by subsidy and supplements, from 2007–08 to 2011–12

Type of payment	2006–07 $m	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m
Basic Subsidy						
Permanent	4,762.7	5,006.4	5,325.5	5,844.0	6,560.3	7,288.50
Respite	101.5	106.6	128.2	140.0	153.7	160
Conditional Adjust Payment	250	353.8	471.0	518.0	581.9	645.5
Primary care Supplements						
Oxygen	8.4	9.2	10.2	11.9	12.8	13.4
Enteral Feeding	11.0	10.8	10.2	10.0	8.6	8.6
Payroll Tax	94.4	99.3	104.1	111.5	126.4	147
Respite Incentive	8.5	8.4	10.1	11.7	12.9	13.7

9 See www.health.gov.au/internet/main/publishing.nsf/Content/ageing-manuals-rcm-rcmindx1.htm

Table 25 Continued

Type of payment	2006–07 $m	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m
Hardship						
Hardship	5.6	5.9	5.0	4.4	4.0	3.6
Hardship (Accommodation)	0.0	0.0	0.4	1.2	2.1	2.9
Accommodation Supplements						
Accommodation Supplement	0.0	4.7	104.1	216.0	328.7	446.9
Interim Accommodation Supplement	0.0	95.8	0.0	0.0	0.0	0.0
Transitional accommodation supplement	0.0	1.6	28.8	59.3	80.4	76.1
Viability	15.7	15.1	14.8	15.9	20.6	28.4
Supplements relating to grandparenting						
Concessional	308.1	307.0	267.6	219.3	175.2	132.4
Transitional	46.4	36.2	28.1	21.8	17.4	14.2
Charge Exempt	3.0	2.7	2.2	2.1	1.8	1.6
Pension	297.6	300.6	247.1	188.7	146.2	112.1
Income testing reduction	-213.5	-251.1	-242.9	-233.7	-304.1	-323.1
Other reductions	-57.1	-57.1	-61.8	-57.6	-60.4	-60.5
Other	13.3	-52.8	21.3	12.8	86.1	27.1
Total	**5,665.5**	**6,002.9**	**6,474.1**	**7,097.4**	**7,954.4**	**8,738.4**

1. Respite supplement is included in the basic subsidy payment for respite residents.

The resulting average levels of Australian Government payments for residents in aged care are shown in table 26.

Table 26 Average Australian Government payments (subsidy plus supplements) for each permanent residential care recipient, from 2007–08 to 2011–12

	2007–08	2008–09	2009–10	2010–11	2011–12	Increase: 2010–11 to 2011–12
High care residents	$46,350	$48,500	$51,550	$55,100	$58,900	6.9%
Low care residents	$16,750	$17,700	$20,150	$23,000	$24,700	7.4%
All residents	**$37,350**	**$40,000**	**$43,050**	**$46,900**	**$51,400**	**9.6%**

Care Payments

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

The ACFI has three funding categories or domains: Activities of Daily Living (ADL), Behaviour (BEH) and Complex Health Care (CHC). Funding in each of these domains is provided at four levels, namely high, medium, low or nil. The defined funding rates are set out in Table 27. The subsidy paid for a resident is made up of the sum of the amounts payable for the three care domains (ADL + BEH + CHC).

Table 27 Daily ACFI subsidy rates as at 30 June 2012

Level	Activities of Daily Living (ADL)	Behaviour Supplement (BEH)	Complex Health Care Supplement (CHC)
Nil	$0.00	$0.00	$0.00
Low	$30.90	$7.06	$13.90
Medium	$67.28	$14.63	$39.60
High	$93.21	$30.82	$57.18

Quarterly reports of the proportion of residents in each of the ACFI categories are provided at: www.health.gov.au/internet/main/publishing.nsf/Content/ageing-acfi-30june.htm

The Conditional Adjustment Payment (CAP) provides medium term financial assistance to residential care providers to encourage improvements in corporate governance and financial management practices.

Receipt of CAP funding by individual Approved Providers is voluntary and conditional on compliance with requirements set out in the *Residential Care Subsidy Principles 1997*[10]. Only four Approved Providers have chosen not to participate in the CAP. Participating Approved Providers have met the CAP requirements by:

- participating in the 2012 aged care workforce census;
- satisfying the CAP staff training requirements for the 2011 calendar year; and
- satisfying the CAP audited financial reporting requirements, by lodging a written notice in respect to the 2009–10 financial year.

The CAP is calculated as a percentage of the basic subsidy payable in respect of each resident and has increased each year from the initial rate of 1.75 per cent in 2004–05 to reach a level of 8.75 per cent of the basic subsidy in 2010–11. The CAP continued at 8.75 per cent of the basic subsidy in 2011–12 and is expected to continue at this level over the next year.

The CAP is also applied to the basic subsidy amounts in calculating the rates of payment for the Multi-Purpose Services Program and the flexible services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Primary care supplements include the following:

- Oxygen supplement, payable for residents (including respite residents) who have a medical requirement to receive oxygen treatment on an ongoing basis;
- Enteral feeding supplement, which is payable for residents (including respite residents) who have a medical requirement to receive enteral feeding assistance on an ongoing basis. There is a higher level of supplement for non-bolus feeding and a lower level for bolus feeding;
- Payroll tax supplement, which provides assistance to those providers who are required to pay state/territory-based payroll tax; and
- Respite supplement, which is payable for each eligible day a respite resident is in care, in acknowledgment of the higher administration and care costs of respite care.

Supplements are payable for some residents where the Secretary has made a determination that the imposition of care or accommodation payments would cause financial hardship for the particular resident, for example, a hardship supplement and/or accommodation supplement may be payable. Care recipients can seek financial hardship assistance with their basic daily fees, the income tested fee, accommodation charge or bond (see Section 7.5).

A resident contribution top-up supplement is payable for post 20 September 2009 phased residents to ensure that these residents are not discriminated against due to the aged care provider only being able to charge them a lower rate of basic daily fee. The maximum rate of this supplement is the difference between the standard resident contribution and the phased resident contribution and will cease on 20 March 2013 when the phased rate will equal the standard rate.

10 Division 4, Part 10 *Residential Care Subsidy Principles 1997*

Accommodation Payments

The accommodation supplement (which replaced the concessional resident supplement and pensioner supplement from 20 March 2008) is paid to Approved Providers on behalf of residents who have been assessed as not being able to meet all or part of their own accommodation costs. The accommodation supplement is only payable for eligible permanent residents who entered an aged care service from 20 March 2008.

The supplement provided a maximum of $30.55 from 20 March 2011 to 19 September 2011, $32.38 from 20 September 2011 to 19 March 2012 and $32.58 from 20 March 2012 to 19 September 2012 per day for eligible residents to ensure that providers receive the equivalent of the maximum accommodation charge for all residents either from the resident or the Government or from a combination of both (Table 28).

The level of a new resident's accommodation supplement depends on:

- the level of their assessable assets;
- whether the aged care service meets the 1999 fire safety and 2008 privacy and space requirements; and
- whether the aged care service provides more than 40 per cent of its eligible care days to supported residents.

Table 28 Movement in the maximum rate of accommodation supplement

	Maximum Supplement
20 March 2011 to 19 September 2011	$30.55
20 September 2011 to 19 March 2012	$32.38
20 March 2012 to 19 September 2012	$32.58

A transitional accommodation supplement is available to Approved Providers for some new permanent residents who entered low level care after 20 March 2008 and before 19 September 2011, for whom the level of the accommodation supplement would be less than the level of the pensioner supplement that it replaced.

An accommodation charge top-up supplement was payable for some pensioner high care residents who entered aged care from 20 March 2008 to 19 March 2010 to compensate providers for the lower cap on the maximum accommodation charge that applied to pensioners until 20 March 2010. It ensures that providers can receive the equivalent of the highest legislated maximum accommodation charge (for self-funded retirees) in respect of all residents, either from the resident or the Government or both.

The viability supplement for residential care is a special payment made available under the Act to assist aged care services in rural and remote areas with the extra cost of delivering services in those areas.

Residential viability supplement is payable for care recipients in residential care homes which meet specific criteria, such as the location of the service and the number of allocated places. Eligible services are generally those with fewer than 45 places and in less accessible locations.

The Australian Government also provides a viability supplement to provide additional practical support to eligible Multi-Purpose Services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care program and community care services in rural and remote areas (see Section 4.4).

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

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

This measure became an ongoing component of the viability supplement from 1 July 2012.

Table 29 Australian Government expenditure for residential viability supplement, and the number of aged care homes receiving residential viability supplement, during 2011–12, by state and territory

	Mainstream Residential Care Services		National Aboriginal and Torres Strait Islander Flexible Aged Care Program		Multi-Purpose Services	
	Services	$'000	Services	$'000	Services	$'000
NSW	104	6,660.9	2	0.5	54	3,604.0
VIC	92	5,751.8	0	0.0	7	824.9
QLD	97	7,308.1	3	405.1	28	2,649.9
WA	31	3,350.0	1	228.6	30	2,766.6
SA	50	2,441.1	4	707.2	14	2,566.1
TAS	24	1,168.6	0	0.0	3	216.6
ACT	0	0.0	0	0.0	0	0.0
NT	11	1,688.1	9	1,815.12	1	54.9
Aust.	**409**	**28,368.6**	**19**	**3,207.9**	**137**	**12,682.9**

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

Grand-parented payments

Grand-parented supplements, which apply to only those residents retained on former arrangements (and do not apply to new residents) include:

- Concessional supplements payable for concessional and assisted residents who entered the aged care home from 1 October 1997 but before 20 March 2008: a higher level of concessional supplement is paid for all concessional residents in homes where more than 40 per cent of their post-30 September 1997 residents are concessional or assisted.
- Transitional supplement, payable for residents who entered aged care homes prior to 1 October 1997 and have remained in the same home (in lieu of a determination of their concessional status).
- Charge exempt supplement, which is payable for residents who were in high care (nursing home) on 30 September 1997 and who move to another home where they would otherwise be eligible to pay an accommodation charge. Aged care providers cannot ask exempt residents to pay the accommodation charge.
- Pensioner supplement, which is payable for residents who entered before 20 March 2008 and who were on an income support payment or who had a dependent child. The supplement recognises that pensioners who are aged care residents are not entitled to rent assistance with their pension.

In addition there are five classes of people for whom a hardship supplement is automatically paid resulting in a reduction in their basic daily fee, these classes are set out below:

- class A residents who are care recipients under 21 years of age. These residents receive income of less than the age pension;
- class B residents who are care recipients under 16 years of age. These residents seldom have income of their own;
- class C residents who are self-funded retirees, who entered care prior to 20 March 2008, whose income is just above the pension cut-off and who may be disadvantaged by paying a higher (non-pensioner) rate of the basic daily fee;
- class D residents who were in residential aged care prior to 1 October 1997 who lost eligibility for a payment called the residential care allowance. The automatic reduction in their fees is designed to leave them with income comparable to the amount they had retained after payment of their fees before the 1997 aged care arrangements; and
- class E residents who were living in hostels on 30 September 1997 and who, with the alignment of nursing home and hostel fees, were left with less income after paying their fees. The automatic reduction in their fees is designed to leave them with an income comparable to what they received before the 1997 aged care arrangements.

Further details of financial hardship arrangements are set out in section 21–37 of the *Residential Care Subsidy Principles 1997.*

What residents pay

The Australian Government does not set the fees that residents in aged care homes are asked to pay, however, it does set the maximum level of the fees that providers of care may ask residents to pay. The new arrangements introduced by the *Aged Care Amendment (2008 Measures No. 1) Act 2008* significantly improved the equity of the user fees arrangements. Changed user fee arrangements to further improve equity and to improve system sustainability, were announced as part of the *Living Longer Living Better* aged care reform package.

When a person enters residential care, an Approved Provider must offer the person a resident agreement that both the provider and the resident sign. The resident agreement sets out the policies and practices the provider will follow in setting fees for the resident and the resident's date of permanent entry to the aged care service. As indicated in the 2011–12 *Living Longer Living Better* aged care reform package, there is a focus towards providing aged care residents with a choice of how they pay for their accommodation.

Fees for residents fall into five categories; namely, basic daily fees, income tested fees, asset tested accommodation payments, Extra Service fees, and additional service fees. Not all residents pay all types of fees.

The provider calculates the maximum daily amount that a resident may be asked to pay by:

- working out the applicable standard resident contribution—that is, the maximum basic daily fee;
- adding any compensation payment reduction that applies for the resident;
- adding any applicable maximum income tested fee for the resident;
- subtracting any hardship supplement that applies for the resident;
- adding any other amounts agreed between the provider and the resident in accordance with the User Rights provisions;
- adding the Extra Service amount if the resident is in an Extra Service place and receiving care on an Extra Service basis; and
- adding the eligible remote area allowance amount if the aged care service is located in a remote area.

The result is the maximum daily fee that the resident may be asked to pay.

Daily Fees

All residents in aged care homes pay a basic daily fee (standard resident contribution). This fee is used by the facility to cover costs such as cleaning, maintenance and laundry. Residents in financial hardship can apply for help paying the standard resident contribution basic daily fee under financial hardship provisions.

From 20 September 2009, the maximum basic daily fee for all permanent residents who enter an aged care home on or after 20 March 2008 was 84 per cent of the annual single basic age pension. The standard basic daily fee was $583.94 per fortnight from 20 March 2012[11]. The maximum basic daily fee is indexed in March and September each year at the same time as changes to the age pension.

11 Residents in designated remote areas may be asked to pay an additional $14.84 per fortnight. This amount is equal to 85 per cent of the Remote Area Allowance (less the GST compensation component of that allowance) that is paid to pensioners in those areas.

From 1 July 2012, the maximum basic daily fee increased by one per cent to 85 per cent of the annual single basic age pension. This increase occurred as a result of the additional payments made to Commonwealth Seniors Health Card holders through the Household Assistance Package payments. In addition, the Government introduced the Basic Daily Fee Supplement to protect non-pensioners who do not hold a Commonwealth Seniors Health Card from this increase as they will not be eligible for Household Assistance Package payments. The Government will pay a supplement to providers on behalf of these residents. As a condition of this supplement, providers will be unable to increase the percentage rate of the maximum basic daily fee for eligible residents above its current maximum level.

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

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

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

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

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

Since the Australian Government's Secure and Sustainable Pension Reforms in the 2009–10 Budget, single pensioners have received increases of up to $128.00 per fortnight in their pension payments (including indexation). The Government's decision was framed so that residential care providers and pensioners in their care would share the rise in the base pension, to recognise that care providers also needed additional funding to contribute to the costs of services.

Aged care residents who were in care on 19 September 2009, and who are self- funded retirees or part pensioners, whose pension, on 20 September 2009, did not increase by more than the corresponding increase in the basic daily fee, are protected from paying higher fees. These residents will remain on their existing contribution rate (subject to six-monthly indexation) until they leave care.

Phased residents are those aged care residents who enter care from 20 September 2009 to 19 March 2013 inclusive, who are self-funded retirees or part pensioners, and whose pension did not increase by more than the corresponding increase in the basic daily fee.

Phased residents can be asked to pay a basic daily fee at the phased resident contribution rate. From 20 September 2009 until 19 March 2010, the phased resident contribution was the same rate as the protected resident contribution (which is about 78 per cent of the single basic pension). For the period 20 March 2010 to 19 March 2013, the phased resident contribution will increase every 6 months until it equals 84 per cent of the single basic age pension (as shown in Table 30).

Table 30 Phased resident contribution rate over time

If the particular day is in the period ...	The relevant percentage is
20 March 2010 to 19 September 2010 (inclusive)	78%
20 September 2010 to 19 March 2011 (inclusive)	79%
20 March 2011 to 19 September 2011 (inclusive)	80%
20 September 2011 to 19 March 2012 (inclusive)	81%
20 March 2012 to 30 June 2012 (inclusive)	82%
1 July 2012 to 19 September 2012 (inclusive)	83%
20 September 2012 to 19 March 2013 (inclusive)	84%

The resident contribution top-up supplement is in place to supplement the amount that providers receive from these phased residents (for the period up to 19 March 2013) so that providers receive the same amount for all residents who enter care on or after 20 September 2009.

The income tested fee is paid by those residents who are assessed as having sufficient income to contribute to the cost of their care and is used to make the cost of aged care more sustainable for taxpayers. Each resident is subject to an income test and the Government reduces the amount of care subsidies going to the provider (called the income test reduction amount) based on the amount that the resident's income exceeds the threshold amount. The provider can increase the amount of fee charged to the resident up to or equal to the income test reduction amount. That is, payment of the fee reduces government expenditure rather than accruing to aged care providers.

The maximum income tested fee payable by all post-2008 reform residents is equal to 5/12 of the resident's total assessable income in excess of the maximum income of a full single pensioner.

However, a resident's income tested fee cannot be greater than the lesser of:

- 135 per cent of basic age pension; and
- the value of basic subsidies and primary supplements paid by the Government to the provider of the residential care services in respect of the resident.

Accommodation payments

Income to assist with the capital costs of maintaining and upgrading aged care homes is available to service providers through resident and Government accommodation payments (accommodation charges, bonds and supplements), and through targeted capital assistance.

Entrants to high care are usually required to pay a charge, which is capped and its value is set at the time of entry. Entrants to low care may be asked to pay a bond, which is nominally uncapped, however, there is a requirement that the new resident be left with a minimum level of assets. All entrants to Extra Service can be asked to pay an accommodation bond.

The Australian Government assists those residents who do not have sufficient means in the payment of their accommodation payments.

An accommodation charge is payable by all high care residents who can afford to pay. The changes implemented in 2008 increased the amount providers received for accommodation by increasing both the amount that residents (who can afford it) could be charged and also the amount that the Australian Government paid for those who cannot meet the costs themselves. Fees paid by existing residents were not affected by the changes.

Under these arrangements, in 2011–12 providers received up to a maximum of $30.55 from 1 July 2011 to 19 September 2011, $32.38 from 20 September 2011 to 19 March 2012 and $32.58 from 20 March 2012 to 30 June 2012 per day in accommodation payments for all new residents entering high care, either as a Government supplement or a resident contribution, or a combination of the two, depending on the assessed value of the new resident's assets. The accommodation supplement is paid by the Australian Government for all new residents entering high or low care who have less than $39,000 (from 20 March 2011) in assets. For those with more assets, the Government supplement reduces, with the supplement cutting out altogether for those with more than $102,544 (from 20 March 2011) in assets. This system replaced a number of previous accommodation payments paid for pensioners, and people with low assets.

In 2011–12, an estimated 71.6 per cent of homes collected accommodation charges, compared with 77.1 per cent in 2010–11. The average daily charge to new residents was $28.13 compared with $25.14 in 2010–11 (Table 31).

Table 31 Accommodation charges, 2007–08 to 2011–12

	2007–08	2008–09	2009–10	2010–11[1]	2011–12[1]
Homes collecting charges	68.3%	71.2%	73.9%	77.1%	71.6%
Average daily accommodation charge for new residents	$17.19	$19.82	$22.51	$25.14	$28.13

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

An accommodation bond is payable by all low care residents who can afford to pay at the time of their entry to aged care. Residents who enter permanent high level care in an Extra Service place can also be asked to pay an accommodation bond. Residents who have previously paid an accommodation bond and who are moving to high care may elect, with the agreement of the second facility, to roll over their accommodation bond balance.

Residents can choose to pay an accommodation bond as a lump sum, a regular periodic payment or a combination of both (see Table 32). The bond amount and the payment arrangements are negotiated between an Approved Provider and a resident.

The payment of the bond typically requires a significant rearrangement of the financial affairs of the resident, including sale or rental of the person's home, unless that asset is protected under the Act. This financial vehicle is more consistent with a longer term accommodation change than a short, health-related transition. In recognition of this, the Act allows up to six months for the bond to be paid.

Approved Providers derive income from accommodation bonds by deducting monthly retention amounts and by retaining any earnings accruing from the investment of the bonds. Following legislative changes from 1 October 2011 there are no restrictions on how providers may use retention amounts or income earned from the investment of accommodation bonds.

There are strict prudential requirements related to the accounting and handling of bonds collected by aged care providers. The department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers' prudential arrangements (see Section 10.6).

An estimated 84.7 per cent of aged care homes held accommodation bonds at 30 June 2012, compared with 85.7 per cent at 30 June 2011. The average accommodation bond agreed with a new resident in 2011–12 was $265,498 compared with $248,850 in 2010–11. The median bond amount in 2011–12 was $250,000 compared with $236,000 in 2010–11[12].

As shown in Table 32, the method of payment of bonds most frequently used was payment by lump sum.

Table 32 Method of payment of accommodation bonds, as percentage of all bond-paying new residents, 2007–08 to 2011–12

	2007–08	2008–09	2009–10	2010–11	2011–12[1]
Lump sum	91.0%	89.3%	89.6%	90.3%	86.6%
Periodic payments	3.1%	3.5%	4.1%	3.7%	4.6%
Combination of lump sum and periodic payments	5.9%	7.4%	6.3%	5.9%	8.8%

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

The size of individual bonds has increased substantially over recent years. The Australian Government has taken measures to strengthen the protection of residents' bonds, as a bond can represent a significant proportion of a resident's life savings. (See Section 10.6 for more information.)

Further information on residential care fees and charges can be found on the Department of Health and Ageing website at www.health.gov.au or by calling 1800 200 422.

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

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

12 Accommodation bond and charge data for 2011–12 are based on preliminary results of the 2012 Survey of Aged Care Homes and are subject to further refinement following detailed analysis of the survey results.

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

Building activity

Through accommodation payments, residential care providers have access to funding to upgrade and maintain buildings. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Table 33 sets out details[13].

An estimated total of $922 million of new building, refurbishment and upgrading work was completed during 2011–12, involving about 15.3 per cent of all homes. An estimated further $979 million of work was in progress at 30 June 2012, involving about 6.6 per cent of all homes. At June 2012, an estimated 14 per cent of homes were planning building work.

Table 33 Estimated building work expenditure by residential care services, 2007–08 to 2011–12[14]

	2007–08	2008–09	2009–10	2010–11	2011–12
Building Work					
Estimated total building work completed during the year or in progress at 30 June ($m)	$3,381	$3,005	$2,358	$1,953	$1,901
Proportion of homes that completed any building work during the year	13.4%	16.9%	13.3%	12.9%	15.3%
Proportion of homes with any building work in progress at the end of the year	9.8%	10.0%	7.5%	5.6%	6.6%
New building work[1]					
Proportion of homes that completed new building work during the year	3.10%	3.1%	2.7%	2.2%	1.7%
Proportion of homes with new building work in progress at the end of the year	2.7%	2.40%	1.5%	1.5%	1.7%
Estimated new building work completed during the year ($m)	$873	$968	$1,028	$750	$535
Estimated new building work in progress at the end of the year ($m)	$854	$731	$441	$428	$478
Proportion of homes that were planning new building work	3.4%	3.2%	3.1%	4.2%	3.7%
Rebuilding work[2]					
Proportion of homes that completed rebuilding work during the year	0.81%	0.78%	0.98%	0.4%	0.7%
Proportion of homes with rebuilding work in progress at the end of the year	1.31%	1.19%	0.64%	0.9%	0.8%

13 Building activity data for 2011–12 are preliminary and are subject to further refinement following detailed analysis of the Survey of Aged Care Homes results.

14 Source: Surveys of Aged Care Homes, 2008, 2009, 2010, 2011 and 2012.

Table 33 Continued

	2007–08	2008–09	2009–10	2010–11	2011–12
Estimated rebuilding work completed during the year ($m)	$184	$280	$155	$116	$93
Estimated rebuilding work in progress at the end of the year ($m)	$546	$342	$216	$245	$255
Proportion of homes that were planning rebuilding work	1.5%	1.5%	1.7%	2.2%	2%
Upgrading work[3]					
Proportion of homes that completed upgrading work during the year	9.9%	13.2%	10.0%	10.3%	13.4%
Proportion of homes with upgrading work in progress at the end of the year	6.0%	6.7%	5.5%	3.2%	4.3%
Estimated upgrading work completed during the year ($m)	$394	$322	$257	$184	$295
Estimated upgrading work in progress at the end of the year ($m)	$530	$362	$261	$231	$246
Proportion of homes that were planning upgrading work	7.2%	7.2%	6.6%	8.6%	9.8%

1. New building is defined as work relating to a new building to accommodate new or transferred aged care places.
2. Rebuilding work is defined as the complete demolition and reconstruction of an approved service on the same site.
3. Upgrading work is defined as renovation or refurbishment of an existing service including extensions.

Capital assistance

The Australian Government acknowledges that some homes may not be in a position to attract sufficient residents who can pay accommodation payments because, for example, of their rural or remote location or because the homes target financially disadvantaged people. An ongoing program of targeted capital assistance helps providers who, as a result of such circumstances, are unable to meet the cost of necessary capital works.

In the 2011 Aged Care Approvals Round, up to $58.5 million in capital grants was made available nationally to Approved Providers to undertake necessary capital works to establish, upgrade or expand residential aged care services.

In addition, the Zero Real Interest Loans initiative (see Section 2.3), introduced by the Government in the 2008–09 Budget, provides up to $300 million in zero real interest loans to residential care providers to build or expand residential and respite care facilities in areas of high need. The objective is to encourage proven providers of residential care, through the provision of low cost finance, to establish residential care services in areas where they were previously less likely to invest.

In the first funding round which was run in 2008, $150 million in loans was offered to providers to build a total of 1,348 new residential care beds in areas of need. In the second round, run in conjunction with the 2009–10 Aged Care Approvals Round, over $147 million was offered to providers to build a total of 819 new residential care beds in areas of need.

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

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

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

The results of the first expansion round were announced as part of the 2011 Aged Care Approvals Round on 22 December 2011. $150 million in Zero Real Interest Loans was offered in respect of the development of 972 new and 147 provisionally allocated residential aged care places.

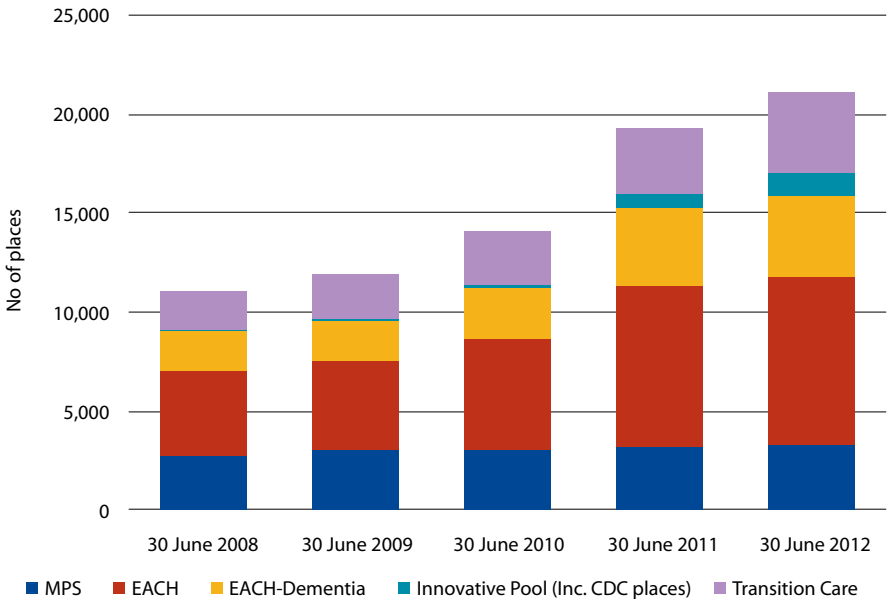
6 Flexible Care

Flexible care acknowledges that the needs of care recipients, in either a residential or community care setting, may require a different approach than provided through mainstream residential and community care. Five types of flexible care are now provided for under the Act—Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages, Transition Care, Multi-Purpose Service places, and Innovative Care. Arrangements for the various types of flexible care are set out in the *Flexible Care Subsidy Principles 1997.*

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

As at 30 June 2012, there were 21,127 operational flexible care places (Figure 3).

Figure 3 Operational flexible care places, from 30 June 2008 to 30 June 2012



Note: The number of flexible care places does not include places allocated under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. Innovative Pool places include 1,000 Consumer Directed Care (CDC) places in 2011–12.

The Australian Government funded Consumer Directed Care (CDC) in Australian Government community aged care programs to test an alternative model of care. CDC was a two year initiative which commenced in 2010–11 and provided older people and their carers with greater involvement and control over the design and delivery of community care services provided to them. There were 1,000 CDC places operational at 30 June 2012. From 1 July 2012 these places were converted to mainstream home care packages (i.e. CACP, EACH and EACHD packages).

In addition, flexible models of care are also provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The services funded under this program provide culturally appropriate aged care, close to community and country of older Indigenous people, and mainly in rural and remote areas. Services delivered under this program are funded and operate outside the regulatory framework of the Act.

6.1 Transition Care

The Transition Care Program was established in 2004–05 as a jointly funded initiative between the Australian and state and territory governments. Transition care service delivery is managed by the state and territory governments, represented by their health departments. Within the framework of the program, state and territory governments have the flexibility to determine service delivery models for transition care that best respond to local service and individual care recipient needs. All state and territory governments have entered into partnership arrangements with non-government organisations for the provision of transition care.

Commencing in 2005, the Australian Government provided a total of 2,000 transition care places to all states and territories. The distribution of these places between the states and territories was broadly based on the distribution of the population of non-Indigenous people aged 70 or over and Aboriginal and Torres Strait Islander people aged 50 or over. In the 2008 Federal Budget, the Australian Government committed to provide an additional 2,000 transition care places that would be provided in four releases to be made operational by June 2012.

At 30 June 2012, the Australian Government had allocated all of the additional 2,000 transition care places, and all of these places were operational, bringing the total number of operational transition care places to 4,000 nationally.

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

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

Transition care can be provided for up to 12 weeks (with a possible extension of another six weeks) in either a home-like residential setting or in the community. In 2011–12, the average length of stay for completed episodes of transition care was 62 days.

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

As at 30 June 2012, 3,367 people were receiving transition care. Overall 21,730 people received transition care in 2011–12 (see Table 34).

Table 34 Number of transition care recipients by state and territory 2011–12

	Number of people receiving care at 30 June 2012	Number of people who received care during 2011–12
NSW	1,148	6,878
VIC	885	6,011
QLD	610	4,040
WA	277	2,067
SA	335	1,959
TAS	67	465
ACT	25	227
NT	20	106
Aust.	**3,367**	**21,730**

Note: One recipient can receive multiple episodes of transition care throughout a year, and thus may be counted more than once.

Australian Government funding for the program is provided in the form of a flexible care subsidy for each person receiving transition care. In 2011–12, the Australian Government met, on average, 65.8 per cent of the recurrent costs of the program. Combined Australian Government and state and territory expenditure on transition care totalled $307.7 million in 2011–12 (Table 35).

Table 35 Expenditure on transition care, in 2011–12, by state and territory

	NSW $m	VIC $m	QLD $m	WA $m	SA $m	TAS $m	ACT $m	NT $m	Aust. $m
Australian Government	68	54.3	36.9	16.8	19	4.5	1.8	1	202.4
States and Territories	28.1	34.7	18.5	8.7	7.0	6.4	1.4	0.5	105.3
Total	**96.1**	**89.1**	**55.3**	**25.5**	**26**	**10.9**	**3.2**	**1.6**	**307.7**

6.2 Multi-Purpose Services

The Multi-Purpose Service Program is a joint initiative between the Australian Government and all states and territories, except the Australian Capital Territory (where such services are not needed). The program recognises that the delivery of some health and aged care services may not be viable in small rural and remote communities if provided separately. By bringing the services together, economies of scale are achieved to support the services.

Multi-Purpose Services operate under the Act and deliver a mix of aged care, health and community services in rural and remote communities. In general they are operated by state, territory and local governments, and are primarily located in hospital settings.

At 30 June 2012, there were 137 operational Multi-Purpose Services, with a total of 3,337 flexible care places (with some of the Multi-Purpose Services serving more than one location). During 2011–12, three new Multi-Purpose Services were established and the number of operational aged care places in Multi-Purpose Services increased by 3.8 per cent (Table 36).

Table 36 Multi-Purpose Services and operational places, as at 30 June 2012, by state and territory

	Multi-Purpose Services with Operational places	Operational High Care Residential Care Places	Operational Low Care Residential Care Places	Operational Community Care Places	Total Operational Places
NSW	54	669	220	117	**1,006**
VIC	7	225	131	19	**375**
QLD	28	210	133	120	**463**
WA	30	308	311	159	**778**
SA	14	390	203	14	**607**
TAS	3	66	21	15	**102**
ACT	0	0	0	0	**0**
NT	1	4	0	2	**6**
Aust.	**137**	**1,872**	**1,019**	**446**	**3,337**

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

There was continued growth in Australian Government expenditure for the Multi-Purpose Services Program, from $108.2 million in 2010–11 to $116.2 million in 2011–12 (Table 37).

Table 37 Australian Government expenditure for Multi-Purpose Services, from 2007–08 to 2011–12, by state and territory

	2007–08 $m	2008–09 $m	2009–10 $m	2010–11 $m	2011–12 $m	Increase: 2010–11 to 2011–12
NSW	24.2	30.8	32.9	36.7	38.8	5.7%
VIC	9.2	9.8	12.8	8.6	12.4	44.2%
QLD	12	12.7	13.8	15.8	16.2	2.5%
WA	20.7	21.6	22.2	23.3	23.3	0.0%
SA	9	16.5	19.1	20.1	20.9	4.0%
TAS	3	3.3	3.4	3.5	3.6	2.9%
ACT	0	0	0	0	0	n/a
NT	0.2	0.3	0.3	0.3	0.3	0.0%
Aust.	**78.3**	**95**	**104.5**	**108.2**	**116.2**	**7.4%**

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

6.3 Innovative Care services

Innovative care arrangements established under the Act support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group. The Aged Care Innovative Pool program—established in 2001–02, provides opportunities to use flexible care places to test new approaches to providing care for specific target groups.

For example, the Transition Care Program (see Section 6.1) is built on the lessons learned from two pilot programs developed through the Innovative Pool—the Innovative Care Rehabilitation Services and the Intermittent Care Services pilots—both of which addressed the interface between aged care and hospital care. Pilot projects that are approved under the Innovative Pool have clear client eligibility criteria, and have controlled methods of service delivery. Evaluation is an integral element of all projects.

As at 30 June 2012, there were nine operational services with a total of 107 operational innovative care places. These services were operated by Approved Providers from the community care sector across five states.

The Australian Government spent a total of $3.2 million nationally on projects funded under the Innovative Pool program in 2011–12. A total of $19.9 million was spent on all Innovative Pool programs including the CDC Initiative.

7 Support for People with Special Needs

One of the objectives of the Act is to facilitate access to aged care services by those who need them, regardless of race, culture, language, gender, economic circumstance or geographic location. To give effect to this objective, the Act and the Aged Care Principles designate certain people as 'people with special needs'—namely, people from Aboriginal and Torres Strait Islander communities; people from non-English speaking (culturally and linguistically diverse) backgrounds; people who live in rural or remote areas; people who are financially or socially disadvantaged; people who are veterans (including spouses, widows and widowers of veterans); people who are homeless or at risk of becoming homeless; people who are care leavers; and people from the Lesbian, Gay, Bisexual, Transgender and Intersex community.

In accordance with the Act's objectives, the Secretary may decide, under section 12-5 of the Act, that a number of aged care places will be made available to focus on the care of particular groups of people. People from special needs groups also have access to places allocated to serve the needs of the general population. The Act requires all applicants seeking new places through the Aged Care Approvals Round, or a transfer of places, to demonstrate their understanding of the particular care needs of people with special needs.

These provisions are consistent with the aims of the Australian Government's Social Inclusion Agenda and Multicultural Policy which, in part, aims to provide a pathway to inclusion, a continuum of care and be responsive to the needs of our culturally diverse communities.

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

7.1 People from Aboriginal and Torres Strait Islander communities

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

As well as having access to aged care services funded under the Act, Aboriginal and Torres Strait Islander people also have access to services funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. These services are funded, and operated outside, the regulatory framework of the Act to deliver a mix of residential and community care services in accordance with the needs of the community. At 30 June 2012, there were 29 aged care services funded through this program, with funding to deliver 675 aged care places. The aim of the program is to provide culturally appropriate care close to the homes and communities of older Aboriginal and Torres Strait Islander people.

Funding is also provided for capital grants in order to support aged care services in remote areas and those providing care to Aboriginal and Torres Strait Islander people.

Support Services for Remote and Indigenous Aged Care

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

In recognition of these challenges the department funds a support program to assist aged care services operating in remote areas, and those providing care for Aboriginal and Torres Strait Islander people. This program makes available a range of professional services and emergency assistance. Professional services are provided to build the capacity of eligible aged care services and assist in the areas of care delivery, financial and organisational management and governance. Emergency assistance is provided to eligible residential aged care services to ensure the continuity of aged care services and improve the health, safety and well-being of care recipients. In 2011–12, funds of over $3.2 million were provided under the program.

7.2 People from Diverse backgrounds

Older people seeking to access aged care services are increasingly from diverse backgrounds and the needs and preferences of these groups can be very different. Aged care services need to be sensitive to the diverse needs and backgrounds of individuals when delivering care and support.

People from diverse backgrounds include those identified as special needs groups in the Act, including: people from non-English speaking (culturally and linguistically diverse) backgrounds, people who are care leavers, and Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) people.

People from non-English speaking (culturally and linguistically diverse) backgrounds

In 2011–12, the department provided funding to a range of community organisations to support people from culturally and linguistically diverse backgrounds through the Aged Care Service Improvement and Health Ageing Grants Fund.

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

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

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

The number of recipients from non-English speaking backgrounds totalled 28,959 in residential care (Table 38) and 12,532 in community care (Table 39) during 2011–12.

Table 38 Number of residents from non-English speaking backgrounds in residential care as at 30 June 2012, by state and territory

	Number of Residents
NSW	10,446
VIC	9,775
QLD	2,851
WA	2,533
SA	2,625
TAS	277
ACT	383
NT	69
Aust.	**28,959**

Table 39 Number of CACP, EACH and EACH Dementia package recipients from non-English speaking backgrounds in community care, as at 30 June 2012, by state and territory

	CACP	EACH	EACH Dementia
NSW	3,437	530	242
VIC	3,391	575	332
QLD	1,008	214	128
WA	886	346	155
SA	760	85	26
TAS	127	14	16
ACT	106	66	22
NT	51	12	3
Aust.	**9,766**	**1,842**	**924**

People from the Lesbian, Gay, Bisexual, Transgender and Intersex community

In 2011–12, the department funded a highly successful pilot to deliver LGBTI specific sensitivity training for people who work in aged care. From 2012–13, as part of the *Living Longer Living Better* aged care reform package, the Government is expanding support for older LGBTI people by funding a national rollout of specific sensitivity training for the aged care workforce.

7.3 People who are veterans

Veterans, including spouses, widows and widowers of veterans, are designated as 'people with special needs' under the Act[15]. The care needs of 'people with special needs' are taken into account in the planning and allocation of aged care places.

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

There were 27,488 gold or white treatment card holders in residential care as at June 2012, an increase from 27,244 at June 2011 (Table 40).

Table 40 Number of gold or white treatment card holders in residential care, as at June 2012, by state and territory (preliminary)

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aust.
9,706	6,793	5,462	2,014	2,373	799	315	26	**27,488**

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

7.4 People who live in rural or remote areas

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

In addition, the Multi-Purpose Services Program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community, and to allow change as the community's needs change. Nationally, the number of Multi-Purpose Services increased from 134 services in June 2011 to 137 services in June 2012. Some Multi-Purpose Services provide services at more than one location. (For further information on Multi-Purpose Services, see Section 6.2)

The Australian Government also provides funding to assist aged care services operating in remote areas, and those providing care to Aboriginal and Torres Strait Islander Australians. (For further information on services available, see Section 7.1)

Some aged care services in rural and remote areas receive a viability supplement in recognition of the higher costs of providing care in those regions. The viability supplement aims to improve the capacity of small, rural aged care services to offer quality care to older people. Providers do not need to apply for the viability supplement. The supplement is paid automatically to eligible providers.

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

In 2011–12 the Australian Government provided viability supplement funding for mainstream residential care ($28.4 million), community care ($5.9 million), Multi-Purpose Services ($12.7 million), and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program ($3.9 million).

7.5 People who are financially or socially disadvantaged

Frail older people who are financially or socially vulnerable are protected from being disadvantaged in gaining access to aged care services. There are special arrangements under the Act for supported residents, assisted residents and concessional residents in residential care and hardship provisions for care recipients in residential care. Support is also provided for people in insecure housing arrangements.

Supported, concessional and assisted residents

Arrangements established under the Act mean that older people have access to residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to supported, concessional and assisted residents.

Supported residents are those who:

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

Concessional residents are those who:

- entered care before 20 March 2008 and who have not re-entered care on or after 20 March 2008 after a break of more than 28 days; and
- receive an Australian Government means tested income support payment; and
- have not owned a home for the last two or more years (or whose home is occupied by a 'protected' person, for example, the care recipient's spouse or long term carer); and
- have assets of less than 2.5 times (or if the resident transferred after 20 September 2009, 2.25 times), the annual single basic age pension.

The criteria for determining assisted resident status are the same as for concessional resident status, except that an assisted resident has assets of between 2.5 (or 2.25 if the resident entered care after 20 September 2009) and 4.0 (3.61 if the resident entered care after 20 September 2009) times the annual single basic age pension amount.

Concessional residents and some supported residents do not pay accommodation bonds or charges. The Australian Government pays an accommodation supplement in respect of these residents equal to the maximum level of the accommodation charge. Assisted residents and some supported residents pay a reduced amount of accommodation bond or charge. The Australian Government also pays an accommodation supplement in respect of these residents but at a lower rate than in respect of fully supported residents because these residents also contribute to the cost of their accommodation.

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

The Australian Government gives additional supplements to aged care providers on behalf of supported, assisted and concessional residents. The amount of accommodation supplement paid for supported residents depends on the level of the resident's assets, whether or not the service meets fire and safety requirements (see section 10.4) and the proportion of residents in the home that are supported, concessional or assisted residents.

The rate of the concessional supplement depends upon the assets of the resident and whether or not more than 40 per cent of residents are supported, concessional or assisted residents.

The maximum accommodation supplement from 20 March 2011 to 19 September 2011 was $30.55, from 20 September 2011 to 19 March 2012 was $32.38 and from 20 March 2012 to 19 September 2012 was $32.58 per day.

Of the 222,316 people receiving permanent residential care during the 2011–12 financial year, financial support with accommodation costs was being provided for more than 90,200 supported, concessional and assisted residents. In 2011–12, a total of $579.3 million was paid to Approved Providers as supplements for accommodation costs for residents who were unable to meet the full cost of their accommodation (Table 25).

Hardship Provisions

Financial hardship assistance provisions under the Act cater for the minority of residents who have difficulty paying care fees and accommodation payments. Applicants for financial hardship assistance may seek assistance with their daily fees, the income tested fee, accommodation charge, or accommodation bond. Where assistance is granted, an additional supplement may be payable by the Australian Government so that the aged care provider is not disadvantaged (see Section 5.4).

During 2011–12, the department processed 1,501 applications for financial hardship assistance. Of these, 47 per cent were approved and 8 per cent were rejected as ineligible. Following advice from the department, the remaining 45 per cent of applications were withdrawn when, for example, the department was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the *Residential Care Subsidy Principles 1997*.

The Australian Government provided $6.6 million in hardship supplements during 2011–12.

7.6 People who are homeless or at risk of becoming homeless

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

During 2011–12, Australian Government funding of $4.6 million was provided to the program, supporting 39 service providers across Australia to supply ACHA services through 45 outlets.

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

As part of the Review of the Aged Care Funding Instrument (ACFI), the department examined the impact of the ACFI on special needs groups, including older Australians who are homeless or at high risk of homelessness. The review found that, while the ACFI had not adversely impacted on having access to care, it can be difficult to accommodate the needs of some residents, including those associated with homelessness, within the aged care framework. As part of the 2011–12 Budget, the Australian Government announced changes to the viability supplement that will increase the support available for eligible residential services specialising in care for people at risk of homelessness, low care in rural and remote areas, and care for Indigenous Australians. This measure was implemented from 1 July 2011 for 12 months. As part of the *Living Longer Living Better* aged care reform package, this measure became an ongoing component of the viability supplement from 1 July 2012.

7.7 People who are care leavers

A care leaver is a person who was in institutional care or other form of out-of-home care, including foster care, as a child or youth (or both) at some time during the 20th century. This includes the Forgotten Australians and former child migrants who received a government apology on 16 November 2009[16]. Institutional care refers to residential care provided by a government or non-government organisation, including (but not limited to) orphanages; children's homes; industrial, training or farm schools; dormitory or group cottage houses; juvenile detention centres; and mental health or disability facilities.

The experiences of care leavers while in institutional or out-of-home care may affect their ongoing well-being and have an impact on members of this group who need to access aged care services or enter an aged care facility later in life.

16 www.fahcsia.gov.au/sa/families/progserv/apology_forgotten_aus/Pages/default.aspx

The Australian Government has expanded the support it provides for care recipients with special needs to include care leavers through amendment of the *Allocation Principles 1997* with effect from 1 December 2009 to include care leavers as a 'special needs' group to formally recognise their unique care needs. This will ensure the needs of care leavers are considered in the planning and allocation of aged care places, by requiring applicants in the Aged Care Approvals Rounds to demonstrate how they will tailor their service delivery to meet the particular care needs of care leavers and facilitate provision of culturally appropriate care.

These initiatives are in response to the 2003–04 Senate Community Affairs References Committee inquiry, *Children in Institutional Care*, and the subsequent Senate Community Affairs References Committee *Report on the progress with the implementation of the recommendations of the Lost Innocents and Forgotten Australians Reports* in June 2009.

A national education package, *Caring for Forgotten Australian, Former Child Migrants and Stolen Generations*, is being developed to assist service providers in the aged care sector to recognise the special needs of these groups and provide appropriate and responsive care, including obtaining access to counselling and support services. This education package will be distributed to aged care providers and key stakeholders in 2012–13.

8 Workforce and Quality in Aged Care

The Australian Government is committed to supporting and encouraging improvements in the delivery of aged care and ensuring the best possible care for older Australians. Strategies that support the aged care workforce and the provision of quality services include:

- assistance to develop and maintain a sufficient and skilled aged care workforce;
- strategies to improve the quality of care provided by services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program; and
- support for consumers of aged care services.

8.1 Support for the Aged Care Workforce

In the 2011 Budget, the Australian Government established the Aged Care Workforce Fund through the consolidation of a range of existing aged care workforce programs including some initiatives announced as part of the *National Health and Hospital Workforce* package announced in the 2010 Budget. The total value of funds available under the Aged Care Workforce Fund is $302 million over four years to 2014–15.

The Aged Care Workforce Fund's primary objective is to improve the quality of aged care by developing the skills of the aged care workforce by providing a range of training, education and support for the aged care workforce. This includes facilitating collaborations among the aged care, acute care, training and research sectors, providing targeted training strategies for priority target groups, such as Aboriginal and Torres Strait Islander people, responding to emerging issues, and supporting the introduction of innovative practices in aged care.

Following the establishment of the Aged Care Workforce Fund, Fund Guidelines were developed in consultation with stakeholders. These guidelines were released publically in May 2012 and provide information on the operation and priorities for the Fund.

Aged Care Workforce Vocational Education and Training—Full Qualifications

This project directly funds Registered Training Organisations to deliver relevant aged care certificate and diploma qualifications to personal care workers and enrolled nurses working in aged care. Qualifications eligible for funding range from entry-level aged care certificates, through to a management and leadership qualification and a Diploma of Enrolled Nursing.

The department responded to the workforce development needs identified by approved providers of aged care across Australia in 2010–11, and provided funding for approximately 19,200 qualifications. This training commenced in the 2011–12 financial year.

Aged Care Workforce Vocational Education and Training—Short Courses

The department directly funds Registered Training Organisations to deliver short course and skill set training to aged care workers, with palliative and dementia care among the specifically targeted key areas of need.

Organisations funded to deliver this training report that approved providers of aged care have expressed an extremely high level of interest in the skill sets and short courses offered, such as the Medication Management skill set. This funding ensures the delivery of specialist skills to those providing care to the most vulnerable older Australians.

In March 2012, funding was allocated for the delivery of almost 15,000 units of competency to aged care workers across Australia. This training commenced in the 2011–12 financial year.

Dementia Workforce Training and Support

This project, known as Dementia Care Essentials, provides funding for the delivery of dementia-specific units of competency to aged care workers across all states and territories, including nurses and ancillary staff employed in aged care facilities. The current round of this project commenced in 2010–11, and in 2011–12 the department extended the project for a further 12 months, to May 2013. Approximately 12,000 aged care workers have received this training to date, with a further 6,000 to be given this opportunity during the extension period.

Aged Care Education and Training Incentives (ACETI)

ACETI, which commenced in 2010, continues to provide financial support for existing aged care workers to undertake training to improve their skills and build a career in aged care. In 2011–12, a total of 16,260 incentive payments were made to individuals to a total value of $12.1 million.

Aged Care Nursing Scholarships (ACNS)

The ACNS projects provide financial support to eligible aged care workers to undertake nursing studies at a University or to attend continuing professional development activities. Scholarships are provided for undergraduate, postgraduate (including continuing professional development and nurse re-entry) and nurse practitioner courses. During 2011–12, the Royal College of Nursing Australia administered these scholarships on behalf of the department. Since July 2010, more than 1,400 aged care nursing scholarships have been offered.

Aged Care Student Nurse Clinical and Graduate Nurse Placements Projects

The Aged Care Nursing Clinical and Graduate Placements projects aim to improve the quality of the clinical placement experience for student nurses and help graduate nurses transition into employment. 14 projects were funded in 2010–11 and are progressing well, with up to 1,300 aged care nursing clinical and graduate placements expected to be developed in aged care services across Australia through to June 2014.

Nurse Practitioner—Aged Care Models of Practice Projects

The Nurse Practitioner Aged Care Models of Practice projects, established in 2010–11, fund 31 organisations to deliver 32 projects through to June 2014. This program aims to identify appropriate models of practice and to promote access to nurse practitioner services in aged care. As at April 2012, most projects had commenced and were on track with a nurse practitioner or a nurse practitioner candidate recruited, partnerships and collaborative relationships established and organisational infrastructure in place. In 2011–12, the University of Canberra, appointed to undertake a national evaluation, developed a draft set of qualitative and quantitative indicators and commenced collecting data.

Teaching and Research Aged Care Services (TRACS)

TRACS are aged care services that combine teaching, research, and care provision in one location to create a learning environment for aged care students and employees. 16 projects were funded in 2012, and both universities and aged care providers are equally represented amongst the successful organisations. The funded models will collectively support training and professional development in a range of disciplines including nursing, psychology, medicine, physiotherapy and occupational therapy.

Aboriginal and Torres Strait Islander Workforce

In 2011–12, the department continued to build and support the five Indigenous Employment Initiatives which have been implemented to create over 750 permanent part-time positions for Aboriginal and Torres Strait Islander people in aged care services nationally. Funding for these positions includes award wages and gaining access to superannuation and leave entitlements.

These initiatives, which are funded under the National Partnership on Indigenous Economic Participation, form part of the Government's broader commitment under Closing the Gap to halve the gap in employment outcomes for Indigenous and non-Indigenous Australians.

In 2011–12 the department provided a one-off Workforce Development Payment, linked to the employment initiative positions, to acknowledge stakeholder feedback regarding the difficulties of recruiting and retaining Aboriginal and Torres Strait Islander staff in remote locations. This support will allow services to address underlying issues such as literacy and numeracy, obtaining drivers licenses and provision of workplace uniforms and protective clothing.

All of the employment initiatives include funding for training and development of workforce support, for example training resources, service delivery manuals and mentoring workshops. In 2011–12, the department continued to provide this support via two training projects, the Northern Territory Aged Care Training Project, and the Rural and Remote Aged Care Training Project. These projects provide culturally appropriate models of accredited training to Aboriginal and Torres Strait Islander aged care workers on-site within eligible communities.

Under these programs, approximately 120 rural and remote Aboriginal communities in the Northern Territory, Queensland, Western Australia and South Australia are currently receiving training, with more than 800 students enrolled across the two Projects. It is estimated that more than 1,200 students have received some form of training under these Projects, with training made available beyond those currently employed under the employment initiatives.

In 2011–12, the department also provided 60 business and management traineeships to Aboriginal and Torres Strait Islander people under the Indigenous Remote Service Delivery program. Indigenous Remote Service Delivery Traineeships are available in remote and Aboriginal and Torres Strait Islander aged care and primary health care services and provide a range of training from certificate level to advanced diploma courses.

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

The Quality Framework for aged care services funded under the National Aboriginal Torres Strait Islander Flexible Aged Care Program was finalised in July 2011.

The aim of the Quality Framework is to improve the quality of care provided by services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program by setting culturally appropriate standards for care delivery, information, governance, management and accountability.

A Quality Review team was established in February 2012 and is responsible for the ongoing assessment and monitoring of services' performance against the Quality Framework. A total of 26 of the 29 services have now been assessed under the framework since its introduction.

8.3 Advocacy and support

National Aged Care Advocacy Program

The department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program. Independent advocacy and information is available to all consumers and potential consumers of Australian Government subsidised residential and community aged care packages, their representatives and their families. Advocacy services also provide information and education to aged care recipients and Approved Providers on the rights and responsibilities of care recipients.

In 2011–12, services under the National Aged Care Advocacy Program undertook 3,838 advocacy cases, handled 4,929 general enquiries and provided 1,570 face-to-face education sessions.

Community Visitors Scheme

The Community Visitors Scheme (CVS) provides one-on-one volunteer visitors to residents of Australian Government subsidised aged care homes who are socially or culturally isolated and whose quality of life would be improved by companionship. Residents of Australian Government subsidised aged care homes can obtain access to the scheme by their aged care home nominating them to a CVS auspice as being suitable for the program because they are at risk of isolation or loneliness. The CVS auspice then matches the resident to a volunteer they have recruited from the community.

In 2011–12, the department funded, monitored and supported 153 community-based organisations who reported that visitors undertook more than 176,000 visits to more than 9,000 residents in aged care facilities.

9 Ageing and Service Improvement

The Australian Government promotes healthy and active ageing and provides service support for smaller aged care services in rural and remote areas or providing care to Indigenous Australians under the Aged Care Service Improvement and Healthy Ageing Grants Fund. The Australian Government also provides funding to support people with dementia and their carers and continues to support the prevention and management of incontinence.

9.1 Aged Care Service Improvement and Healthy Ageing Grants Fund

In the 2011–12 Budget, several existing initiatives aimed at supporting aged care services and promoting healthy and active ageing were consolidated into the Aged Care Service Improvement and Healthy Ageing Grants Fund (the Fund) worth $250.1 million over four years to 2014–15. To support the operation of the Fund, Fund Guidelines were developed following consultations with stakeholders and released publically in November 2011.

The Fund's primary objective is to strengthen the capacity of the health and aged care sectors to deliver high quality aged care, and to promote healthy ageing by targeting six priority areas. Priority areas include:

- support for activities that promote healthy and active ageing;
- respond to existing and emerging challenges, including dementia care;
- activities that build the capacity of aged care services to deliver high quality care;
- information and support to assist carers maintain their caring role;
- support to services providing aged care to Aboriginal and Torres Strait Islander people and people living in remote areas; and
- people from culturally and linguistically diverse backgrounds.

The first open competitive funding round for the Fund was advertised in late 2011, with total funding available of $26.4 million over four years from 2011–12. Over 600 applications were received, with 64 high-quality applications being shortlisted to proceed to contract negotiations across all six priority areas. Funded applications include large well-established national and smaller community focused projects, as well as new projects were able to benefit from the increased flexibility of the Fund.

The parameters under which the Fund operates, together with information about the Fund Priorities are documented in the Fund Guidelines which have been updated to reflect the expanded support provided through the *Living Longer Living Better* aged care reform package announced in April 2012.

Encouraging Better Practice in Aged Care (EBPAC)

The Australian Government promotes the use of evidence-based, person-centred, better practice and attempts to strengthen evidence translation more broadly across the aged care sector to assist in improving care outcomes for aged care recipients. The government is focused on helping to bridge the 'evidence gap' by bringing researchers and aged care practitioners together.

While there are several existing evidence-based guidelines to assist aged care staff in providing appropriate care for residents and people in the community, it is recognised that there is a need to establish strategies to translate the evidence into everyday practice. Aged care has benefited directly from research evidence through the Encouraging Better Practice in Aged Care (EBPAC) initiative which aims to improve staff skills and supports aged care providers to implement best practice standards based on the latest clinical care evidence.

EBPAC consists of three elements; evidence translation projects, national rollout projects and resource management. The core element of EBPAC is providing grants to the aged care sector to implement evidence translation projects. To date, there have been two EBPAC funding rounds which involved 13 projects working within residential aged care facilities across six states. In 2011–12 the department, through the Fund, provided $6 million over three years (2012–15) to eight organisations under round three of the EBPAC program. Projects target clinical leadership in residential and/or community aged care and evidence translation projects in community aged care.

EBPAC national rollout projects build on the successes of the EBPAC projects by rolling out the results more widely across the aged care sector. This activity involves refining resources produced on a small-scale for general use across the sector, then offering training to a maximum number of participants per home, at several venues across Australia over a period of months. This training would include take home resource kits, which would also be available on the department's website. Under the Fund, three organisations will be funded over three years for national rollout activities.

EBPAC resource management activities increase the availability of evidence to support clinical practice and resources developed through the evidence translation projects to the aged care sector. The department is currently developing and updating a number of resources that when completed will support the aged and community care sector to improve staff knowledge and skills and improve outcomes for aged care recipients.

9.2 Support for people with dementia

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

The Australian Government provided funding of approximately $2.7 million to Dementia Training Study Centres in 2011–12. The aim of the Dementia Training Study initiative is to improve the quality of care and support provided to people living with dementia and their families through the development and up-skilling of the dementia care workforce and the transfer of knowledge into practice.

The objectives of the Dementia Training Study initiative are to:

- identify and meet the dementia-specific education and training needs of the health and aged care sectors;
- work to ensure the ongoing sustainability of dementia-specific education and training programs;
- facilitate the skills and professional development of health professionals throughout the dementia health and aged care sectors;
- facilitate the transfer of evidence based knowledge into the day-to-day practice of dementia care;
- promote workforce development activities, particularly with regards to work place change, leadership, career and education pathways; and
- develop the capacity and skills of health professionals to undertake and pursue improved dementia care.

The Australian Government provided funding of approximately $11 million in 2011–12 for Dementia Behaviour Management Advisory Services (DBMAS). The DBMAS provides support and education for care workers in residential and community care programs and also for family carers. They consist of multi-disciplinary teams that may include, but are not limited to, psychologists, registered nurses and allied health professionals.

DBMAS continues to build staff capacity in aged care services so that they gain increased knowledge and confidence in understanding the needs of people with dementia, and in managing care recipients presenting behavioural and psychological symptoms of dementia. Its work also extends into the provision of education and tailored information workshops; clinical supervision and mentoring; as well as modelling behaviour management techniques. DBMAS also provides a telephone support service, 24 hours a day, on 1800 699 799. The service received 12,272 calls between 1 July 2011 and 30 June 2012, which is an increase of over 2,000 calls from the previous year.

As a result of the success of this program, the Government announced in April 2012 as part of the *Living Longer Living Better* aged care reforms that the DBMAS will be expanded so that services can be provided within the acute and primary care sectors.

Funding is also provided to Alzheimer's Australia to deliver the National Dementia Support Program. The National Dementia Support Program provides a wide range of dementia-related services, education and support in communities throughout the nation for people with dementia, their families and carers. It includes support for a range of activities, including:

- the National Dementia Helpline (1800 100 500) and referral service;
- counselling and support;
- early intervention programs such as Living with Memory Loss Program;
- operation of outreach locations through the Dementia and Memory Community Centres;
- education, training and awareness activities including Dementia Awareness Week (annually in September); and
- support for people with special needs including; Aboriginal and Torres Strait Islander people; those from culturally and linguistically diverse backgrounds; people with younger onset dementia; people in rural and remote areas; and people who are gay, lesbian, bisexual, transgender or intersex.

Access to services and resources for special needs groups remains of utmost importance to this Government. The Service Access Liaison Officer (SALO) Program was funded by the Commonwealth Government in 2011–12 to explore a range of approaches to support service access and inclusiveness for all people living with dementia. The SALO project has developed and tested a range of dementia resources and provided an opportunity to identify those resources that have the potential to become applicable nationally.

Alzheimer's Australia delivers a range of programs to support people with Younger Onset Dementia, with the ACT Relationship Re-engagement Program being an example. This group of people is another example where individuals and families are often isolated as a result of their dementia. The program assists in connecting people with similar issues and provides access to services that meet their needs.

Work in the area of Younger Onset Dementia will continue for future years with a commitment in the *Living Longer Living Better* aged care reform package to expand the National Dementia Support Program to improve access to services through a national network of specialist key workers who will provide a single point of contact to assist younger people with dementia and their carers.

Specifically for carers, 36 Commonwealth Respite and Carelink Centres deliver the Dementia Education and Training for Carers (DETC) program. The program aims to improve the quality of life of people with dementia by increasing the competence and confidence of carers through the provision of courses that enhance carers' skills, as well as providing support and connections that supplies the carer with additional information.

9.3 Support for people with incontinence

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

The CAPS was implemented on 1 July 2010, and replaced the previous Continence Aids Assistance Scheme. The CAPS aims to increase choice and flexibility to assist eligible people to meet some of the costs of their incontinence products, by providing an annual or bi-annual payment into an eligible person's nominated bank account.

An eligible person is someone who is five years of age and over who has permanent and severe incontinence caused by an eligible neurological condition, or has permanent and severe incontinence caused by an eligible other condition, provided they are the holder of a Centrelink or Department of Veterans' Affairs Pensioner Concession Card. Eligibility for the CAPS is assessed via a completed application form submitted to the Department of Human Services, which administers the CAPS on behalf of the Department of Health and Ageing. At 30 June 2012, there were over 106,000 registered clients who received assistance through the CAPS.

The National Continence Program commenced on 1 January 2011 and provides funding for research and service development initiatives, aimed at the prevention and treatment of incontinence.

The Program supports several key activities including World Continence Week and the annual National Conference on Incontinence, the National Continence Helpline, and the National Public Toilet Map and the Bladder Bowel websites.

The National Continence Helpline is managed by the Continence Foundation of Australia. It is staffed by continence nurse advisors who offer free, confidential advice to people living with incontinence and their carers on how to manage their condition. In 2011–12, the Helpline received a total of 26,225 episodes (an episode refers to an interaction with the Helpline via phone call, email or fax).

The National Public Toilet Map provides locations, opening times and disability access information for over 16,000 public toilets across Australia. The Toilet Map can also be accessed via an iPhone application. In 2011–12, there were over 220,000 visitors to the Toilet Map website.

The Bladder Bowel website provides information about bladder and bowel health as well as incontinence prevention and management. In 2011–12, there were over 110,000 visitors to the website.

The Continence Foundation of Australia is also funded by the Department of Health and Ageing for several activities under the Bladder Bowel Collaborative Project. Recent initiatives of this project include development of the Australian Continence Exchange (ACE) website. The ACE is a clearinghouse website for health professionals to access information related to incontinence and bladder and bowel health.

10 Regulation and Compliance

Australians expect high standards of care and accommodation in aged care services. The government's approach to quality and regulation, including the accreditation system for residential care and the quality reporting system for community care, emphasises providers accepting responsibility for providing, maintaining and improving service.

10.1 Approved Provider regulation

To receive Australian Government subsidies for providing aged care, an aged care service must be operated by an organisation that has been approved under the provisions of the *Aged Care Act 1997*, and hold an allocation of places in respect of care recipients occupying those places in a service. In 2011–12, the department received 85 applications from entities seeking approval as providers. Of these; 59 were approved, 6 were still being considered, 3 were not approved and 17 were withdrawn. At 30 June 2012, there were 1,430 Approved Providers.

An Approved Provider and associated key personnel must continue to be suitable under the legislative provisions. One of the obligations of an Approved Provider is to notify any changes in key personnel within 28 days. In 2011–12, Approved Providers notified 6,360[17] changes; ceasing 2,786 and commencing 3,574 key personnel.

Approved Providers of Australian Government funded aged care must comply with the legislative obligations as set out in the Act and the Aged Care Principles. The department monitors compliance by Approved Providers with their responsibilities, and should the Approved Provider cease to be suitable, the department is required to revoke Approved Provider status under the provisions set out in the Act. In 2011–12, it was not necessary to revoke this status for any Approved Provider.

10.2 Community Care Quality Reporting

'Quality Reporting' is the Australian Government's process to promote ongoing improvement of the quality of community care service delivery. It is a Government requirement that applies to providers funded for CACPs, EACH and EACHD packages, the National Respite for Carers Program and Commonwealth HACC services. Providers of these services are required to appraise their performance against the Community Care Common Standards and complete a Quality Report at least once during a three year cycle.

From 1 July 2012, the Commonwealth assumed full responsibility for the Commonwealth HACC Program in all states and territories with the exception of Victoria and Western Australia.

17 Data from the National Approved Provider System as at 3 August 2012.

During 2011–12, the Commonwealth commenced work with state and territory governments to clarify quality reporting arrangements for HACC services with the aim of minimising additional administrative and regulatory burden. This work is still progressing.

In 2011–12, 25 per cent (374) community care services completed quality reviews nationally out of a total number of 1529 service outlets.

10.3 Residential care accreditation

The Act provides for an accreditation-based quality assurance system. Aged care homes must be accredited in order to receive Australian Government subsidies. 'There is broad industry support for accreditation and a general acknowledgment that it has substantially improved standards of care across the industry[18]'. The accreditation process assesses the performance of homes against the 44 expected outcomes of the four Accreditation Standards:

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

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

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

During 2011–12, the Accreditation Agency conducted industry education and learning activities including:

- Better Practice conferences, attended by a total of 1,539 delegates;
- a series of one-day courses, attended by 886 participants, covering *Continuous improvement, Managing risk to avoid non-compliance* and *Achieving compliance in expected outcome 1.8 Information systems;*
- a new one-day workshop *Making the most of complaints*, was launched in November 2011, attended by 390 participants;
- a three-day *Understanding Accreditation: a practical toolkit for homes* program directed at aged care managers, attended by 1,199 participants;

18 *Review of Pricing Arrangements in Residential Aged Care—Summary of the Report*. Canberra, 2004, pp. 38–39.

- Quality Education on the Standards (*QUEST*) sessions, delivered to 7,291 aged care staff, in topics including privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers—your role in aged care, continuous improvement for residential aged care, turning data into results and using resident feedback; and
- various presentations at industry conferences made by Accreditation Agency executives.

The Accreditation Agency is developing an e-Learning framework for aged care managers and staff to have improved access to the learning programs it runs.

Aged care homes must remain accredited to receive Australian Government subsidies. During 2011–12, the Agency conducted 6,435 visits to assess and monitor the performance of Australian Government subsidised aged care homes against the Accreditation Standards. These visits included:

- 1,491 accreditation site audits;
- 52 review audits, of which 18 were unannounced; and
- 4,892 assessment contacts, of which 3,065 were unannounced.

All homes received at least one unannounced visit, totalling 3,083 during the year.

During 2011–12, 52 review audit decisions were made, including one outstanding from 2010–11:

- 28 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 20 homes were the subject of a decision to vary accreditation; and
- four homes were subject to a decision to revoke accreditation[19].

During 2011–12, the Accreditation Agency identified 229 homes (8.4 per cent) as not having met one or more of the 44 expected outcomes of the Accreditation Standards. Homes found to have not met the Accreditation Standards were placed on a timetable for improvement, providing them with an opportunity to meet the Accreditation Standards.

As at 30 June 2012, 2,587 of the 2,731 accredited homes (94.7 per cent) were accredited for three years.

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

On 20 April 2012, as part of *Living Longer Living Better* aged care reform package, the government announced that the new Australian Aged Care Quality Agency (Quality Agency) will replace the Accreditation Agency on 1 January 2014. The Quality Agency will be a new body prescribed under the *Financial Management and Accountability Act 1997.*

The Quality Agency will assume responsibility for the quality review of Home Care services from 1 July 2014, a function currently provided by the Department of Health and Ageing.

The new Quality Agency will be the sole agency that Approved Providers will deal with in relation to the quality assurance of the aged care services that they deliver.

19 A home has requested reconsideration of an original revoke decision; the final decision is due after 30 June 2012.

10.4 Residential care certification

Residents expect high quality and safe accommodation in return for their direct and indirect contributions. The department grants Certification to those residential aged care services that are able to provide suitable accommodation and care. An aged care service must be certified to be able to charge accommodation bonds or accommodation charges. Furthermore, to be eligible to receive the maximum level of the accommodation supplement, aged care services must meet the fire safety and privacy and space requirements.

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

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

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

At 30 June 2012, 2,723 of the 2,725 residential care services met the privacy and space requirements. The two services that did not meet the privacy and space requirements are in Queensland and are not eligible to receive the maximum level of the accommodation supplement.

10.5 Compliance/sanctions

Approved Providers of Australian Government funded aged care services must comply with responsibilities specified in the Act and in the Aged Care Principles. These responsibilities encompass quality of care, user rights, accountability and allocation of places. The responsibilities of Approved Providers are outlined in Appendix C.

The accreditation system for residential care and the quality reporting system for community care emphasise providers accepting responsibility for providing, maintaining and improving service. The regulatory processes ensure that Approved Providers understand what actions need to be taken to rectify non-compliance.

Both the Accreditation Agency and the department have a role in monitoring residential care services. In broad terms, the Accreditation Agency manages the accreditation process and assesses performance against the Accreditation Standards. The department is responsible for managing the community care quality reporting program and monitors compliance with the Community Care Common Standards. The department assesses the performance of Approved Providers with all their responsibilities under the Act and is responsible for taking sanctions action when Approved Providers breach their responsibility, including failing to implement improvements required by the Accreditation Agency or the department.

Protecting residents' safety

Allegations and suspicions of assault

The objective of the reportable assault policy is to help ensure that providers take action to protect the health, safety and wellbeing of aged care recipients when an alleged assault occurs and that further risk to care recipients is minimised.

All Australian Government subsidised aged care homes must report all reportable assaults which are: allegations or suspicions of unlawful sexual contact or unreasonable use of force or assault on a person receiving residential aged care. Under these arrangements, service providers are required to:

- report to the police and to the department within 24 hours of receiving the allegation or suspicion of unlawful sexual contact or unreasonable use of force;
- take reasonable measures to ensure staff members report any suspicions or allegations of unlawful sexual contact or unreasonable use of force to the service provider;
- take steps to protect the security of residents in the facility;
- take reasonable steps to protect the identity of any person who lodges a report; and
- keep consolidated records of all incidents involving allegations or suspicions of unlawful sexual contact or unreasonable use of force.

In 2011–12, the department received 1,971 notifications of reportable assaults. Of those, 1,627 were recorded as alleged or suspected unreasonable use of force, 309 as alleged or suspected unlawful sexual contact and 35 as both.

There are provisions in the legislation for the protection of people who make compulsory reports of assault to their employer, the department or the police.

Notification of Missing Residents

Under the Act, Approved Providers of aged care homes have a responsibility to ensure a safe and comfortable environment consistent with residents' care needs, and this includes residents who have wandering behaviours.

From 1 January 2009, amendments to the *Accountability Principles 1998* came into effect in relation to Approved Providers notifying the department about residents who go missing without explanation from Australian Government subsidised aged care homes.

Approved Providers are required to contact the department if:

- a care recipient is absent from a residential care service;
- the absence is unexplained; and
- the absence has been reported to the police.

The department must be notified about the absence as soon as reasonably practicable and within 24 hours of the Approved Provider reporting the absence to the police. For the period 1 July 2011 to 30 June 2012, there were 958 notifications of unexplained absences of care recipients.

Sanctions

In 2011–12, the department issued 16 Notices of Decision to Impose Sanctions to 13 Approved Providers. On 30 June 2012, 11 of these sanctions remained in place. Details of sanctions imposed in 2011–12 are included in Appendix D. The department also issued 47 Notices of Non-Compliance against aged care services in relation to quality of care and an additional 4 Notices of Non-Compliance against Approved Providers in relation to prudential matters.

The majority of cases of non-compliance with Approved Provider responsibilities were identified by the Accreditation Agency. A smaller number of cases were identified by the department. In all cases of identified non-compliance, the department assesses the risk to residents and determines if regulatory action will be initiated. During 2011–12 the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and Personal Care and non-compliance with the Prudential Standards, reporting obligations and the responsibility to repay accommodation bonds as, and when, they fell due.

Compliance/sanction information on the Aged Care Australia website

From 1 July 2009, additional information became available on the Aged Care Australia website in relation to compliance and sanction action taken by the department against aged care services. This initiative followed representations from consumer and advocate groups.

The information includes aged care services that are currently the subject of a Notice of Non-Compliance or have received a Notice of Non-Compliance in the previous two years.

The information published on a Notice of Non-Compliance includes the name and address of the service, the name of the Approved Provider, the reasons for the Notice of Non-Compliance and the date of issue. Information is moved to the archived list when either the provider has resolved the non-compliance or has a sanction imposed on it.

Risk Management for Emergency Events

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

During 2011, the department provided advice to the Victorian Floods Review and the Queensland Floods Commission of Inquiry in relation to the emergency planning requirements of service providers.

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

Between January and March 2012, flood events in Queensland, New South Wales and Victoria led to the partial or complete evacuation of residents from 16 aged care facilities responsible for almost 400 residents.

10.6 Prudential

All Approved Providers of residential care and flexible care services that hold accommodation bonds and entry contributions are required to comply with the prudential requirements set out in the Act and the *User Rights Principles 1997*. The primary objective of the prudential requirements is to protect accommodation bonds and entry contributions paid to Approved Providers by residents of aged care homes.

The prudential requirements are supplemented by the Accommodation Bond Guarantee Scheme (Guarantee Scheme) established under the *Aged Care (Bond Security) Act 2006*. This scheme guarantees that residents' accommodation bond and entry contribution balances will be repaid in the event that their Approved Provider becomes bankrupt or insolvent and defaults on its bond refund obligations to residents.

Since 2006, Approved Providers have had to comply with three Prudential Standards. Legislative changes to the prudential requirements took effect from 1 October 2011. These include limiting the permitted uses of bonds, the introduction of criminal penalties for significant bond misuse where within two years of the misuse the Approved Provider becomes insolvent with at least one outstanding bond balance, and the introduction of new information gathering powers. The *User Rights Principles 1997* were amended to introduce a new Governance Standard from 1 February 2012 and improve disclosure arrangements. These reforms have improved protection of the over 65,000 aged care recipients who pay accommodation bonds.

Approved Providers holding accommodation bonds or entry contributions must now comply with four Prudential Standards: the Liquidity Standard, the Records Standard, the Disclosure Standard, and the new Governance Standard. The Prudential Standards seek to reduce the risk that Approved Providers default on their bond refund obligations to residents by:

- requiring providers to systematically assess their future accommodation bond and entry contribution refund obligations and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due;
- requiring providers to establish and maintain a register that records information about bonds and the residents who pay them;
- requiring providers to establish and document governance arrangements for the management of accommodation bonds; and
- promoting the transparency of Approved Providers' management of accommodation bond and entry contribution funds by requiring disclosure to residents, prospective residents, and the department, of information on the Approved Provider's prudential compliance and their financial position.

During 2011–12, the department conducted regulatory activity to promote compliance with the prudential requirements, including assessing the Annual Prudential Compliance Statements (APCS) lodged by Approved Providers, and investigating cases of possible non-compliance.

The Prudential Standards require an APCS to be completed by each Approved Provider, disclosing compliance with the prudential requirements. For the 2010–11 reporting year, 1,121 Approved Providers were asked to complete and lodge an APCS by 31 October 2011. The APCS outcomes for 2009–10 and 2010–11 are seen in table 41.

Approved Providers reported through their APCS that at 30 June 2011 they held over 65,000 bonds with a total value of around $12.1 billion. This is an increase of around $1.5 billion (or 14.1 per cent) in bonds held on 30 June 2010. The average holding per Approved Provider was $12.9 million and the 10 largest bond holders (including company groups) held approximately 21.1 per cent, or around $2.5 billion, of all accommodation bond monies.

Table 41 Annual Prudential Compliance Statement outcomes, 2009–10 and 2010–11

Annual Prudential Compliance Statement Reported Compliance	2009–10	2010–11
Approved Providers that reported non-compliance	127	100
Approved providers that reported non-compliance with the Records Standard	3	6
Approved providers that reported non-compliance with the Disclosure Standard	30	20
Approved providers that reported non-compliance with the Liquidity Standard	7	4
Approved providers that reported late refund of accommodation bonds	87	76

Note: 2011–12 data unavailable at the time of printing.

The level of compliance with the Prudential Standards is relatively high with 96 per cent of providers compliant with all three prudential standards. In particular, over 99 per cent of providers reported compliance with the Records Standard, 99 per cent with the Liquidity Standard and 97 per cent with the Disclosure Standard[20].

The Prudential and Approved Provider Regulation Client Service Charter sets out the standards of service that regulated entities and aged care consumers can expect to receive in relation to prudential and Approved Provider regulation. Since the Charter's implementation in February 2011, the Prudential and Approved Provider Regulation Branch has received 4,688 enquiries and over 80 per cent were acknowledged within the service standard outlined in the Charter.

Accommodation Bond Guarantee Scheme

In the event that an Approved Provider becomes insolvent and defaults on the refund of accommodation bonds, the Guarantee Scheme enables the Australian Government to refund all accommodation bond and entry contribution balances owed to residents by their Approved Provider. In return for the payment, the rights that each resident had to recover the amount from their Approved Provider are transferred to the Commonwealth so it can pursue the Approved Provider for the funds. The Guarantee Scheme is automatically triggered if the Approved Provider has been placed into bankruptcy or liquidation and there is at least one outstanding accommodation bond or entry contribution balance.

The Guarantee Scheme was not triggered during 2011–12.

20 The Governance Standard is not included in this reporting period

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

Approved Providers are accountable for the subsidies they receive based on the Aged Care Funding Instrument (ACFI) appraisals they complete to show the assessed care needs of the residents in their care. The department checks the accuracy of the appraisals to ensure that facilities are correctly funded according to the care needs of their residents and that public expenditure is protected.

During 2011–12, 18,735 reviews of funding claims under the ACFI were completed. Of these reviews, 3,432 (18 per cent) resulted in reductions in funding and three per cent resulted in increased funding. The department has analysed the cause of the 18 per cent funding reductions and found that questions relating to Activities of Daily Living and Complex Health Care in residents accounted for a significant proportion of changes to funding classifications at review.

If an Approved Provider is dissatisfied with a change to a funding classification made by a departmental review officer, the provider can appeal that decision. Decisions were appealed for 198 residents, six per cent of the downgraded classifications involving 381 ACFI question decisions. Of the 198 cases the department reconsidered, 48 (24 per cent) of departmental review officer decisions were confirmed. In 95 cases (48 per cent) the original classification by the home was reinstated. In the majority of these cases the decision was changed because the facility was able to supply evidence that was not available at the time of the review visit.

11 Aged Care Complaints Scheme

On 1 September 2011, the Aged Care Complaints Scheme (the Scheme) replaced the former Aged Care Complaints Investigation Scheme (the CIS), with the commencement of the new *Complaints Principles 2011* under the Act.

The Scheme was implemented in response to the independent review of the CIS by Associate Professor Merrilyn Walton in 2009 and as part of the Government's *Building an Australian Aged Care System: Consumer Focus and Protection in Aged Care* reform program.

The Scheme's new complaints framework aims to achieve quality outcomes for recipients of aged care services, with a core focus on resolving concerns.

The Scheme takes a flexible approach to complaints resolution by using a range of techniques including service provider resolution, conciliation and investigation. It also seeks to resolve complaints in a timely manner through early resolution where this is appropriate. New risk assessment tools assist Scheme staff to appropriately prioritise complaints and determine a proportionate response.

The Scheme has also improved its engagement with stakeholders, both throughout the complaints management process as well as with consumers and industry more broadly. The Scheme provides natural justice throughout the complaints process by ensuring complainants and service providers are consulted and that appropriate feedback is provided to relevant parties on outcomes.

Under Phase 2 of the Scheme's Strategic Plan which was *implementing and communicating change,* the Scheme continued to build on its strong relationships with key stakeholders to promote confidence and endorsement of the Scheme. This included:

- consulting with industry and consumer peak bodies on the progress of reforms, and proposed Commonwealth HACC complaints framework;
- updating and distributing publications, including a brochure and a poster (both available in 17 languages other than English), and a suite of fact sheets; and
- raising awareness about the Scheme's role in resolving Commonwealth HACC complaints from 1 July 2012.

In 2012–13, in line with its Strategic Plan, the Scheme will transition to *communicating outcomes and influencing industry*. Key priorities for the Scheme to achieve this next phase include:

- maintaining transparency and accountability through publicly reporting about the work of the Scheme;
- influencing industry by encouraging better practice in local complaints handling and by using complaints data to identify trends, emerging issues and improved service delivery opportunities; and
- increasing accessibility and acceptability by producing and distributing high quality and culturally diverse consumer materials to inform and educate consumers about their right to complain.

11.1 Overview of contacts with the Scheme

Note: the change from the CIS to the Scheme on 1 September 2011 means that this report includes the period between 1 July 2011 and 31 August 2011 where complaints were managed under the CIS. Where data relates to both the CIS and the Scheme or one or the other of the programs, this will be indicated in the associated text.

The CIS and the Scheme received a total of 11,517 contacts in 2011–12. A total of 6,955 contacts were in-scope for the CIS and the Scheme, representing 60.4 per cent of all contacts. A contact is in-scope when it relates to an Approved Provider's responsibilities under the Act, including complaints, inquiries and notifications[21].

Some 70.7 per cent of in-scope contacts were open, that is, the person disclosed their name and contact details to the Scheme.

Of the in-scope contacts, 16.9 per cent were from an Approved Provider, 38.1 per cent were from a representative or family member of a care recipient and 7.4 per cent were from the care recipient themselves. The remainder of contacts are received from external agencies, other areas of the Department of Health and Ageing or from persons who wish to remain anonymous.

A total of 4,562 contacts were out-of-scope, representing 39.6 per cent of all contacts. A contact is out-of-scope when it is not related to an Approved Provider or an Approved Provider's responsibilities under the Act. The Scheme will normally provide the person making the contact with information about their options or they may be referred to the appropriate organisation.

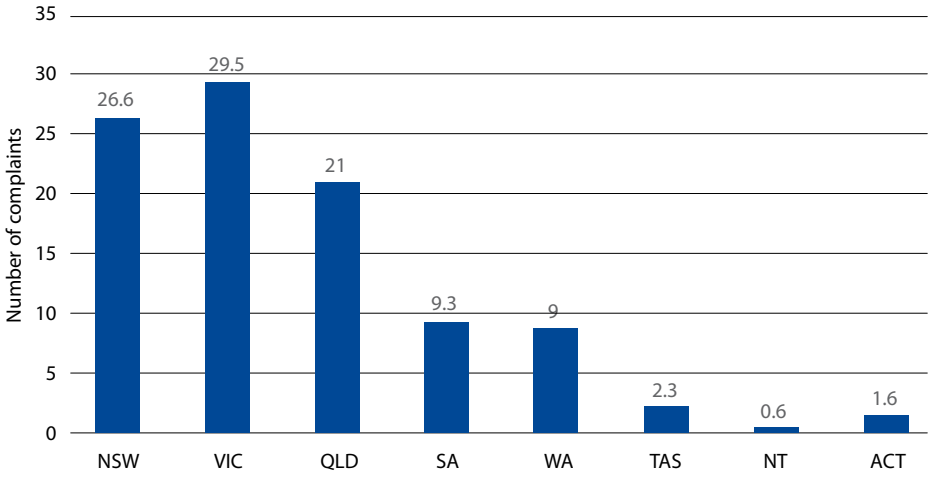
Examples of out-of-scope contacts include complaints about retirement villages, questions about industrial matters and requests for legal or clinical advice.

Complaints to the Scheme

Of the 6,955 in-scope contacts, the CIS and the Scheme received 4,031 complaints relating to Australian Government subsidised residential and community aged care. This is equivalent to a national average of 335 complaints received each month.

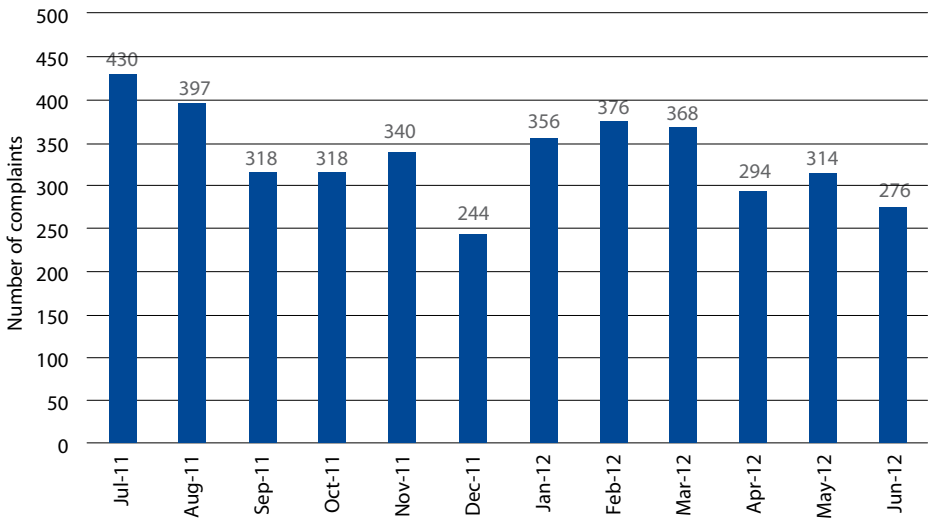
21 In previous years, this report has included numbers in relation to allegations or suspicions of assaults and notifications of missing residents as part of the total in-scope contacts received by the Scheme. Although these reports continue to be made through the Scheme's telephone number (1800 550 552) these reports are not managed via the complaints resolution process. Data in relation to these reports can be found in Chapter 10 under 'Protecting residents' safety.'

Figure 4 Percentage of total national complaints received in each state and territory in 2011–12.



The fewest number of complaints were recorded in December 2011 with the highest number of complaints recorded in July 2011 (Figure 5).

Figure 5 Number of complaints received each month in 2011–12.



11.2 Average number of complaints per care type

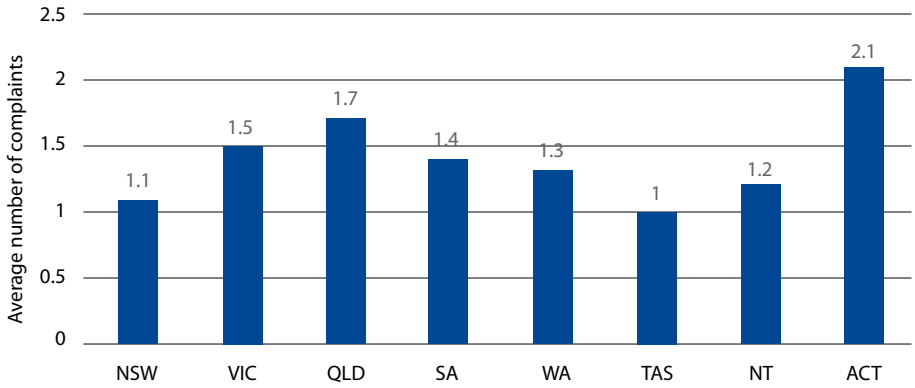
Of the 4,031 complaints received in 2011–12:

- 93.6 per cent of complaints (3,772) related to residential aged care services;
- 3.2 per cent (128 complaints) related to community aged care packages; and
- 3.3 per cent (131 complaints) related to flexible care services (EACH or EACHD packages).

The national average was 1.4 complaints per residential care service (compared with 0.1 complaints per community care and 0.2 flexible care services). These figures are based on those residential care services that were operational on 30 June 2012.

State by state, the average number of complaints per residential care service ranged from 1 in Tasmania to 2.1 in the Australian Capital Territory. The state and territory breakdown is demonstrated in Figure 6 below. Numbers of community and flexible care complaints are too small to be usefully reported by state and territory.

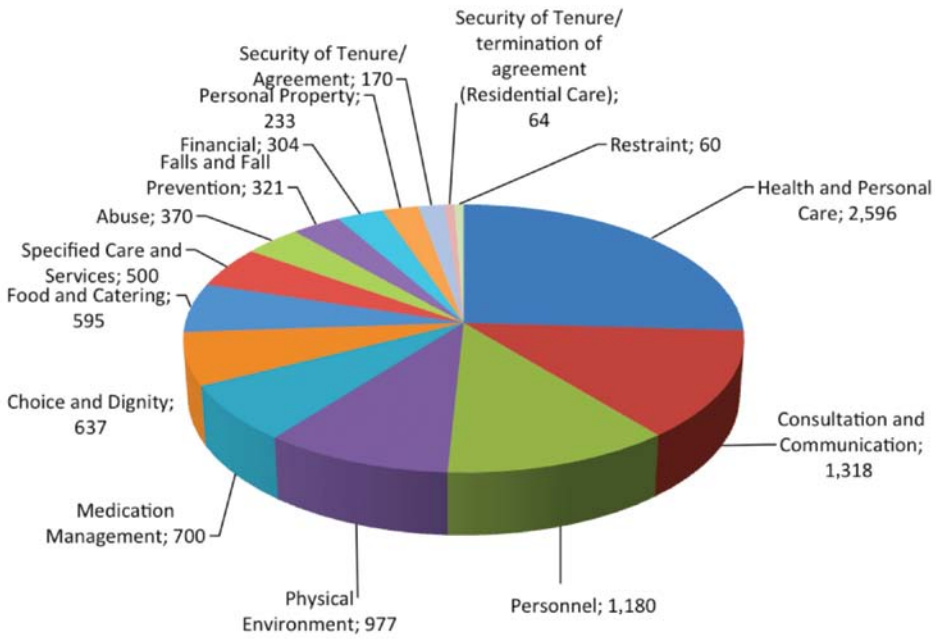
Figure 6 Average number of complaints per residential aged care service, by state and territory.



11.3 Most commonly reported complaint issues

Complaints examined by the Scheme often incorporate more than one issue. In 2011–12, there were 10,025 individual issues identified within a total of 4,031 complaints. 15 issue keywords were identified and reported against (see Figure 7 below).

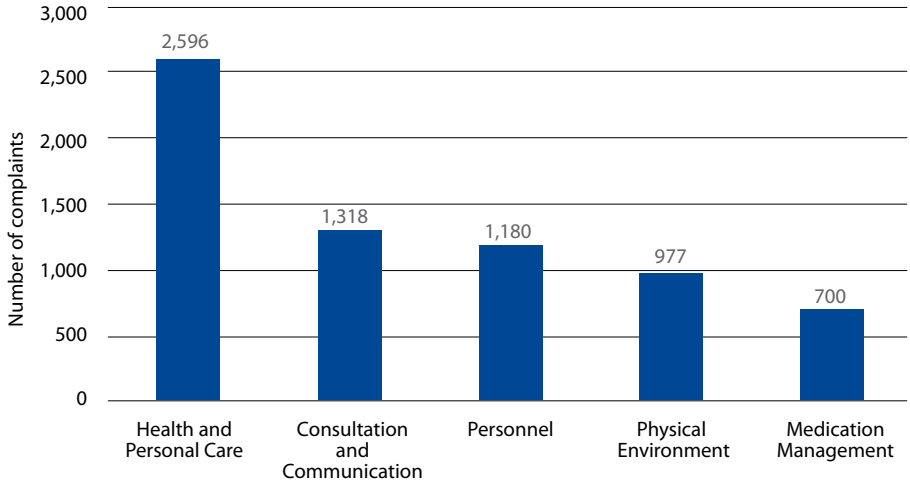
Figure 7 Issues recorded in complaints.



The top five (67.5 per cent) issues were (see Figure 8):

1. Health and personal care for example infections, infection control, infectious diseases, clinical care, continence management, behaviour management and personal hygiene (25.9 per cent)
2. Consultation and communication for example internal complaints process, information, family consultation and failing to advise enduring powers of attorney or guardians (13.1 per cent)
3. Personnel for example number of staff and training/skills/qualifications (11.8 per cent)
4. Physical environment for example call bells, cleaning, equipment, safety and temperature (9.7 per cent)
5. Medication management for example access and administration (7 per cent).

Figure 8 Top five issues recorded in complaints

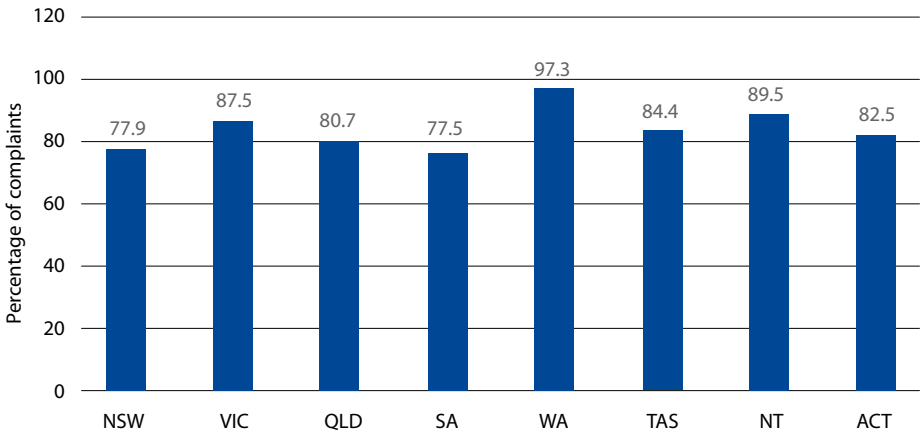


11.4 Complaints finalised

During 2011–12, the CIS and the Scheme finalised 4,246 complaints, an average of 354 complaints finalised per month nationally. This number includes some complaints which were received in 2010–11.

The Scheme released its Service Charter to the public in 2011. In this Charter, the Scheme committed to resolve complaints within a benchmark timeframe of 90 days wherever possible. In 2011–12, the CIS and the Scheme resolved 83.3 per cent of complaints within 90 days. A breakdown by state and territory can be seen in figure 9.

Figure 9 Percentage of complaints finalised in 90 days by state and territory

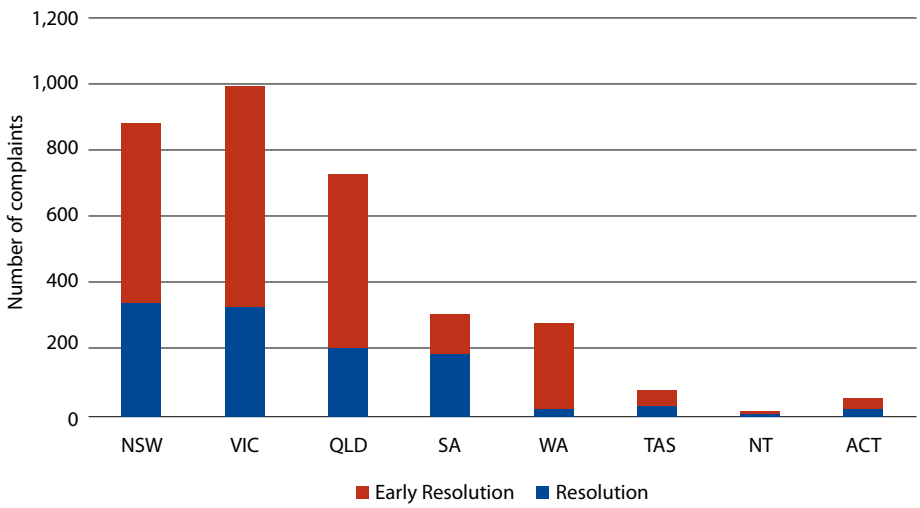


11.5 Early resolution vs. other resolution approaches

The Scheme aims to resolve concerns as soon as possible to achieve quality and timely outcomes for care recipients. In the Scheme this is known as early resolution. This may involve helping the complainant clarify their issues, assisting communication between complainants and the service provider and providing information. Prior to September 2011, under the CIS, many of the types of complaints that are resolved in the new Scheme under early resolution would have been subject to an investigation taking longer to resolve.

Between 1 September 2011 and 30 June 2012, 65 per cent of complaints were finalised in early resolution (as opposed to 46 per cent of complaints being resolved at intake without the need for investigation in the last two months of the CIS—1 July to 31 August 2011). As a combined figure 61 per cent of complaints were resolved either in intake (CIS) or in early resolution (Scheme) in 2011–12. The stages of complaints resolution for each state and territory can be seen in figure 10.

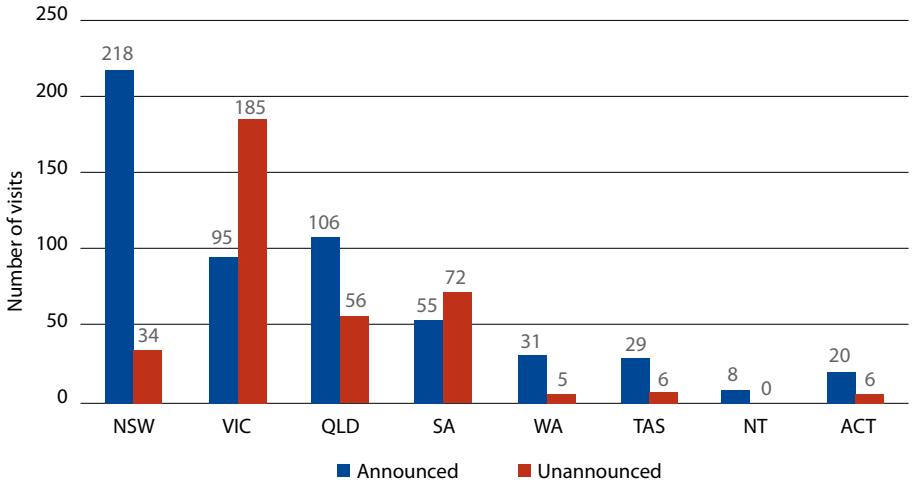
Figure 10 Stage of complaints resolution—1 September 2011 to 30 June 2012



11.6 Site visits

Scheme officers may visit either the Approved Provider's premises or the aged care service during the course of resolving a complaint. Visits may be announced or unannounced depending on the nature of the issue being examined. Officers conducted 926 visits in 2011–12 comprising 562 announced and 364 unannounced site visits. A breakdown of announced and unannounced visits can be seen in figure 11.

Figure 11 Announced and unannounced site visits



11.7 Directions (including notices of intention)

From 1 September 2011, the Scheme gained the capacity to issue Directions to service providers.

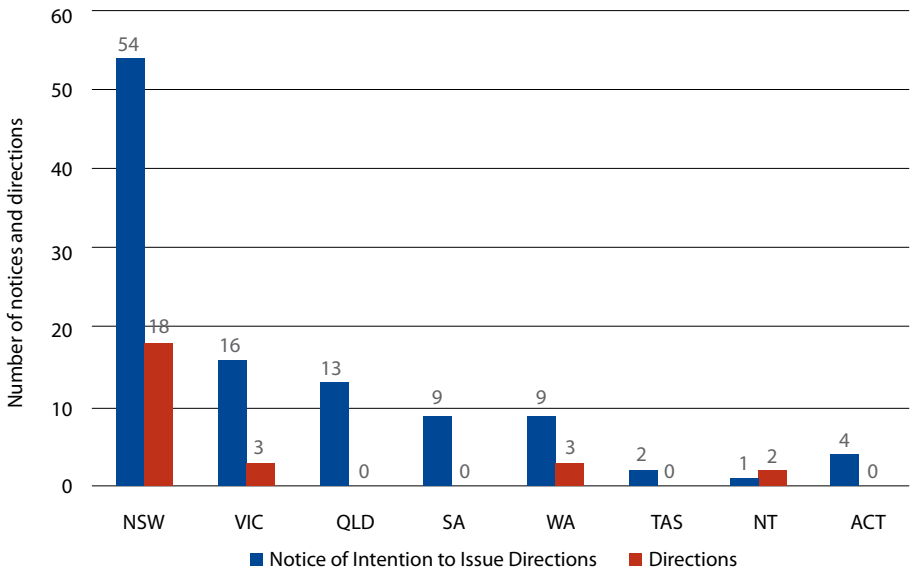
Directions require an Approved Provider to demonstrate how they have met or will meet their responsibilities under the Act.

Before issuing Directions, the Scheme will typically give a provider a Notice of Intention to Issue Directions (NIID). The NIID gives the Approved Provider the opportunity to demonstrate to the Scheme how they have, or will solve the issues. Depending on the Approved Provider's response to the NIID, the Scheme may or may not issue Directions.

Figure 12 indicates that from 1 September 2011, 108 complaints resulted in a NIID being issued. Of these, 10 ultimately resulted in Directions. In addition there were 16 complaints where the Scheme decided to proceed straight to issuing Directions without a NIID.

Prior to the Scheme commencing on 1 September 2011, the CIS issued 63 Notices of Required Action between 1 July and 31 August 2011.

Figure 12 Notices of Intention to Issue Directions and Directions



11.8 Referrals to external organisations

At any time, the CIS and the Scheme may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal matters are referred to the relevant state or territory police service, while concerns that relate to the conduct of a health professional are referred to the relevant health professional regulatory body, such as the Australian Health Practitioner Regulation Agency. Depending on the matters being referred, the Scheme may or may not continue to manage the complaint.

In 2011–12 the CIS and the Scheme made 1,265 referrals to external agencies. Of these referrals, 96.3 per cent (1,218) were made to the Accreditation Agency.

If the Scheme finds a problem that may be related to systemic issues within a residential aged care service, it may refer the matter to the Accreditation Agency while continuing to examine the original complaint. The Accreditation Agency will consider this information as part of its case management of residential aged care services. It may bring forward a visit already scheduled, change the scope of the planned visit or hold the information for the next planned visit.

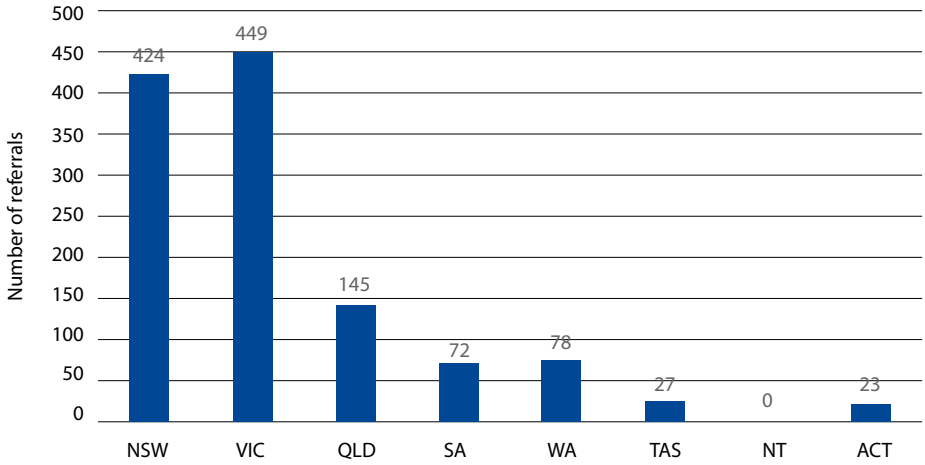
Of these 1,218 referrals, the Scheme:

- requested an Accreditation Agency assessment contact or asked the Accreditation Agency to consider information at the next assessment contact in 65.5 per cent of referrals;
- provided the Accreditation Agency with information about matters considered to be non-urgent in 24.7 per cent of referrals;
- requested an accreditation assessment contact in 8.9 per cent of referrals; and
- requested the Accreditation Agency conduct a review audit in 0.8 per cent of referrals.

A breakdown of referrals to the Accreditation Agency by state and territory is provided in Figure 13.

The remaining 3.7 per cent of external referrals were to other agencies, such as health care complaints commissions, coroners or relevant health professional regulatory bodies.

Figure 13 Referrals to the Aged Care Standards and Accreditation Agency Ltd, by state and territory, 2011–12.



11.9 Internal reconsideration

In line with good administrative practice and the new Complaints Principles, if either party to a complaint is dissatisfied with certain decisions made by the Scheme in the complaints process they can seek reconsideration of these decisions by the Scheme. There were a total of 13 applications for internal reconsiderations received during 2011–12 (Table 42).

Table 42 Applications for internal reconsiderations received—1 July 2011 to 30 June 2012

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
Internal Reconsideration	1	4	5	2	0	1	0	0	13

11.10 External review

The Aged Care Commissioner (the Commissioner) is a statutory office created under the Act. Amongst other functions, the Commissioner has the capacity conduct a review of an examinable decision when service providers or complainants appeal against decisions made by the Scheme. The Commissioner also has the capacity to undertake reviews of Scheme processes at the request of service providers or complainants make a complaint about the Scheme's processes for handling complaints or on their own motion.

Reviews of examinable decisions

The Commissioner completed 39 reviews of the Scheme's examinable decisions representing approximately one per cent of finalised complaints.

As a result of examinations of Scheme decisions, the Commissioner has the power to recommend that the Scheme undertake a new resolution process or recommend that a new resolution process is not required.

Of the 39 reviews conducted, 18 recommendations were for the Scheme to undertake a new resolution process (46 per cent) and 21 recommendations were for the Scheme not to undertake a new resolution process (54 per cent).

The Scheme completed 19 new processes which included two reviews completed by the Commissioner in 2010–11. Due to the statutory timeframes associated with undertaking the Commissioner's recommendations, one of those received by the Scheme in 2011–12 will not be completed until 2012–13.

The Scheme fully accepted the Commissioner's recommendations in all but one instance.

Reviews of Scheme processes

The Commissioner provided 31 final reports to the Scheme resulting from reviews of Scheme processes. As at 30 June 2012, the Scheme had responded to all but one report. The timeframe for responding to this report falls within the 2012–13 reporting period.

Recommendations arising from these reviews were used to refine and improve the Scheme and its processes.

The Commissioner did not initiate any 'own motion' reviews during 2011–12.

Appendix A

Aged care legislation

Legislative framework for aged care

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

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

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

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

Twenty-two sets of Principles have been made under the Act (listed below). The Principles may be amended at any time.

Accountability Principles 1998	These Principles set out: (a) various aspects of the access that must be given by an Approved Provider to persons for the purposes of paragraphs 63-1(1) (j), (l) and (m) of the Act; and (b) requirements relating to police certificates and statutory declarations for certain staff members and volunteers; and (c) Circumstances in which care recipients are absent without explanation and need to be reported by an Approved Provider; and (d) circumstances in which reportable assaults need to be reported by an Approved Provider to a police officer or the Secretary; and (e) requirements for circumstances mentioned in paragraph (c) or for alleged or suspected reportable assaults.

Accreditation Grant Principles 2011	These Principles revoked the *Accreditation Grant Principles 1999*. These Principles set out the procedures to be followed, and the matters to be taken into account, by the Aged Care Standards and Accreditation Agency Limited (the accreditation body) for accreditation of residential care services, the accreditation body's responsibilities for services that have received accreditation, and the conditions to which the accreditation grant is subject.
Advocacy Grant Principles 1997	These Principles set out the requirements to be met in making advocacy grants to organisations under Part 5.5 of the Act. Advocacy grants support activities to allow care recipients to understand and exercise their rights as care recipients.
Allocation Principles 1997	These Principles deal with a number of aspects of the process for allocating aged care places to Approved Providers.
Approval of Care Recipients Principles 1997	These Principles deal with a number of matters about approving care recipients for residential care and community care, and in some cases flexible care, so that subsidy can be paid to the Approved Provider.
Approved Provider Principles 1997	These Principles deal with a number of matters that are important in operating the approval process. Approval under Part 2.1 of the Act is a precondition to a provider of aged care receiving subsidy under the Act for provision of care.
Certification Principles 1997	These Principles deal with a number of aspects of the certification of residential care services under Part 2.6 of the Act.
Classification Principles 1997	These Principles deal with a number of aspects of the classification of care recipients. A care recipient's classification affects the amount of residential care, or flexible care, subsidy payable to an Approved Provider for providing care to the care recipient.
Community Care Grant Principles 1997	These Principles deal with a number of aspects of the allocation and amounts of community care grants. Community care grants contribute towards the costs associated with some projects undertaken by Approved Providers to establish community care services or to enhance their capacity to provide community care.
Community Care Subsidy Principles 1997	These Principles specify kinds of care that are, or are not, included in the package of community care services and assistance provided under Part 3.2 of the Act.
Community Visitors Grant Principles 1997	These Principles set out some of the requirements to be met in making community visitors grants. Community visitors are sponsored by an organisation to allow care recipients to maintain contact with their community.

Complaints Principles 2011	These Principles replace the Investigation Principles 2007 with a more flexible approach that not just investigates but also conciliates, mediates and facilitates other non-investigative techniques to better meet the needs of complainants
Extra Service Principles 1997	These Principles deal with various aspects of Extra Service places for the purposes of Part 2.5 of the Act. Extra service places involve providing a significantly higher standard of accommodation, food and services to care recipients.
Flexible Care Grant Principles 2008	These Principles deal with a number of aspects relating to flexible care grants under Part 5.2A of the Act. Flexible care means care provided in a residential or community setting through an aged care service that addresses the needs of care recipients in alternative ways to the care provided through residential care services and community care services.
Flexible Care Subsidy Principles 1997	These Principles set out who is eligible for flexible care subsidy, paid to Approved Providers for providing flexible care to care recipients, and on what basis flexible care subsidy may be paid.
Information Principles 1997	These Principles specify kinds of persons to whom the Secretary may disclose protected information, and for what purposes the information can be disclosed.
Quality of Care Principles 1997	These Principles set out a number of standards relating to the responsibilities of Approved Providers (Part 4.1 of the Act) for the quality of the aged care they provide through their aged care services. The standards are: • the Accreditation Standards; • the Residential Care Standards; • the Common Standards for Community Care; and • the Flexible Care Standards.
Records Principles 1997	These Principles deal with a number of aspects relating to the keeping and retention of records by Approved Providers and former Approved Providers under Part 6.3 of the Act.
Residential Care Grant Principles 1997	These Principles set out a number of matters that relate to the allocation and amounts of residential care grants. Residential care grants contribute towards the capital works costs associated with some projects undertaken by Approved Providers to establish residential care services or to enhance their capacity to provide residential care.
Residential Care Subsidy Principles 1997	These Principles deal with eligibility for the subsidy, paid to Approved Providers for providing residential care to care recipients, how it is paid, and what amount is paid.

Sanctions Principles 1997	These Principles deal with a number of matters that are important to the operation of the sanctions process under Part 4.4 of the Act. This process relates to the consequences of non-compliance with an Approved Provider's responsibilities under Parts 4.1, 4.2 or 4.3 of the Act.
User Rights Principles 1997	These Principles set out a number of user rights and Approved Provider responsibilities in association with Part 4.2 of the Act.

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

Aged Care Determinations

The *Aged Care Act 1997* provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide residential, community or flexible care services (Approved Providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

Chapter 3 of the Aged Care Act empowers the Minister to determine, in writing (by legislative instruments or 'Determinations'), the daily amounts of residential care, community care and flexible care subsidies that are payable to aged care providers. Accommodation-related supplements and charges are indexed in March and September each year in line with the Government's pension indexation arrangements. Other care-related subsidies and supplements are indexed annually in July each year.

While the majority of Determinations relate to the amount of Australian Government subsidies, the Act also empowers the Minister and/or the Secretary to determine other matters, such as conditions on the allocation of aged care places. Determinations that commenced in 2010–11 are listed below. Unless they had been rescinded, Determinations made in previous years also were in effect during 2010–11.

Aged Care (Residential Care Subsidy —Basic Subsidy Amount) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Basic Subsidy Amount) Determination 2010 (No. 1) and specifies the rates of basic subsidy payable in respect of a day, with effect from 1 July 2011.
Aged Care (Residential Care Subsidy —Amount of Oxygen Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Oxygen Supplement) Determination 2010 (No. 1) and sets the amount of oxygen supplement payable in respect of a day, with effect from 1 July 2011.
Aged Care (Residential Care Subsidy—Amount of Enteral Feeding Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Enteral Feeding Supplement) Determination 2010 (No. 1) and sets the amounts payable for enteral feeding and outlines a method for calculating the enteral feeding supplement in respect of a day, with effect from 1 July 2011.

Aged Care (Residential Care Subsidy—Adjusted Subsidy Reduction) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Adjusted Subsidy Reduction) Determination 2010 (No. 1) and sets the adjusted subsidy reduction amount for a day with effect form 1 July 2011.
Aged Care (Residential Care Subsidy —Amount of Viability Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential care subsidy—amount of viability supplement) Determination 2010 (No. 1) and sets the amount of the viability supplement payable in respect of a day, with effect from 1 July 2011.
Aged Care (Community Care Subsidy Amount) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Community Care Subsidy Amount) Determination 2010 (No. 1) and sets the amount of community care subsidy payable in respect of a day including an additional amount for eligible care recipients in rural and remote areas, with effect from 1 July 2011.
Aged Care (Amount of Flexible Care Subsidy—Extended Aged Care at Home) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy—Extended Aged Care at Home) Determination 2010 (No. 1) and sets the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home and specifies the method for working out the amount of flexible care subsidy for a day in respect of an EACH care recipient, with rate effective from 1 July 2011.
Aged Care (Amount of Flexible Care Subsidy– Extended Aged Care at Home—Dementia) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy—Extended Aged Care at Home—Dementia) Determination 2010 (No. 1) and specifies the method for working out the daily amount of flexible care subsidy payable for a day in respect of an EACHD care recipient with rates effective from 1 July 2011.
Aged Care (Amount of Flexible Care Subsidy—Multi-Purpose Services) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy—multi-purpose services Determination 2010 (No. 1) and specifies the method for working out the amount of flexible care subsidy payable for a multi-purpose service in respect of a day with rates effective from 1 July 2011.
Aged Care (Amount of Flexible Care Subsidy—Innovative Care Services) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy—Innovative Care Services) Determination 2011 (No. 1) and specifies the amount of flexible care subsidy payable from 1 July 2012 in respect of different types of innovative care, including consumer directed care.
Aged Care (Amount of Flexible Care Subsidy—Transition Care Services) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Amount of flexible care subsidy—Transition Care) Determination 2011 (No. 1) and sets the amount of flexible care subsidy payable for a day in respect of transition care, with effect from 1 July 2012.

Aged Care (Amount of Flexible Care Subsidy—Innovative Care Service—Congress Community Development and Education Unit Ltd) Determination 2010 (No. 1)	The purpose of the Aged Care (Amount of Flexible Care Subsidy—Innovative Care Service—Congress Community Development and Education Unit Ltd) Determination 2011 (No. 1) (the Determination) is to extend the provision of flexible care subsidy in respect of the places allocated to the Approved Provider through the Aged Care Innovative Pool 2011–12 until 30 June 2012.
Aged Care (Residential Care —Subsidy—Amount of Accommodation Supplement) Determination 2011 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy—amount of accommodation supplement) Determination 2011 (No. 1) and sets out a method for working out the amount of the accommodation supplement for a day. It also sets the maximum rate of accommodation supplement for services that meet or do not meet building requirements, with effect 20 September 2011.
Aged Care (Residential Care Subsidy —Amount of Accommodation Supplement) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Accommodation Supplement) Determination 2011 (No. 2) and sets out a method for working out the amount of the accommodation supplement of a day. It also sets the maximum rate of accommodation supplement for services that meet or do not meet building requirement, with effect from 20 March 2012.
Aged Care (Residential Care Subsidy—Amount of Transitional Supplement) Determination 2011 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy—amount of transitional supplement) Determination 2011 (No. 1) and sets the amount of transitional supplement payable in respect of a day, with effect from 20 September 2011.
Aged Care (Residential Care Subsidy — Amount of Transitional Supplement) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Transitional Supplement) Determination 2011 (No. 2) and sets the amount of transitional supplement payable in respect of a day, with effect from 20 March 2012.
Aged Care (Residential Care Subsidy —Amount of Pensioner Supplement) Determination 2011 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy—amount of pensioner supplement) Determination 2011 (No. 1) and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 September 2011.
Aged Care (Residential Care Subsidy —Amount of Pensioner Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Pensioner Supplement) Determination 2010 (No. 2) and sets the amount of the pensioner supplement payable in respect of a day, with effect from 20 March 2011.
Aged Care (Residential Care Subsidy —Amount of Respite Supplement) Determination 2011 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy—amount of respite supplement) Determination 2011 (No. 1) and sets the amount of respite supplement payable in respect of a day, with effect from 20 September 2011.

Aged Care (Residential Care Subsidy —Amount of Respite Supplement) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Respite Supplement) Determination 2011 (No. 2) and sets the amount of respite supplement payable in respect of a day, with effect from 20 March 2012.
Aged Care (Residential Care Subsidy—Amount of Concessional Resident Supplement) Determination 2011 (No. 2)	This Determination revokes the Aged Care (Residential care subsidy—amount of concessional resident supplement) Determination 2011 (No. 1) and sets the concessional resident supplement in respect of a day, with effect from 20 September 2011.
Aged Care (Residential Care Subsidy — Amount of Concessional Resident Supplement) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Residential Care Subsidy—Amount of Concessional Resident Supplement) Determination 2011 (No. 2) and sets the concessional resident supplement in respect of a day, with effect from 20 March 2012.
Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2011 (No. 1)	This Determination revokes the Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2011 (No.1) and sets out a method for working out the amount of the supplement for a day.
Aged Care (Residential Care Subsidy — Amount of Transitional Accommodation Supplement) Determination 2012 (No. 1)	This Determination revokes the Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2011 (No.2) and sets out a method for working out the amount of the supplement for a day.

Appendix B

Legislative amendments made in the reporting period

Legislative reform

In 2011–12 the following changes to the *Aged Care Act 1997* came into effect:

- from 1 October 2011, clearer permitted uses for accommodation bonds and criminal penalties for the misuse of bonds; and
- The *Clean Energy (Household Assistance Amendments) Act 2011* amended the Act to increase the standard resident contribution from 84 per cent to 85 per cent of the basic age pension (Section 58.3).

Other reforms, policies and indexation required amendments to the Aged Care Principles, including:

- Routine indexation of the maximum daily accrual amount of accommodation charge for specified types of post-2008 reform residents through the *User Rights Amendment Principles 2010 (No. 2);*
- Introduction of the *Complaints Principles 2011*, revoking the Investigation Principles 2007 to meet the needs of complainants to encompass not just investigation but also conciliation, mediation and other non-investigative techniques; and
- Amendments to the User Rights Amendment Principles to amend the Prudential Standards to include a Governance Standard, amend the Disclosure Standard to include reporting on the new arrangements; and expand the definition of the permitted uses of accommodation bonds. This was carried out through the *User Rights Amendment Principles 2011* (No.3).

The Aged Care Principles were amended by:

Classification Amendment Principles 2012 (No. 1)	This amendment implements changes to Schedule 1 of the Classification Principles which details the scores for question ratings. Specifically it seeks to: revise the scores for Aged Care Funding Instrument question 3 (personal hygiene) listed in Part 1—activities of daily living domain; and revise the matrix at Part 3—complex health care domain.
Residential Care Subsidy Amendment Principles 2011 (No.3)	This amendment modifies the method for assessing whether the viability supplement should be paid in respect of residents at a residential care service.
Residential Care Subsidy Amendment Principles 2012 (No. 1)	This amendment modifies the Residential Care Subsidy Principles to provide for the basic daily fee supplement as an additional primary supplement and to specify the circumstances in which the supplement will apply to a care recipient in respect of a payment period.

Residential Care Subsidy Amendment Principles 2012 (No. 2)	This amendment clarifies the provisions relating to the time frames for the Approved Providers of eligible aged care services to notify the Secretary of appraisal outcomes, to extend the period for submission of notifications attracting back dated payments and to allow for late submissions of notifications.
Complaints Principles 2011	These Principles meet the needs of complainants that encompass not just investigation but also conciliation, mediation and other non-investigative techniques and replace the Investigation Principles 2007.
User Rights Amendment Principles 2011 (No. 2)	This amendment to the User Rights Principles 1997 specifies the daily accrual amount of accommodation charge for the specified types of post 2008 reform residents. The accommodation charge has been increased in accordance with previously announced Australian Government policy.
User Rights Amendment Principles 2011 (No.3)	Amends the Prudential Standards in the User Rights Principles to include a Governance Standard, amends the Disclosure Standard in the User rights Principles to include reporting on the new arrangements; and expands the definition of the permitted uses of accommodation bonds.
User Rights Amendment Principles 2012 (No. 2)	This amendment to the *User Rights Principles* specifies that Approved Providers must inform eligible aged care recipients to whom they are providing residential care of their eligibility for a reduction in their basic daily care fees using the methodology described in subsection 21.25F(3) of the *Residential Care Subsidy Principles 1997*
Aged Care (Amount of Flexible Care Subsidy—Innovative Care Service —Congress Community Development and Education Unit Ltd) Amendment Determination 2011.	Amends the Principal Instrument to specify the rate of flexible care subsidy payable to the Approved Provider, and will provide a method for determining the appropriate rate of flexible care subsidy payable in respect of each care recipient to whom the Approved Provider provides this kind of flexible care.
Aged Care (Residential Care Subsidy —Amount of Basic Daily Fee Supplement) Determination 2012	This Determination sets out the way in which the amount of the basic daily fee supplement is to be worked out

Appendix C

Responsibilities of Approved Providers under the *Aged Care Act 1997*

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

Quality of care

- providing the care and services that are specified in the *Quality of Care Principles 1997* for the type and level of aged care that is provided by the service;
- complying with the Accreditation Standards; and
- maintaining an adequate number of skilled staff to ensure that the care needs of care recipients are met.

User rights

- providing care and services of a quality consistent with the Charter of Residents Rights and Responsibilities and other requirements in the *User Rights Principles 1997* relating to:
  - residents' security of tenure of their places;
  - access to the service by residents' representatives, advocates and community visitors;
  - providing information to residents about their rights and responsibilities and about the financial viability of the service;
  - restrictions on moving a resident within a residential service;
  - booking fees for respite days; and
  - complying with the prudential and other requirements in relation to any accommodation payments charged for a resident's entry to a service.
- providing care and services for community care and certain types of flexible care consistent with the *Charter of Rights* and *Responsibilities for Community Care* and other requirements in the *User Rights Principles 1997*, including:
  - treating and accepting care recipients as individuals, and respecting their individual preferences;
  - facilitating involvement by care recipients in identifying the community care most appropriate for their needs and in making decisions affecting themselves;
  - providing reliable, coordinated and safe quality care and services;
  - respecting the privacy and confidentiality of personal information;
  - effectively communicating with care recipients; and
  - determining fees for care recipients in a transparent, accessible and fair manner.

- charging no more than the amount permitted under the *Aged Care Act 1997* and *User Rights Principles 1997* for the care and services that are the Approved Provider's responsibility to provide;
- charging no more for other care or services than an amount agreed beforehand with the resident, accompanied by an itemised account of the care and services provided;
- offering to enter into a resident agreement with the resident and, if the resident wishes, entering into such an agreement;
- ensuring that personal information about the resident is used only for purposes connected with providing aged care to the resident, or for a purpose for which the information was given to the provider by the resident or their representative;
- establishing a complaints resolution mechanism for the service and using it to resolve any complaints made by, or on behalf of, a resident; and
- if the service has Extra Service status, complying with the requirements of the *Aged Care Act 1997* and the *Extra Service Principles 1997* in relation to Extra Service fees and agreements.

Accountability requirements

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

- allowing people authorised by the Secretary access to the service to review the service's certification;
- complying with any undertaking given to the Secretary, and agreed by the Secretary, to remedy non-compliance with the provider's responsibilities;
- complying with the prudential requirement relating to accommodation bonds;
- if the provider is receiving Conditional Adjustment Payment, meeting the requirements for the payment;
- allowing people acting for an accreditation body to have access to the service for the purpose of accrediting the service, or reviewing its accreditation;
- complying with the requirement to report allegations or suspicions of assaults on residents of aged care homes and provide protections for persons who report;
- complying with the responsibility to require staff members to report allegations or suspicions of assaults;
- complying with the requirement that immunities and protections for staff members reporting allegations or suspicions of assaults are preserved;
- complying with the requirement to protect the identity of persons reporting allegations or suspicions of reportable assaults;
- complying with the requirements to ensure that staff, volunteers and contractors who have, or are likely to have, access to care recipients, undertake a national criminal history record check to determine their suitability to provide aged care services;
- allowing people representing the Secretary to have access to the service for the purpose of investigating information about a matter involving an Approved Provider's responsibilities under the Act or Principles; and
- allowing a person representing the Aged Care Commissioner to have access to the service for the purpose of examining decisions made by the Secretary under the *Investigation Principles 2007* or for the purposes of investigating complaints about the Secretary's processes for handling matters under the *Investigation Principles 2007.*

Allocation of places

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

Appendix D

Sanctions imposed under the *Aged Care Act 1997*—1 July 2011 to 30 June 2012

State and Service	Approved Provider	Sanctions Imposed	Date Imposed	Reason for Imposing Sanctions	Outcomes
New South Wales					
Veronica Nursing Home	Terrigal Grosvenor Lodge Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	8 February 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanction 2 expired on 11 July 2012. Sanctions 1 and 3 expired on 7 August 2012.
Rosehill Nursing Home	Samir Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	9 March 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 27 April 2012 all places were transferred and the home closed. Sanctions expired on 8 September 2012.

Curie Nursing Home	Samir Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	16 March 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 20 July 2012 all places were transferred and the home closed. Sanctions expired on 15 September 2012.
Chandos Nursing Home	Chandos Nursing Home Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. 4. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months.	17 May 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 8 August 2012 all places were transferred and the home closed. Sanctions expired on 16 November 2012.

Northern Territory					
Hetti Perkins Home for the Aged *NB: these are two co-located services*	Uniting Church in Australia Frontier Services	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of four months. 2. The approved provider is not eligible to receive Australian Government subsidies for any new residents. This sanction will cease to have effect seven days after the adviser required under the sanctions commences work at the homes. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	1 June 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanction 2 expired on 28 June 2012. Sanction 3 expired on 30 September 2012. Sanction 1 expires on 1 January 2013.
Queensland					
Sunnymeade Nursing Home	Jomal Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. The approved provider is not eligible to receive Australian Government subsidies for any new residents. This sanction will cease to have effect one month after the date the sanction is imposed. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	18 October 2011	The Department determined that the health, welfare or interests of care recipients was threatened and that it was appropriate to impose sanctions because of: • Continuing non-compliance in relation to the Accreditation Standards Outcomes. • The Approved Provider did not comply with an Undertaking to Remedy non-compliance within the agreed time frame.	Sanction 2 expired on 17 November 2011. Sanctions 1 and 3 expired on 17 April 2012.

Villa Maria Centre	Catholic Healthcare Limited	1. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	21 October 2011	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 20 April 2012.
Birdwood Place	C.N.C Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	24 January 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 23 July 2012.

Victoria					
Mount Martha Valley Lodge Hostel	Nepean Hospitals Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	19 March 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 18 September 2012.
South Australia					
Ridleyton Greek Home for the Aged	Greek Orthodox Community of SA Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of nine months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of nine months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	6 July 2011	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions 3 and 4 expired on 5 January 2012. Sanctions 1 and 2 expired on 5 April 2012.

Kings Park Nursing Home	Kazmae Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of five months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	Sanction 1, 3 and 4 commenced on 13 December 2011. Sanction 2 commenced on 13 January 2012.	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	On 5 January 2012 all places were transferred and the home closed. Sanctions expired on 12 June 2012.
Salisbury Private Nursing Home	Salisbury Private Nursing Home Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	30 November 2011	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions 1 and 3 expired on 29 May 2012. Sanction 2 was lifted on 1 May 2012.

Australian Capital Territory					
Ginninderra Gardens Nursing Home	Anglicare Canberra and Goulburn	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months. 3. No Australian Government funding for new care recipients for a period of six months. 4. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	3 February 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 2 August 2012.
Ginninderra Gardens Hostel	Anglicare Canberra and Goulburn	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents. 4. Approval as an Approved Provider of aged care services revoked unless an administrator with nursing experience is appointed for a period of six months.	7 February 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions expired on 2 August 2012.

Western Australia					
Villa Maria	The Saint Brigids Convent of Mercy Perth Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of six months. 2. No Australian Government funding for new care recipients for a period of six months. 3. Revocation of approved provider status unless the approved provider agrees to provide, at its expense, training for its officers, employees and agents.	4 February 2012	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the safety, health or well-being of residents.	Sanctions lifted on 20 July 2012.

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

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All information in this publication is correct as at November 2012

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