

2016–17 Report on the Operation of the *Aged Care Act 1997*



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Minister's Foreword

Minister's Foreword

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

Our aged population is growing at an unprecedented rate, and decisions we make today will determine whether the aged care system is appropriate and sustainable into the future

Aged care has changed from a generation ago and will continue to evolve as the Baby Boomer generation increasingly enters aged care over the next decade. Today the focus is on supporting people to stay in their own homes for as long as possible. Consumers have made it clear that this is what they want, and it also makes good economic sense.



On 27 February 2017, we made a fundamental shift in home care provision, by changing the allocation of home care packages from providers to consumers. The Increasing Choice in Home Care reforms delivered three important outcomes:

- · consumers now choose who provides their care, and they can change their provider at any time
- there is a consistent national process for prioritising access to home care
- red tape and regulation for providers has been reduced.

In addition to making the aged care system consumer-focused it must be sustainable. We are continuing the conversation on reforming the Aged Care Funding Instrument to determine whether there are improvements that we can make to deliver a more sustainable and stable funding system in the long term.

Reliable, accessible data is essential for policy-makers, researchers, providers and consumers. This is now available to everyone, through a user-friendly, interactive website - GEN - hosted by the Australian Institute of Health and Welfare.¹

Other significant developments this year include:

- the Legislated Review of Aged Care 2017 which examined the effectiveness of previous aged care reforms
- a major investment in improving the My Aged Care system
- the fourth national workforce survey, which has given us an up to date picture of the state of the aged care workforce, and will help inform a taskforce to develop a national aged care workforce strategy

¹ https://www.gen-agedcaredata.gov.au/

- the 2016 Ministerial Dementia Forum, which paved the way for the redesign of supports for people with dementia and their carers
- continuing work on the draft National Aged Care Advocacy Framework to ensure older people and their families are fully informed about their choices.

The challenge facing us is to build and maintain a high-quality, people-centred aged care system that provides older Australians with choice and control of their care, and is affordable and sustainable for consumers, taxpayers and care-providers.

Aged care is a partnership – the consumer, their carers, the providers, the policy makers, and the government. I am committed to playing my part to ensure that our country has a world-class health and aged care system to support our older Australians, now and into the future.

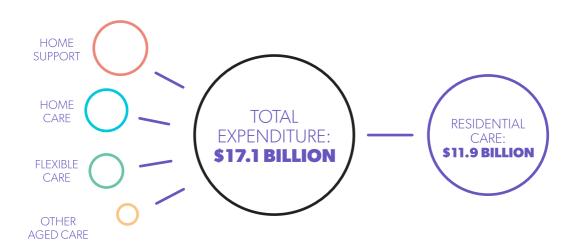
The Government's robust work on aged care reform will ensure that the people who built this nation have the aged care support and services they need, when and where they need it.

Ken Wyatt

Minister for Aged Care

Key Facts in Aged Care 2016–17

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

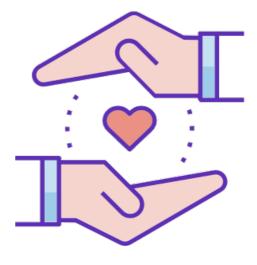


THERE WERE OVER **900** APPROVED PROVIDERS OF RESIDENTIAL AGED CARE AND OVER **700** APPROVED PROVIDERS OF HOME CARE PACKAGES.



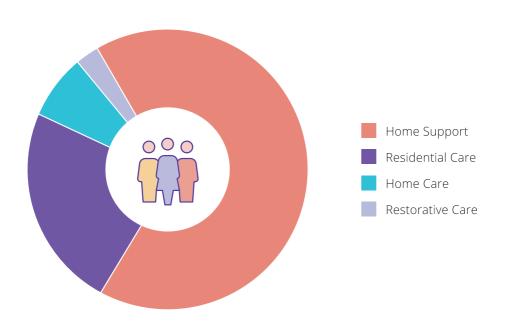
RESIDENTIAL CARE: 902 HOME CARE: 702 FLEXIBLE CARE: 96

MORE THAN **1,520**ORGANISATIONS WERE FUNDED TO DELIVER CHSP SERVICES.



HOME SUPPORT: 1,523

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



Introduction

Introduction

Purpose of this report

This report details the operation of Australia's aged care system during the 2016–17 financial year. It is the nineteenth report in the series. The report is delivered to Parliament by the Minister in accordance with section 63-2 of the *Aged Care Act 1997* (the Act).

Scope

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

Structure of the report

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

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

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

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

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

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

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

Data Sources

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

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

GEN may be accessed at https://www.gen-agedcaredata.gov.au/.

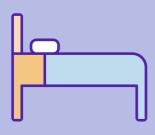
Note that improvements to the collection of all residential aged care sector financial data (including accommodation payments and building activity) were introduced in 2017 with the establishment of the new Aged Care Financial Report (ACFR). The ACFR streamlines sector reporting obligations and will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

However, the timeframes for the availability of the data for publication have changed and it is not available for inclusion in this year's report. The information will be made available on GEN, and published in the Aged Care Financing Authority's annual *Report on the Funding and Financing of the Aged Care Sector* (see section 6.4). The data will also be published in the 2017-18 Report on the Operation of the Aged Care Act 1997 (ROACA).

Overview of the Australian Aged Care System



1.3 MILLIONCONSUMERS OF AGED CARE



209,626OPERATIONAL RESIDENTIAL AND FLEXIBLE PLACES



\$17.1 BILLIONIN AUSTRALIAN GOVERNMENT EXPENDITURE

Overview of the Australian Aged Care System

1.1. Introduction

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

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

Commonwealth Home Support Programme (CHSP)

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

For more information on the CHSP see Chapter 3.

Home Care

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

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

For more details on Home Care see Chapter 4.

Respite Care

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

For more details on respite care, see Chapter 5.

Residential Care

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

For more information on residential care see Chapter 6.

Flexible Care

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

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

For more information on flexible care see Chapter 7.

Summary

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

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

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

1.2. Managing supply and demand

Supply

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

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

The Australian Government manages the supply of aged care places by specifying a national target provision ratio of subsidised aged care places for every 1,000 people aged 70 years and over. At 30 June 2017, the ratio is 79.9 aged care places.²

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

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

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

Current Provision

The total number of operational residential and flexible aged care places at 30 June 2017 was 209,626. This represents an increase of 5,314 residential and flexible aged care places since 30 June 2016.

Allocation of residential aged care places

The Aged Care Approvals Round (ACAR) is a competitive application process that enables prospective and existing approved providers of aged care to apply for a range of new Australian Government funded aged care places (residential aged care places and STRC places) and may also offer financial assistance in the form of a capital grants for eligible providers.

² Detailed places and ratio data are available at: https://gen-agedcaredata.gov.au/Resources/Access-data/2017/October/Stocktake_data_30_lune_2017

2016-17 Aged Care Approvals Round (ACAR)

The 2016–17 ACAR resulted in the allocation of 9,911 new residential aged care places, 475 STRC places and \$64 million in capital grant funding to develop new or redevelop existing residential aged care services. The new STRC places took effect in 2016–17 (400) and 2017–18 (75).

The 2016–17 ACAR application process for residential aged care places and capital grants was highly competitive. The Department of Health (the department) received applications for 45,053 new residential aged care places, an increase of more than 15 per cent on the number sought in the 2015 ACAR. This meant approximately 4.5 new places were sought for every place available. Providers also sought over \$415 million in capital grant funding.

The department received applications for 18,001 STRC places, against the 475 available; a ratio of 37:1.

Table 1: 2016-17 ACAR results

State/ Territory	Residential places	STRC places	Estimated annual recurrent funding \$M	Capital grants \$M
NSW	2,470	103	169.3	21.1
Vic	2,645	116	181.7	7.9
Qld	2,680	111	183.6	14.5
WA	1,623	83	112.4	9.6
SA	215	32	16.5	8.5
Tas	103	10	7.5	2.4
ACT	175	10	12.2	-
NT	-	10	0.7	-
Australia	9,911	475	683.9	64.0

Allocation of home care packages

On 27 February 2017, a consistent national process for prioritising access to home care commenced. The national prioritisation system allows for the fairer allocation of packages to clients, based on their individual needs and circumstances, regardless of where they live. The national prioritisation system is necessary to address significant variations in waiting periods across Australia. While the total number of packages will continue to increase each year, overall the number of packages at each level will continue to be capped.

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

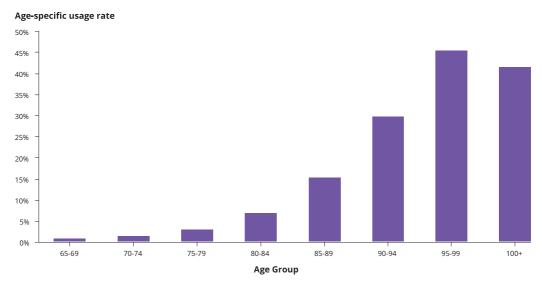
Individuals approved for a home care package are placed on a national queue until a package becomes available and is assigned to them. Consumers are placed on the queue according to the date they were approved for home care, and their priority for home care services. They are assigned a package when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

Demand

Age

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

Figure 1: Age-specific usage rates of residential aged care, 30 June 2017



As at 30 June 2017, 15 per cent of Australia's population was aged 65 years and over (3.8 million people) and 2.0 per cent was aged 85 years and over (499,000 people). By 2027, it is estimated that 18 per cent of the population will be aged 65 years and over (5.2 million people) and 2.3 per cent (672,000 people) will be 85 years and over.

While older age groups have greater utilisation of aged care services, it is not age per se that determines access, rather, assessed need.³

Access to home care packages and residential aged care services is through a comprehensive assessment performed by one of the 80 Aged Care Assessment Teams (ACAT) which operate in all states and territories. The ACAT are funded by the Australian Government and administered by the relevant state/territory government. In 2016–17 a total of 163,207 ACAT assessments were administered. If a person has been assessed as eligible for a particular level of home care package, but there are none available, the person can be offered a lower level package as an interim measure until a higher level package is available.

Access to CHSP is through an assessment by a Regional Assessment Service (RAS). In 2016–17, access to HACC services in WA was determined by that jurisdiction.

Dementia

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

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

In 2017 there were an estimated 365,100 Australians with dementia, nearly half of whom were aged 85 years and over. The number of people with dementia is anticipated to grow to around 900,000 by 2050.⁴

At 30 June 2017, half of all residential aged care residents with an Aged Care Funding Instrument (ACFI) assessment had a diagnosis of dementia.

³ However certain age cohorts are typically used for planning purposes and are referenced in this report:

 ⁶⁵ years plus (50 years plus for Aboriginal and Torres Strait Islander people) - is the 'traditional' definition of an older person and constitutes the aged care target population that the Commonwealth has sole responsibility for funding (except in Western Australia where funding responsibility for home support services is shared);

 ⁷⁰ years plus is used for planning purposes, such as determining ratios of residential care places; and

 ⁸⁵ years plus is considered 'very old' and more closely reflects the target population of the high-end of aged care.

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

1.3. Legislative framework

The Aged Care Act 1997

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

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

Aged Care Principles

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

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

Australian Aged Care Quality Agency Act 2013

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

Outside the Act

The operation of the CHSP is governed by the CHSP Program Manual 2017.

Funding arrangements for the jointly funded Commonwealth–State HACC program in Western Australia is governed by the HACC Review Agreement 2007.

1.4. Funding

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

Australian Government expenditure for aged care throughout 2016–17 totalled \$17.1 billion⁵, an increase of 5.7 per cent from the previous year.

Figure 2: Australian Government Outlays for Aged Care, 2013-14 - 2016-17

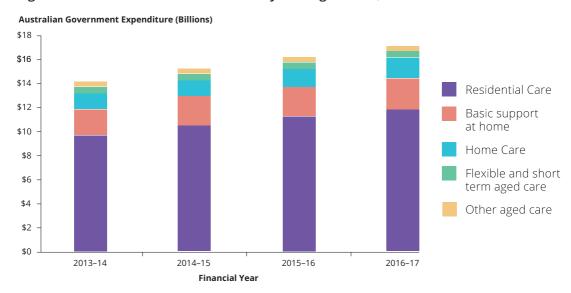
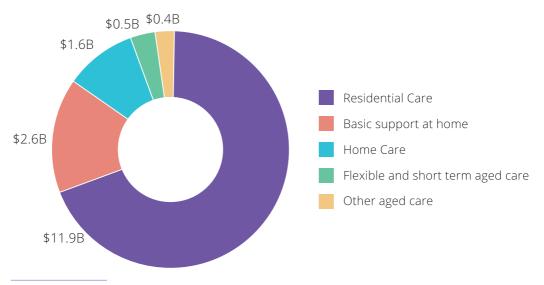


Figure 3: Australian Government aged care expenditure by type of care, 2016-17



⁵ Note: These data exclude any revenues such as aged care recoveries or cross billing.

1.5. Aged Care Consumer

In 2016–17, over 1.3 million people received some form of aged care. The great majority received home-based care and support, and relatively few lived in residential care:

- 722,838 people received home support through the CHSP
- 62,089 older people received support through the Commonwealth–State HACC program in WA
- 97,516 people received care through a home care package
- 59,228 people received residential respite care, of whom 31,793 (approximately 54 per cent) were later admitted to permanent care
- 239,379 people received permanent residential aged care.

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

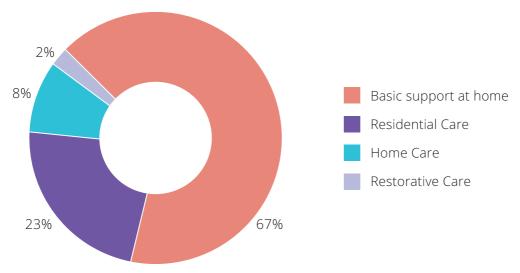


Figure 4: Consumers of Aged Care by service type, 2016–17

Average age on entry

- The average age on admission to permanent residential aged care was 82.0 years for men and 84.6 years for women.
- For entry to a home care package the average was 79.6 years for men and 80.5 years for women.

People with special needs

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

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

1.6. Informed access for consumers

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

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

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

1.7. Support for consumers

National Advocacy Scheme

The Australian Government funds the National Aged Care Advocacy Program (NACAP) which provides free, confidential and independent advice to consumers, their families and carers.

Community Visitor Scheme (CVS)

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

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

1.8. Aged Care Workforce

The aged care workforce numbers over 366,000 and includes nurses, personal care workers, support staff and allied health professionals. Workforce training and education is a shared responsibility between government and industry with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. Volunteer workers also make a significant contribution across the sector.

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

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

1.9. Regulatory and prudential oversight

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

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

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

1.10. Aged Care Pricing Commissioner

Throughout the year, the Aged Care Pricing Commissioner received applications from providers who wished to charge an accommodation price above the threshold determined by the Minister (currently \$550,000). Further information on the

 $^{6\} https://www.gen-agedcaredata.gov.au/Resources/Reports-and-publications/2017/March/The-aged-careworkforce, 2016$

Aged Care Pricing Commissioner's operations for the year is available from the Aged Care Pricing Commissioner's Annual Report⁷.

1.11. Aged Care Complaints Commissioner

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

The primary functions are to:

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

1.12. Legislated Review of Aged Care

In 2012, the Australian Government announced a package of major reforms to the aged care system, known as the Living Longer Living Better reforms. A requirement to undertake a comprehensive review of the reforms was included in the *Aged Care (Living Longer Living Better) Act 2013*. The Legislated Review of Aged Care 2017 (the Review) was undertaken between September 2016 and July 2017 and was led by Mr David Tune AO PSM.

The Review examined the impact and effectiveness of aged care reforms, covering a broad range of issues including the supply and demand for aged care services, means testing and accommodation payment arrangements, how consumers access the aged care system and issues related to the aged care workforce.

The final report of the Review makes 38 recommendations for future reform to the aged care system to move further along the road to a consumer-driven and sustainable system.⁹

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

⁸ The Aged Care Complaints Commissioner's 2016-17 Annual report can be accessed at https://www.agedcarecomplaints.gov.au/about/annual-report/

⁹ https://agedcare.health.gov.au/legislated-review-of-aged-care-2017-report

2

Informed Access to Aged Care





3.6 MILLION
WEBSITE VISITS
AND 1.2 MILLION
CALLS ANSWERED



SIGNIFICANT ENHANCEMENTS TO THE MY AGED CARE WEBSITE TO SUPPORT THE INCREASING CHOICE IN HOME CARE REFORMS



14 RAS ORGANISATIONS AND 80 ACATS DELIVERED ASSESSMENT SERVICES

2. Informed Access to Aged Care

In order to identify and access appropriate aged care services, potential clients and carers need easy access to relevant information and assessment services.

2.1. Enabling older people to make informed choices

My Aged Care is the entry point to the Australian aged care system. My Aged Care provides assistance for older people, their families and carers to access information on aged care, receive needs-based assessments and assist clients in seeking appropriate services in their local area.

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

On 27 February 2017, the Increasing Choice in Home Care reforms were introduced giving consumers the ability to choose their home care package provider and to direct a government subsidy to that provider. To support these changes, significant enhancements were made to the My Aged Care website to give consumers access to more information about providers so they can exercise their ability to make informed choices about the delivery of their care.

The changes to My Aged Care include improvements to the Home Care Package service-finder which was designed to enable communication between the provider and the consumer. Searching through the Home Care Package service-finder is now randomised to ensure parity for all providers and further enhancements have been made to enable consumers to find providers that offer services that are of particular importance to them.

A number of other enhancements were made to the My Aged Care website based on input from stakeholders and user-testing, to improve the design and make it easier to use.

The department ran an advertising campaign from 31 May to 30 June 2017 to raise awareness of My Aged Care. The campaign promoted My Aged Care as the starting point to access information and aged care services. It aimed to encourage older people to talk about aged care and plan ahead before a crisis event occurs.

Calls, Correspondence and Website Data

In 2016–17, the My Aged Care contact centre answered 1,179,853 calls and received 355,860 pieces of web and fax correspondence, while the website had a total of 3,602,147 visits.

Publications

The department continues to disseminate printed material such as brochures and booklets as well as producing fact sheets, newsletters and updates on ageing and aged care to consumers, care providers, health professionals and the general community.

Over 1 million individual information products were distributed during 2016–17 including:

- nearly 600,000 brochures explaining the range of aged care services available and how to access them
- more than 300,000 detailed booklets about accessing specific Australian Government-funded aged care programs.

2.2. Support for consumers

National Aged Care Advocacy

The National Aged Care Advocacy Program (NACAP) is funded by the Australian Government under the *Aged Care Act 1997*. It provides free, independent and confidential advocacy support and information to older people (and their representatives) receiving, or seeking to receive, Australian Government-funded aged care services. In 2016–17, the NACAP handled more than 5,800 advocacy cases, 3,300 general enquiries, and provided over 1,700 face-to-face education sessions. In 2016-17, a report on the review of Commonwealth Aged Care Advocacy Services was published and a draft National Aged Care Advocacy Framework released to support a nationally consistent approach to the delivery of advocacy services to aged care consumers.¹⁰

From 1 July 2017, the Older Persons Advocacy Network (OPAN) has been engaged to deliver the NACAP as a single national provider. OPAN delivers NACAP through its network of nine service delivery organisations across Australia. Each provides a nationally consistent model of independent advocacy, information and education focused on the rights of older Australians in need of care. Advocacy services can be accessed by contacting the National Aged Care Advocacy Line on 1800 700 600.

¹⁰ https://agedcare.health.gov.au/support-services/aged-care-advocacy/review-of-commonwealth-aged-care-advocacy-services-final-report

Community Visitors Scheme

The Community Visitors Scheme (CVS) provides support to older Australians who are socially isolated or are at risk of social isolation or loneliness by funding community-based organisations to recruit volunteers to make regular one-on-one and group visits to consumers of Australian Government-subsidised residential aged care services, and one-on-one visits to consumers of home care packages. In 2016–17, the department funded over 220,000 visits to consumers of Australian Government-subsidised residential aged care services and home care packages.

A review of the CVS program was undertaken in 2016–17 to explore how it can be enhanced and aligned with other aged care reforms. The options presented in the review, which is available on the department's website¹¹, are being considered by the Australian Government

National Dementia Support Program

The department funds Alzheimer's Australia to deliver the National Dementia Support Program and the Service Delivery Pathways Program. These programs provide a range of information, training and education programs and psychosocial support to people living with dementia and their carers or families. The programs also aim to improve awareness and understanding about dementia in the general community. In December 2016, a Ministerial Dementia Forum – Redesigning Dementia Consumer Supports was held with 61 participants from across Australia representing people living with dementia, carers, service providers, clinicians and the Australian Government¹². The outcomes from this forum are informing the redesign of the existing dementia support programs.

In 2016–17, the National Dementia Helpline and referral service received over 36,000 calls. More than 550,000 dementia help-sheets were downloaded from the Alzheimer's Australia national website, of which, over 44,000 were targeting people from special needs groups.

2.3. Access to subsidised care

Regional Assessment Service (RAS)

The Regional Assessment Service (RAS) delivers regional level assessments of older people seeking entry-level support at home, provided under the Commonwealth Home Support Programme (CHSP). Fourteen RAS organisations are funded to deliver assessment services in all states and territories

¹¹ https://agedcare.health.gov.au/support-services/review-of-the-community-visitors-scheme-final-report

¹² https://agedcare.health.gov.au/report-on-the-2016-ministerial-dementia-forum

(except Western Australia) from 1 July 2015 to 30 June 2018. New measures in the 2017–18 Budget include the extension of RAS funding arrangements for a further two years, until 30 June 2020 for most services. In 2016–17, Australian Government expenditure for the RAS was approximately \$88 million.

Aged Care Assessment Program (ACAP)

The Australian Government engages state and territory jurisdictions to manage and administer the Aged Care Assessment Program (ACAP), which includes 80 individual Aged Care Assessment Teams (ACATs) to deliver comprehensive assessment services across Australia. In 2016–17, Australian Government expenditure for the ACAP was approximately \$122 million.

ACATs utilise My Aged Care to comprehensively assess the care needs of older people and make referrals to services or to provider waitlists. This includes approving the person as eligible for Australian Government-subsidised aged care services under the *Aged Care Act 1997* such as for residential aged care, prioritisation for a Home Care Package and/or flexible care services.

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

Table 2 provides an overview of the number of ACAT assessments from 2012–13 to 2016–17, broken down by state and territory. These data include reassessments.

Table 2: Number of ACAT assessments by state and territory: 2012–13 to 2016–17

State/ Territory	2012-13	2013–14	2014–15	2015–16	2016–17
NSW	69,092	71,343	67,271	59,003	53,727
Vic	64,707	66,453	62,805	55,127	46,409
Qld	39,876	38,441	42,623	35,428	28,378
WA	22,281	21,663	20,902	18,687	14,794
SA	15,096	15,543	16,283	15,397	13,040
Tas	5,649	5,916	5,763	4,660	4,003
ACT	2,592	3,116	2,531	2,198	1,963
NT	1,033	1,174	1,029	852	893
Australia	220,326	223,649	219,207	191,352	163,207

Note: Data was extracted from the Ageing and Aged Care Data Warehouse in July 2017. Future extracts of these data may change and thus alter final numbers. ACATs transitioned to use My Aged Care systems in early 2016. Figures for 2015–16 therefore includes data sourced from both legacy and My Aged Care systems.

Table 2 illustrates a decline in the number of ACAT assessments in recent years. There are a number of factors contributing to this trend, including, but not limited to:

- the introduction of the RAS workforce
- the introduction of functionality to review client support plans
- the cessation of end-dating of approvals for some aged care services, negating the need for reassessments.

The introduction of the RAS in July 2015 has formalised the assessment pathway for the CHSP and now directs entry-level assessments to the appropriate workforce. This has enhanced the focus of the ACAT workforce on clients with more complex support needs.

In April 2016, functionality to review a client's support plan was implemented into My Aged Care. This allows assessors to review and address clients' needs without having to conduct a new comprehensive assessment. These support plan reviews are not counted in Table 2

3

Home Support





1,523FUNDED CHSP
ORGANISATIONS



722,838CHSP CLIENTS
ACROSS 2016–17



2.1 BILLIONFOR CHSP SERVICE
DELIVERY ACTIVITIES

3. Home Support

The Australian Government provides a range of entry-level home support services designed to help people aged 65 years and older (50 years and older for Aboriginal and Torres Strait Islander people) to continue living in their own homes for as long as they can and wish to do so. In 2016–17, the department continued to deliver these services through the Commonwealth Home Support Programme (CHSP).

The Australian Government also supported the Home and Community Care (HACC) program in Western Australia (WA). The WA HACC program is jointly funded by the Australian Government and the Government of Western Australia, which has administrative responsibility for the program. From 1 July 2018, WA HACC services for older people aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people) will transition to the CHSP.

In the 2017–18 Budget, the Australian Government announced the extension of CHSP for two years from 1 July 2018. This ensures ongoing funding of up to \$5.5 billion over two years.

3.1. What was provided?

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

Table 3: CHSP services by sub-programme and service type

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

In 2016–17, the WA HACC program continued to provide basic maintenance and support services, including counselling support, domestic assistance, nursing, personal and respite care, meals and transport.

3.2. Who provided care?

In 2016–17, a total of 1,523 aged care organisations were funded nationally to deliver CHSP home support services to clients¹³. On 1 July 2016, the Australian Government expanded the number of CHSP providers through the transition of 372 Victorian HACC providers to the CHSP.

On 10 March 2017, the Australian Government announced approximately \$115 million in growth funding over two years. A total of 246 providers received growth funding to deliver additional home support services nationally, including 38 new providers.

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

In WA there were a total of 98 HACC service providers funded to deliver services in 2016–17.

3.3. Who received care?

The CHSP provided support to 722,838 clients through delivery of home support services.¹⁴

Access to CHSP services is coordinated through My Aged Care. For consumers this means entry and assessment through My Aged Care and referral to the Regional Assessment Service (RAS) for a face-to-face assessment.

In WA, 74,475 people received services through the joint-funded HACC program, of which 62,089 were aged 65 years and over (50 years and over for Aboriginal and Torres Strait Islander people).

3.4. How were these services funded?

What the Government pays

The CHSP is a grant-funded program. During 2016–17, the Australian Government provided \$2.1 billion for the delivery of CHSP services to assist eligible clients to remain living independently in their homes. The Australian Government also provided

¹³ Data represent a count of all distinct aged care organisations with funding agreements for 2016-17 for any CHSP service delivery activities. Data extracted from the funding management system in August 2017.

¹⁴ There has been a change to the counting methodology used for 2016-17 due to comprehensive CHSP data now available through the Department of Social Services Data Exchange (DEX).

\$123.2 million to My Aged Care, RAS, and other initiatives in support of the CHSP. In total, Australian Government expenditure for the Home Support Program in 2016–17 was \$2.2 billion.

Table 4: Australian Government expenditure for CHSP services in 2016–17, by state and territory

State/Territory	2016-17 \$M
NSW	675.0
Vic	585.8
Qld	500.7
WA	24.7
SA	196.6
Tas	52.7
ACT	25.6
NT	21.2
Australia	2,083.4

The above table includes Australian Government expenditure for home support services in Western Australia, but excludes expenditure provided under the jointly-funded Australian Government–Western Australia HACC program.

In 2016–17, Australian Government expenditure for the WA HACC program was \$187.9 million; the Government of Western Australia contributed \$121.7 million.

What the consumer pays

In October 2015, the department released the *Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework*¹⁵. The Framework outlines a number of principles that CHSP providers can adopt in setting and implementing their own client contribution policy. The principles are designed to introduce fairness and consistency, with a view to ensuring that those who can afford to contribute do so, while protecting the most vulnerable. Consumer contribution supports CHSP providers to grow and expand their business.

¹⁵ Further information on the CHSP Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework is available at https://agedcare.health.gov.au/programs/commonwealth-home-support-programme/resources.

4

Home Care





702 OPERATIONAL HOME CARE PROVIDERS



71,423 HOME CARE CONSUMERS AT 30 JUNE



1.6 BILLION IN HOME CARE SUBSIDIES AND SUPPLEMENTS

4. Home Care

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

4.1. Increasing Choices in Home Care

On 27 February 2017, the Australian Government introduced the Increasing Choice in Home Care reforms. This was designed to improve the way home care services are delivered to older Australians, moving to a consumer-driven, market-based and less regulated system. It included three key areas of change for home care:

- Funding for a home care package now follows the consumer providing more choice and flexibility for consumers to change providers, if they wish.
- There is a consistent national approach to prioritising access to home care packages through the national prioritisation system. This allows for a more equitable distribution of home care packages based on the individual needs and circumstances of consumers, and the time they have been waiting for care, regardless of where they live.
- There is now a simplified process for organisations seeking to become approved providers under the Act. This encourages new providers to enter the home care market, supporting greater choice for consumers. All providers are still required to demonstrate their suitability to become an approved provider and meet quality standards.

Separate reporting which focuses on the Home Care Packages Program following the introduction of Increasing Choice in Home Care is available at https://www.gen-agedcaredata.gov.au/Resources/Home-care-packages-program-data-report-2017

4.2. What was provided?

The Home Care Packages Program provides four levels of packages:

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

Under a home care package, a range of personal care, support services, clinical services and other services is tailored to meet the assessed needs of the consumer. A summary list of the types of services available can be found on the My Aged Care website.¹⁶

From 27 February 2017, home care packages are assigned directly to consumers via the national prioritisation system, as opposed to the previous system of allocating home care places to providers through the annual ACAR. As a result, the 2016–17 ACAR did not include the allocation of home care places to providers. For this reason, this report does not publish information on the number of operational home care packages held by providers. Instead, the focus is on the number of consumers receiving care.

4.3. Who provided care?

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

Between 30 June 2016 and 30 June 2017, the number of operational approved providers of home care grew from 496 to 702, representing a 41.5 per cent increase. A further 33 providers had also been approved as at 30 June 2017 and had a home care service but were yet to be operationalised and have a consumer in care. The growth in the sector reflects the attractiveness of a more market-based environment where there is greater choice for the consumer following the February 2017 changes. Both existing and new approved providers have greater opportunity to expand their businesses to meet local demand in a growing market.

As at 30 June 2017, there were 71,423 consumers who had a home care package and were receiving care from an approved provider of home care. The not-for-profit group (comprising religious, charitable and community-based providers) delivered the majority of care, providing assistance to 81.5 per cent of consumers, while for-profit providers delivered care to 11.6 per cent, and government providers delivered care to 6.9 per cent.

¹⁶ https://www.myagedcare.gov.au/help-home/home-care-packages

Table 5: Number of consumers in home care packages, by provider type and state and territory, as at 30 June 2017

State/ Territory	Religious	Charitable	Community Based	For Profit	State/ Territory and Local Govt.	Total
NSW	6,517	8,150	4,782	3,331	623	23,403
Vic	6,546	4,478	3,254	1,255	3,008	18,541
Qld	5,733	3,349	2,563	1,401	247	13,293
WA	1,798	2,973	381	1,315	285	6,752
SA	1,366	2,780	596	354	513	5,609
Tas	494	496	588	319	10	1,907
ACT	180	523	237	201	0	1,141
NT	135	5	259	138	240	777
Australia	22,769	22,754	12,660	8,314	4,926	71,423
% of Total	31.9	31.9	17.7	11.6	6.9	100.0

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

4.4. Who received care?

Although there are no minimum age requirements for eligibility purposes, the Home Care Packages Program is primarily designed to assist older Australians to remain in their homes. In 2016–17, the average age of admission into a package was 80.2 years, unchanged from 2015–16.

The number of home care consumers as at 30 June 2017 was 71,423. This was an increase of 7,354 (or 11.5 per cent) from 30 June 2016. The number of consumers grew for each level of care and for each state and territory. This is consistent with the Australian Government's policy to increase access to home care services to allow people to remain living independently in their own homes for as long as possible.

Table 6: Number of home care consumers, by care level and state and territory, as at 30 June 2017

Care Level	Level 1	Level 2	Level 3	Level 4	Total	% of Total
NSW	457	16,038	2,206	4,702	23,403	32.8
Vic	353	12,776	1,760	3,652	18,541	26.0
Qld	169	8,711	1,240	3,173	13,293	18.6
WA	27	3,378	713	2,634	6,752	9.5
SA	87	3,861	557	1,104	5,609	7.9
Tas	49	1,274	194	390	1,907	2.7
ACT	20	645	51	425	1,141	1.6
NT	6	585	29	157	777	1.1
Australia	1,168	47,268	6,750	16,237	71,423	100.0
% of Total	1.6	66.2	9.5	22.7	100.0	

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

4.5. How were these services funded?

What the Government pays

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

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

Table 7: Home Care supplements available in 2016-17

Supplement type	Description
Primary Supplements	
Oxygen Supplement	A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of oxygen therapy.
Enteral Feeding Supplement	A supplement paid on behalf of eligible care recipients to reimburse costs associated with provision of enteral feeding.
Dementia and Cognition Supplement	A supplement paid on behalf of eligible care recipients assessed as having cognitive impairment due to dementia or other causes.
Veterans' Supplement in Home Care	A supplement paid on behalf of care recipients with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Top Up Supplement	A supplement paid on behalf of care recipients formerly in receipt of an Extended Aged Care at Home Dementia (EACHD) package, to ensure no disadvantage in funding as a result of the transition to the Home Care Packages Program.
Other Supplements	
Hardship Supplement	A supplement paid on behalf of post-1 July 2014 care recipients in financial hardship who are unable to pay their aged care costs.
Viability Supplement	A supplement paid on behalf of eligible care recipients living in regional and remote areas to assist with the extra costs of providing services in those areas.

The Australian Government's expenditure on subsidies and supplements for home care packages increased from \$1.5 billion in 2015–16 to \$1.6 billion in 2016–17, an increase of 6.7 per cent.

Table 8: Australian Government expenditure (in \$millions) for home care packages 2012–13 to 2016–17, by state and territory

State/ Territory	2012-13	2013-14	2014-15	2015-16	2016-17	% Increase 2015–16 to 2016–17
NSW	352.2	383.1	389.0	452.2	483.8	7.0
Vic	275.4	299.9	313.8	364.0	388.6	6.8
Qld	219.3	246.6	244.0	283.2	301.4	6.4
WA	153.6	174.9	161.2	187.0	198.3	6.0
SA	83.8	88.7	92.2	107.0	114.2	6.8
Tas	29.2	29.0	32.3	37.4	39.7	6.1
ACT	25.6	29.5	29.7	34.4	36.5	6.1
NT	17.6	19.2	18.6	21.4	22.2	3.8
Australia	1,156.6	1,270.9	1,280.7	1,486.6	1,586.2	6.7

What the consumer pays

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

- a basic daily fee the maximum basic daily fee is 17.5 per cent of the single rate of the basic age pension and/or
- an income-tested care fee paid by those assessed as having sufficient income to contribute to the cost of their care. The income-tested care fee reduces the amount of the subsidy paid by the Australian Government to the provider.

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

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

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

Further information on the fee arrangements for home care packages can be found on the department's website.¹⁷

¹⁷ Aged Care fees and charges, https://agedcare.health.gov.au/aged-care-funding/aged-care-fees-and-charges

5

Respite Care



579 FUNDED CHSPORGANISATIONS AND2,460 RESIDENTIAL AGED CAREHOMES DELIVERED RESPITE CARE



40,720 CHSP RESPITE CLIENTS AND **59,228** RESIDENTIAL RESPITE CLIENTS ACROSS 2016–17



\$248.1 MILLION
IN CHSP GRANTS
AND \$312.7 MILLION
IN RESIDENTIAL SUBSIDIES
AND SUPPLEMENTS

5. Respite Care

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

5.1. What was provided?

Commonwealth Home Support Programme (CHSP)

The Commonwealth Home Support Programme (CHSP) provides flexible respite services including:

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

Residential care respite

Residential respite provides short-term care in Australian Government subsidised aged care facilities. An ACAT can recommend someone for either high-care or low-care residential respite. This approval does not limit the care to be provided to care recipients, but can have implications on when fees are payable for certain specified care and services¹⁸, and the supplements the Australian Government contributes.

Once approved, a person can receive residential respite in aged care facilities for up to 63 days each financial year. However, with approval from an ACAT, extensions can be granted if necessary. People receiving residential respite are entitled to receive the same services as someone receiving permanent residential aged care, including assistance with meals, laundry, room cleaning, personal grooming, and nursing care.

5.2. Who provided care?

In 2016–17, 579 aged care organisations were funded to deliver CHSP respite services to clients¹⁹. These providers range from small not-for-profit organisations to government and nongovernment organisations.

¹⁸ Schedule 1, Quality of Care Principles 2014, https://www.legislation.gov.au/Latest/F2016C00451

¹⁹ Data represent a count of all distinct aged care organisations with funding agreements for 2016-17 for CHSP respite service delivery activities specifically. Data extracted from the funding management system in August 2017.

Providers of residential respite care do not have a separate allocation of residential respite places. Rather, a portion of each permanent allocation of residential care places is used for the provision of respite care. It is a matter for the provider as to what mix of respite and permanent residential care places to deliver within the financial year. In 2016–17, there were 2,460 residential aged care homes which provided residential respite services.

Table 9: Residential respite service providers 2016–2017, by state and territory

State/Territory	Residential Respite
NSW	850
Vic	710
Qld	373
WA	181
SA	244
Tas	67
ACT	24
NT	11
Australia	2,460

5.3. Who received care?

In 2016–17, 40,720 clients received CHSP respite services and there were 75,291 admissions to residential respite care. Throughout 2016–17, a total of 59,228 people received residential respite care, and on 30 June 2017 there were 5,364 people receiving residential respite care.

The number of residential respite days used in 2016–17 was 1.9 million, an increase of nearly 44,000 days since 2015–16. On average, each recipient received 1.3 episodes of residential respite care during 2016–17, and their average length of stay per episode was 25.4 days.

Table 10: Residential respite days by level of care, during 2016–17, by state and territory

State/Territory	High Care Respite	Low Care Respite	Total
NSW	618,748	221,020	839,768
Vic	202,885	251,639	454,524
Qld	169,536	59,387	228,923
WA	56,407	26,704	83,111
SA	213,620	31,090	244,710
Tas	26,522	12,064	38,586
ACT	12,942	5,452	18,394
NT	9,114	3,613	12,727
Australia	1,309,774	610,969	1,920,743

5.4. How were these services funded?

What the Government pays

In 2016–17, the Australian Government provided grant funding of \$248.1 million to service providers who delivered respite services under the CHSP, and subsidies and supplements totalling \$312.7 million to service providers who delivered residential respite care.

What residents pay

CHSP providers who deliver respite services can refer to the Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework²⁰ to implement their own client contribution policy (See Chapter 3). The Australian Government sets the maximum level of the basic daily fee that providers may ask residential respite care recipients to pay (standard resident contribution), which equates to 85 per cent of the basic age pension. However, it is at the providers' discretion if they charge the residential respite care recipient the maximum level of basic daily fee. This fee is used by the approved provider to cover costs such as cleaning, maintenance and laundry.

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

²⁰ Further information on the CHSP *Client Contribution Framework and the National Guide to the CHSP Client Contribution Framework* is available at https://agedcare.health.gov.au/programs/commonwealth-home-support-programme/resources.

6

Residential Care





902 OPERATIONAL RESIDENTIAL AGED CARE PROVIDERS



178,713 PERMANENT RESIDENTS AT 30 JUNE



\$11.9 BILLION
IN RESIDENTIAL
CARE SUBSIDIES
AND SUPPLEMENTS

6. Residential Care

Residential care provides care and support to people who can no longer remain living independently at home. Residential care is provided on a permanent or respite basis (see Chapter 5 for respite).

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

6.1. What was provided?

The services provided through residential care include personal-care services (help with the activities of daily living such as dressing, eating and bathing) and accommodation and support services (cleaning, laundry and meals). For people who need almost complete assistance with most activities of daily living, residential care can provide 24-hour care. Guidance on the care and services that must be provided to residents is available on the department's website.²¹

6.2. Who provided care?

Residential aged care is delivered to older Australians by service providers who have been approved under the Act. Providers consist of those from religious and charitable, community, for-profit and government sectors. At 30 June 2017, there were 2,672 residential aged care services, an increase of 0.1 per cent from the previous year. At the same time, there were 902 operational residential aged care providers.

At 30 June 2017, there were a total of 247,907 allocated and 200,689 operational residential aged care places (excluding places offered in flexible care programs) with an occupancy rate of 91.8 per cent across 2016–17. The not-for-profit group (comprising religious, charitable and community-based providers) was responsible for 55.9 per cent of operational residential care places, for-profit providers for 39.7 per cent, and government providers for 4.4 per cent.

²¹ Care and services in aged care homes; Information for approved providers, https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/09_2014/additional_guidance__care_and_services_in_aged_care_homes_0.pdf

Table 11: Operational residential care places, other than flexible care places, by provider type, at 30 June 2017, by state and territory

State/ Territory	Religious	Charitable	Religious/ Charitable	Community Based	For- Profit	State/ Territory Govt	Local Govt	Total
NSW	17,558	15,476	0	10,749	24,402	405	377	68,967
Vic	7,010	4,872	67	7,499	28,625	5,031	173	53,277
Qld	12,493	5,322	0	3,554	13,994	1,112	141	36,616
WA	4,859	2,979	0	2,019	5,672	66	301	15,896
SA	5,068	3,833	0	2,163	5,747	809	317	17,937
Tas	1,924	1,594	0	960	412	57	0	4,947
ACT	539	786	0	442	771	0	0	2,538
NT	85	0	0	291	135	0	0	511
Australia	49,536	34,862	67	27,677	79,758	7,480	1,309	200,689
% of Total	24.7	17.4	0.0	13.8	39.7	3.7	0.7	100.0

6.3. Who received care?

In 2016-17:

- a total of 239,379 people received permanent residential aged care at any time during the year, an increase of 4,448 from 2015–16
- the average age (on entry) was 82.0 years for men, 84.6 years for women
- the average completed length of stay was 34.6 months.

On 30 June 2017, there were 178,713 people receiving permanent residential care.

Table 12: Number of permanent residents on 30 June 2017, by state and territory

State/Territory	Permanent Residents
NSW	60,507
Vic	47,218
Qld	32,934
WA	14,746
SA	16,139
Tas	4,420
ACT	2,300
NT	449
Australia	178,713

6.4. How were these services funded?

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

What the Government pays

During 2016–17, the Australian Government paid \$11.9 billion for residential care subsidies and supplements, an increase of 4.7 per cent over the previous year.

Table 13: Australian Government recurrent residential care funding, 2012–13 to 2016–17, by state and territory

State/ Territory	2012–13 \$M	2013–14 \$M	2014–15 \$M	2015–16 \$M	2016–17 \$M	% Increase 2015–16 to 2016–17
NSW	3,115.1	3,348.9	3,563.5	3,836.3	3,992.5	4.1
Vic	2,363.3	2,539.8	2,758.6	2,976.2	3,144.8	5.7
Qld	1,655.2	1,762.6	1,926.4	2,061.9	2,189.1	6.2
WA	791.6	860.3	921.1	972.0	996.4	2.5
SA	911.8	942.4	1,018.2	1,084.3	1,116.6	3.0
Tas	234.7	239.9	258.0	278.5	290.9	4.4
ACT	96.9	94.0	110.6	126.0	134.2	6.6
NT	34.0	26.5	33.1	35.7	39.1	9.5
Australia	9,192.0	9,814.4	10,589.4	11,371.4	11,903.8	4.7

Note: Totals may not sum exactly, due to rounding. This table includes funding through the Department of Veterans' Affairs. This table presents recurrent funding to residential care providers using accrual based reporting. Due to accrual adjustments, for smaller jurisdictions in particular, this can lead to significant year on year variation. Based on claims data, recurrent funding for each state and territory grew between 2.2 per cent and 8.1 per cent between 2015–16 and 2016–17.

Subsidies and supplements

The Minister determines the rates for subsidies and care supplements to be paid from 1 July each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time the Australian Government's Age Pension changes). The current rates of payment are available on the Schedule of Subsidies and Supplements on the department's website²² and from My Aged Care.

²² Current Australian Government subsidies and supplements, https://agedcare.health.gov.au/aged-care-funding/aged-care-subsidies-and-supplements

A new viability supplement scheme was introduced on 1 January 2017 as part of the 2016-17 Budget measure *Aged Care Provider Funding – improving the targeting of the viability supplement for regional aged care facilities.* This measure updated the geographical classification system to the Modified Monash Model (MMM), and increased the rate payable to services scoring 80 or more points. The MMM takes into account the size and isolation of a town based on 2011 Census data.

Table 14: Supplements available for residential aged care 2016–17

Supplement type	Description
Primary supplements	
Respite	A supplement paid to residential care services for provision of residential respite care to eligible care recipients who normally live in the community.
Oxygen	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing oxygen therapy.
Enteral Feeding	A supplement paid to residential care services on behalf of eligible care recipients to reimburse costs associated with providing enteral feeding.
Other supplements	
Accommodation	A means tested supplement paid to residential care services on behalf of care recipients who entered care on or after 20 March 2008 who are eligible for assistance with their accommodation costs.
Hardship	A supplement paid on behalf of care recipients in financial hardship who are unable to pay their aged care costs.
The Veterans' Supplement in Residential Care	A supplement paid on behalf of residents with a mental health condition related to their service. Eligibility for the supplement is determined by the Department of Veterans' Affairs.
Viability	A supplement paid to aged care services in rural and remote locations to assist with the extra cost of delivering services in those locations.
Homeless	A supplement paid to aged care services that specialise in caring for people with a history of, or who are at risk of, homelessness.
Concessional	A means tested supplement paid on behalf of concessional and assisted residents who entered residential care between 1 October 1997 and 19 March 2008 who are eligible for assistance with their accommodation costs.
Transitional Supplement	A supplement paid on behalf of pre-2008 reform care recipients who were residents in an aged care home on 30 September 1997 or who entered the service after 30 September 1997 but before it was certified and have remained in the same home.
Charge Exempt Supplement	A supplement paid on behalf of residents who were in high care on 30 September 1997 and who have subsequently moved to another home where they would be eligible to pay an accommodation charge.
Transitional Accommodation	A supplement paid on behalf of residents who entered low level care between 20 March 2008 and 19 September 2011, to ensure no financial disadvantage from changes to the accommodation supplement introduced on 20 September 2011.

Supplement type	Description
Other supplements	
Accommodation Charge Top-Up	A supplement paid on behalf of high care residents who entered care from 20 March 2008 to 19 March 2010; and who were on income support.
Basic Daily Fee	A supplement paid on behalf of certain care recipients in permanent care on 1 July 2012 to ensure no financial disadvantage resulting from the increase of the basic daily fee from this date.
Pensioner	A supplement payable for pre-March 2008 reform residents who either have a dependent child or receive an income support payment and have not agreed to pay a "big bond".

A detailed breakdown of the amount of payments for each of these subsidies and supplements in 2016–17 is shown in Table 23 in Appendix A.

The following information relates to residents who entered care on or after 1 July 2014 (new residents). For information on the payment arrangements for those who entered care prior to that date (continuing care residents) please see section 7.4 of the 2014–15 Report on the Operation of the *Aged Care Act 1997.*²³

Figure 5: Process for determining the payments for care recipients



New residents are subject to the arrangements outlined in the Act. The Act sets out the following process for determining the payments for care recipients (as illustrated in Figure 5):

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI or, for respite residents, by the resident's ACAT approval
- plus any primary supplements including respite, oxygen and enteral feeding
- less any reductions in subsidy resulting from adjusted subsidies for government-owned aged care homes or the receipt of a compensation payment
- less any reduction resulting from the income and asset testing of residents who entered residential care on or after 1 July 2014

²³ Available at https://agedcare.health.gov.au/publications-and-articles/reports/report-on-the-operation-of-the-aged-care-act-1997

 plus any other supplements, including the accommodation supplement, viability supplement, veterans' supplement, homeless supplement and the hardship supplement (the last of which reduces fees and accommodation payments for residents who would otherwise experience financial hardship).

What residents pay

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

Fees

Basic Daily Fee

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

The basic daily fee is indexed on 20 March and 20 September each year, at the same time as changes to the age pension. Unlike the arrangements for continuing care recipients, there is only one rate of basic daily fee for new residents.

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

Means-Tested Care Fee

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

Extra Service Fees

The extra service amount is the maximum amount a provider can charge a resident for receiving extra service in a residential care home which has been approved to provide extra service. A resident in an extra-service place pays an extra-service amount in addition to other fees, which may include the basic daily fee and the income-tested fee or means-tested care fee.

Additional Service Fees

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

Accommodation payments

Accommodation payments are a contribution to the cost of accommodation and are used to maintain and upgrade the aged care facility. Accommodation payments are means-tested. Residents with income below \$26,072.80 and assets below \$47,500 (single rate, as at 30 June 2017) are not required to make an accommodation contribution. In these circumstances, the Australian Government pays the full accommodation cost for the resident.

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

Residents have the option of paying their accommodation as:

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

Australian Government contributions towards accommodation costs are by way of accommodation supplements. There is a range of accommodation supplement rates set by Ministerial determination. As at 30 June 2017, the highest of these, the Maximum Accommodation Supplement Amount, was \$55.09 per day for new homes or those which have been significantly refurbished since 20 April 2012.

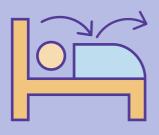
Providers determine the maximum prices they wish to charge for their accommodation (for residents who do not receive any government assistance with the cost of their accommodation) and publish these prices, along with information about the key features of the room, on My Aged Care, on their own website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

More information about accommodation prices and choice of payment is available from the Aged Care Financing Authority's (ACFA) Annual Report on the Funding and Financing of the Aged Care Sector – July 2017 available on the department's website.²⁴

²⁴ https://agedcare.health.gov.au/reform/aged-care-financing-authority/2017-report-on-the-funding-and-financing-of-the-aged-care-industry

7

Flexible Care



8,937 OPERATIONAL FLEXIBLE CARE PLACES ACROSS FIVE PROGRAMS



25,202 PEOPLE RECEIVED TRANSITION CARE AND 110 RECEIVED SHORT TERM RESTORATIVE CARE



\$456.4 MILLIONIN AUSTRALIA
GOVERNMENT FUNDING

7. Flexible Care

Flexible care acknowledges that some circumstances require a different care approach than that provided through mainstream residential and home care.

The Subsidy Principles 2014 identify four flexible care programs:

- Transition Care
- Short-Term Restorative Care (STRC)
- Multi-Purpose Services
- Innovative Care

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

At 30 June 2017, there were 8,937 operational flexible care places. In 2016–17, Australian Government funding across these programs totalled \$456.4 million.

Figure 6: Operational flexible care places as at 30 June each year between 2013 and 2017



7.1. Transition Care

The Transition Care Program enables older people to return home after a hospital stay. A person can only enter transition care directly after being discharged from hospital. The program provides time-limited, goal-oriented and therapy-focused packages of services to older people after a hospital stay.

What was provided?

Transition care is provided for up to 12 weeks (with a possible extension of another six weeks) in either a homelike residential setting or in the community. In 2016–17, the average length of stay for completed episodes of transition care was 59 days. The occupancy rate for transition care throughout 2016–17 was 88.1 per cent.

Who provided care?

The Australian Government has agreements in place with each of the state and territory governments, as the approved providers of transition care, to manage the program in their respective jurisdictions. Most state and territory governments then subcontract the provision of these services.

Of a total 4,060 allocated transition care places nationally, 4,019 transition care places were operational at 30 June 2017. In 2016–17, the Australian Government allocated an additional 60 time-limited transition care places to the Government of Western Australia. These places were allocated as a short-term solution to assist the state government to address the lower rate of operational residential care places in WA. By 30 June 2017, 19 of the additional 60 places were operational.

Table 15: Number of operational transition care places as at 30 June 2017, by state and territory

State/Territory	Operational Transition Care Places
NSW	1,378
Vic	1,000
Qld	733
WA	365
SA	347
Tas	109
ACT	58
NT	29
Australia	4,019

Who received care?

At 30 June 2017, 3,556 people were receiving transition care. Overall, 25,202 people received transition care during 2016–17.

Table 16: Number of transition care recipients by state and territory, at 30 June 2017 and during 2016–17

State/Territory	Number of people receiving transition care at 30 June 2017	Number of people who received transition care during 2016-17
NSW	1,220	7,783
Vic	934	6,857
Qld	632	4,721
WA	318	2,395
SA	306	2,397
Tas	75	623
ACT	42	311
NT	29	138
Australia	3,556	25,202

Note: Data for numbers of recipients across the financial year shows a distinct count of individual clients with one or more episodes of transition care at any time in the 2016–17 financial year. An individual client may receive care in multiple states, but will be only counted once in the total for Australia.

How were these services funded?

As a jointly-funded initiative, both the Australian Government and the state and territory governments contribute to the program's cost. Australian Government funding for the Transition Care Program is provided in the form of a flexible-care subsidy payable to the provider for each person who receives transition care. In 2016–17, the Australian Government funding for the Transition Care Program was \$257.7 million.

56

²⁵ Subsidy rates for the Transition Care Program can be found in section 106 of the *Aged Care* (Subsidy, Fees and Payments) Determination 2014, available at https://www.legislation.gov.au/Latest/F2017C00496

Table 17: Australian Government expenditure on transition care, during 2016–17, by state and territory

State/Territory	Australian Government \$M
NSW	89.2
Vic	66.8
Qld	46.6
WA	20.7
SA	23.2
Tas	5.3
ACT	3.7
NT	1.7
Australia	257.7

The state and territory governments, as the approved providers of transition care, also contribute to the delivery of the Transition Care Program through a mix of financial and in-kind support. Additionally, providers are able to charge recipients a daily care-fee for the services provided under this program.

7.2. Short-Term Restorative Care (STRC)

STRC is an early intervention program that aims to reverse and/or slow 'functional decline' in older people with the goal of improving individuals' wellbeing and delaying their admission into residential or home care.

What was provided?

The STRC Programme is a new program which increases the care options available to older people, through a time-limited (up to 56 days), goal-oriented, multi-disciplinary and coordinated package of services. STRC can be delivered in a residential aged care setting, home based (community) setting or a combination of both.²⁶

Who provided care?

On 23 February 2017, the first 400 STRC places were allocated across Australia through a competitive ACAR. 27

²⁶ More information on the STRC Programme can be found on the department's website at https://agedcare.health.gov.au/programs-services/flexible-care/short-term-restorative-care-programme

²⁷ Results of the 2016–17 ACAR, including STRC allocations, can be found at https://agedcare.health.gov.au/2016-17acar/results

Table 18: Number of allocated STRC places by state and territory, at 30 June 2017

State/Territory	Number of allocated STRC places
NSW	88
Vic	100
Qld	92
WA	70
SA	20
Tas	10
ACT	10
NT	10
Australia	400

Who received care?

Since 23 February 2017, 110 people have received STRC services, with 90 people receiving care at 30 June 2017.

How were these services funded?

In 2016–17, the Australian Government contributed \$262,000 for STRC services in the form of a flexible care subsidy.²⁸ Additionally, providers are able to charge recipients a daily care fee for the services provided under this program. The maximum basic daily rate is an amount equivalent to:

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

7.3. Multi-Purpose Services

The Multi-Purpose Services Program enables older people living in regional, rural and remote areas to receive the aged care services they need in their own community.

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

Multi-Purpose Services are administered under the Act and are generally operated by state or territory governments or authorities. The majority of services are co-located with a hospital.

²⁸ Subsidy rates for the STRC can be found in section 106B of the *Aged Care (Subsidy, Fees and Payments)*Determination 2014, available at https://www.legislation.gov.au/Latest/F2017C00496

At 30 June 2017, there were 179 operational Multi-Purpose Services, with a total of 3,636 flexible care places.

Table 19: Multi-Purpose Services and operational places, at 30 June 2017, by state and territory

State/ Territory	Multi-Purpose Services with Operational Places	Operational High Care Residential Care Places	Operational Low Care Residential Care Places	Operational Home Care Places	Total Operational Places
NSW	64	912	138	119	1,169
Vic	11	244	115	19	378
Qld	34	310	129	141	580
WA	40	329	306	159	794
SA	26	459	134	14	607
Tas	3	66	15	21	102
ACT	0	0	0	0	0
NT	1	4	0	2	6
Australia	179	2,324	837	475	3,636

Table 20: Australian Government expenditure for Multi-Purpose Services, 2012–13 to 2016–17, by state and territory

State/ territory	2012–13 \$M	2013-14 \$M	2014-15 \$M	2015-16 \$M	2016-17 \$M	% Increase 2015–16 to 2016–17
NSW	41.8	44.5	47.9	51.0	56.9	11.6
Vic	12.6	12.8	13.4	14.0	14.6	4.1
Qld	18.5	20.6	22.4	23.1	24.6	6.3
WA	25.2	25.8	27.4	27.8	29.0	4.1
SA	24.5	25.0	26.7	27.1	29.9	10.2
Tas	3.8	3.9	4.1	4.2	4.2	1.1
ACT	-	-	-	-	-	-
NT	0.3	0.3	0.3	0.3	0.3	1.2
Australia	126.7	133.0	142.2	147.6	159.5	8.1

7.4. Innovative care services

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

At 30 June 2017, there were nine projects, delivered through four services in New South Wales, two in South Australia, and one in each of Tasmania, Victoria and Western Australia. Due to the pilot nature of the program, no new entrants are accepted into the program, so the number of care recipients decreases as people leave, for example to take up other care options. At 30 June 2017, there were 62 operational innovative care places, compared to 75 at 30 June 2016.

Throughout 2016–17 the Australian Government provided \$1.8 million for these services, in the form of a flexible care subsidy specific to each service.²⁹

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

In addition to flexible care provided through legislative arrangements, flexible aged care is also provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Services funded under this program provide culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to home and community, and are located mainly in remote areas. Services delivered through this program can be in a residential or home care setting.

These flexible aged care services operate outside the regulatory framework of the Act.³⁰

As at 30 June 2017, 32 aged care services were funded \$37.2 million to deliver 820 aged care places.

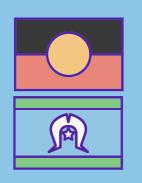
²⁹ Subsidy rates for innovative care services are available in section 104 of the *Aged Care (Subsidy, Fees and Payments) Determination 2014*, available at https://www.legislation.gov.au/Latest/F2017C00496

³⁰ More information on the National Aboriginal and Torres Strait Islander Flexible Aged Care Program can be found on the department's website at https://agedcare.health.gov.au/programs-services/flexible-care/national-aboriginal-and-torres-strait-islander-flexible-aged-care-program

8

Support for People with Special Needs





SPECIALIST ADVICE, ASSISTANCE AND FUNDING TO ELIGIBLE AGED CARE PROVIDERS AND TO SUPPORT IMPROVEMENTS IN INDIGENOUS AGED CARE SERVICES



AN UPDATED AND IMPROVED SCHEME FOR THE VIABILITY SUPPLEMENT IN RESIDENTIAL CARE AND HOME CARE



\$8 MILLION IN HARDSHIP SUPPLEMENTS

8. Support for People with Special Needs

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

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

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

In February 2017, the Minister established the Aged Care Sector Committee Diversity Sub-Group to inform the development of an Aged Care Diversity Framework (the Framework).

This Framework will replace the National LGBTI Ageing and Aged Care Strategy and the National Ageing and Aged Care Strategy for People from CALD Backgrounds. The Framework will be relevant for all older people and will focus on acknowledging individuals' diverse characteristics and life experiences to ensure an inclusive and responsive aged care system.

Under the Framework, three initial action plans will be developed for people from Aboriginal and Torres Strait Islander communities, people from CALD backgrounds, and LGBTI people.

The Framework will be developed by December 2017 and the action plans by May 2018. The Framework is envisaged to be a living document and action plans may be adjusted and new action plans may be created as the need arises over time.

8.1. People from Aboriginal and Torres Strait Islander communities

Eligible aged care providers can receive specialist advice and assistance via the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel to build capacity and improve the quality of aged care services

provided to care recipients. Panel members can assist aged care providers with issues including service delivery, sector support, financial management and project management – see Chapter 9.

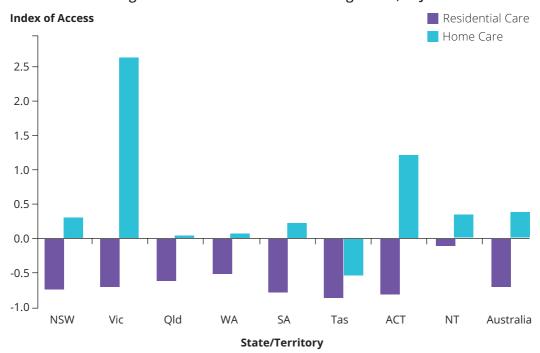
Funding for special measures for Aboriginal and Torres Strait Islander people is also provided under the Dementia and Aged Care Services (DACS) Fund – see Chapter 9.

Flexible models of care are provided under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program – see section 7.5. This program funds culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to home, and is located mainly in remote areas.

An additional \$3.7 million was allocated as one-off grants under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program to support improvements in Indigenous aged care services. These grants will provide practical assistance to 18 aged care services ensuring that buildings are appropriate for cultural activities, customs, ceremonies and family visits. The grants may also fund refurbish/upgrade livings spaces for clients and staff, purchase necessary equipment and fulfil medical/security needs.

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

Figure 7: Index of equity of access for non-flexible aged care services for older people from Aboriginal and Torres Strait Islander backgrounds, 30 June 2017



8.2. People from culturally and linguistically diverse (CALD) backgrounds

Australia is one of the most culturally diverse nations in the world with an estimated 23 per cent³¹ of people aged 65 years and over born overseas in countries other than mainly English-speaking countries. Broadly speaking, older people from CALD backgrounds have proportionally higher representation in home care services and proportionally lower representation in residential care services.

Figure 8: Index of equity of access for non-flexible aged care services for older people from CALD backgrounds, 30 June 2017



The National Ageing and Aged Care Strategy for People from Culturally and Linguistically Diverse Backgrounds (the Strategy) informs the way the Australian Government responds to the special care needs of older people and carers from CALD backgrounds to deliver sensitive, appropriate and inclusive care. The Strategy had a five-year implementation timeframe and concluded on 30 June 2017. In 2017, the Australian Government reviewed the Strategy to consider stakeholders' perspectives on its success as well as opportunities for improvement. The outcomes of this review will feed into the development of the Aged Care Diversity Framework.

³¹ Department of Health analysis of 2016 Census of Population and Housing data

A major program supporting CALD communities is the Partners in Culturally Appropriate Care program. Funding to better support services targeting CALD people is also provided through the DACS fund – see Chapter 9.

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

8.3. Veterans

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

There were 17,447 gold or white treatment card holders in residential care at 30 June 2017, a decrease from 19,281 at 30 June 2016.

8.4. People who live in rural or remote areas

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

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

This includes:

- From 1 January 2017 a new viability supplement scheme was introduced as part of the 2016-17 Budget measure *Aged Care Provider Funding improving the targeting of the viability supplement for regional aged care facilities.* This measure updated the geographical classification system to the Modified Monash Model (MMM). The MMM takes into account the size and isolation of a town based on 2011 Census data. Under this measure, the rate of viability supplement increased for remote and very remote residential care services as well as eligible home care recipients.
- Flexible aged care programs such as the Multi-Purpose Services Program and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program
 – see Chapter 7
- Providing grants through the DACS Fund (see Chapter 9), for example
 - to construct a new flexible aged care service in central Australia
 - to provide capital funding for infrastructure and equipment purchases to support the delivery of residential aged care services to people in remote and isolated areas and to Aboriginal and Torres Strait Islander people
 - to engage suitably qualified organisations to provide professional support services to eligible aged care providers to build capacity and improve the quality of aged care services provided to care recipients.
- The Rural, Regional and Other Special Needs Building Fund makes available capital grants for residential aged care in rural, regional and remote areas, or in locations with a demonstrated need for additional care, which focus on the provision of care to people from special needs groups. As part of the 2016–17 ACAR, \$64 million was allocated for new projects.

The efforts of government to support rural and remote communities has also been evidenced in the recent findings of the Australian National Audit Office's *Report on Indigenous Aged Care*³² which concluded that Australian Government-funded aged care services are largely effectively delivered to Aboriginal and Torres Strait Islander people.

8.5. People who are financially or socially disadvantaged

Arrangements established under the Act mean that older people can access residential care, irrespective of their capacity to make accommodation payments. Assistance is provided to low-means, supported, concessional and assisted residents, and certain residents approved under the hardship provisions. An accommodation

³² The ANAO's report can be accessed at https://www.anao.gov.au/work/performance-audit/indigenous-aged-care

supplement is payable for people who are unable to pay all or part of their accommodation costs. To receive the maximum amount of accommodation supplement payable for a supported resident, a service must have a supported-resident ratio (counting all residents defined as relevant residents as per the *Subsidy Principles 2014*, but excluding extra service places) of more than 40 per cent of total residents. If a service does not meet this ratio, then the amount of accommodation supplement paid is reduced by 25 per cent.

In addition, financial hardship assistance provisions under the Act cater for the minority of people who have difficulty paying care fees and/or accommodation costs. Applicants for financial hardship assistance may seek assistance with their contribution to their aged care costs. Hardship assistance is payable if the person can demonstrate to the Department of Human Services that they are in financial hardship as a result of paying their aged care fees and essential expenses. The Australian Government provided \$8 million in hardship supplements for residential care and home care during 2016–17.

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

In 2016–17, services that support older people who are homeless or at risk of becoming homeless were funded through the Commonwealth Home Support Programme (see Chapter 3).

As part of the viability supplement, support is available for eligible residential services specialising in care for people at risk of homelessness, low-care in rural and remote areas, and care for Aboriginal and Torres Strait Islander Australians (see Chapter 6).

8.7. Care-leavers

A care-leaver is a person who was in institutional care or another form of out-of-home care, including foster care, as a child or youth (or both). This includes the Forgotten Australians, Former Child Migrants and Stolen Generations. Institutional care refers to residential care provided by a government or non-government organisation, including (but not limited to) orphanages; children's homes; industrial, training or farm schools; dormitory or group cottage houses; juvenile detention centres; and mental health or disability facilities. In December 2016, the Government launched an information package to raise the awareness of the specific care needs of care-leavers by aged care service providers.

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

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

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

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

The National Ageing and Aged Care Lesbian, Gay, Bisexual, Transgender and Intersex Strategy (the Strategy) informs the way the Australian Government responds to the special care needs of older people LGBTI people and their carers to deliver sensitive, appropriate and inclusive care. The Strategy had a five-year implementation timeframe and concluded on 30 June 2017. In 2017, the Australian Government reviewed the Strategy to consider stakeholders' perspectives on its success as well as opportunities for improvement. The outcomes of this review will feed into the development of the Aged Care Diversity Framework.

Funding to better support services targeting LGBTI people is also provided through the DACS fund (see Chapter 9).

9

Aged Care Workforce and Sector Support





OVER 366,000 IN THE AGED CARE WORKFORCE



\$321 MILLION ALLOCATED OVER FOUR YEARS FOR THE DACS FUND



SBRTs PROVIDED LONG TERM CASE MANAGEMENT FOR **531 CASES**

9. Aged Care Workforce and Sector Support

The aged care workforce numbers over 366,000 and includes nurses, personal care workers, support staff and allied health professionals.³³ Government has responsibility for the overarching policy framework for the Vocational Education and Training system, with providers having obligations under the Act to ensure that there are adequate numbers of appropriately skilled staff to meet the individual care needs of residents. Volunteer workers also make a significant contribution across the sector.

In the 2017 Budget, the Australian Government committed \$2 million to establish an industry-led taskforce to develop an aged care workforce strategy, which will consider ways to boost supply, address demand and improve productivity for the aged care workforce.

The Australian Government also announced the Boosting the Local Care Workforce package, to build the disability and aged care workforces. This measure will provide timely assistance targeted to a region's workforce requirements, helping employers increase the supply of care workers in the right geographical areas.

9.1. Aged Care Workforce/Health Workforce Activities funded in 2016–17

In line with the Australian Government's high prioritisation of Indigenous employment issues, all existing Indigenous aged care workforce-specific programs continued during 2016–2017.

Table 21: Indigenous employment programs and funding, 2016–17

Title	Description	Funding \$M
Indigenous Employment Initiatives (IEI)	Provides aged care jobs across Australia to more than 750 Aboriginal and Torres Strait Islander people in Indigenous-specific aged care services in rural and remote locations.	20.1
The Rural and Remote Training Program (RRTP), and the Northern Territory Training Program (NTTP)	These programs provide culturally appropriate, targeted and accredited aged care training to Aboriginal and Torres Strait Islander aged care workers in rural and remote locations in WA, SA, NT and Qld	6.3

^{33 2016} National Aged Care Workforce Census and Survey - The Aged Care Workforce, 2016, https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/03_2017/nacwcs_final_report_290317.pdf

Title	Description	Funding \$M
Indigenous Remote Service Delivery Traineeships (IRSDT)	Aims to build business and management capacity of Indigenous aged care and primary health care services in remote areas. Approximately 295 trainees have received qualifications since the inception of the program.	4.8
Aged Care Education and Training Incentive (ACETI)	Provides direct benefits to aged care workers who undertake further studies to enhance their career as a personal care worker, an enrolled nurse or a registered nurse. ACETI ceased for new students after 31 March 2016.	4.2

9.2. Dementia and Aged Care Services (DACS) Fund

The Australian Government has allocated \$321 million over the 2016–2020 financial years for the DACS fund. In 2016–17 the fund focused on providing support for existing and emerging priorities in dementia care, special measures to support Aboriginal and Torres Strait Islander people, and ensuring people from diverse backgrounds receive the same quality of aged care as other older Australians.

Achievements in 2016-17 included:

- Reform of key initiatives to provide nationally consistent delivery of dementia services through:
 - the National Dementia Behaviour Management Advisory Services (DBMAS), which offers access to 24-hour phone advice and face to face support to family carers, primary and acute care staff and aged care providers to improve the quality of life of a person living with dementia.
 - the National Dementia Training Program which offers accredited education, upskilling, and professional development for the workforce providing dementia care in the primary, acute and aged care sector.
- Support for improving Aboriginal and Torres Strait Islander aged care services, particularly in rural and remote areas:
 - The Remote and Aboriginal and Torres Strait Islander Aged Care Service
 Development Assistance Panel program was established to specifically support
 aged care services located in remote and very remote areas and/or those
 providing aged care to a significant number of Aboriginal and Torres Strait
 Islander people. In 2016–17, 23 aged care service providers were supported
 to provide culturally appropriate local solutions addressing the challenges
 of maintaining and delivering quality aged care services to eligible aged
 care providers.

- Continued funding for cultural training for aged care workers to increase the ability
 of the sector to provide culturally appropriate and safe care.
- Funding for 42 new projects through the Research and Innovation funding round responding to emerging challenges in dementia care, support for Aboriginal and Torres Strait Islander aged care needs, and investment in technological advances for aged care.

Severe Behaviour Response Teams

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

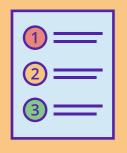
In 2016–17, SBRTs provided long term case management including detailed clinical assessment, recommendations for intervention and multiple on-site visits for 531 cases. Feedback via surveys found that 90.4 per cent of clients were satisfied with the service. Approximately 82 per cent of referrals were from major cities and 18 per cent were from regional and remote areas.

10

Quality and Regulation



340 APPLICATIONS TO PROVIDE AGED CARE WERE APPROVED



11 NOTICES OF DECISION TO IMPOSE SANCTIONS WERE ISSUED



2,853 NOTIFICATIONS
OF REPORTABLE ASSAULTS
IN RESIDENTIAL CARE
WERE REPORTED

10. Quality and Regulation

Australians expect high standards of care and accommodation in aged care services. The Government's approach to quality and regulation emphasises providers' responsibility for delivering, maintaining and improving services. Providers funded by the Government to deliver aged care services must continue to meet legislative responsibilities and funding agreements or contract responsibilities. If a provider is not meeting its obligations, the department may take regulatory action. This action is aimed at protecting current and future care recipients' health, welfare and interests as well as returning the provider to compliance. While aged care regulation will always ensure a safety net, from a consumer perspective quality is about choice and control.

10.1. Approved Provider regulation

To receive funding from the Australian Government under the Act, an aged care service must be operated by an approved organisation, and for residential aged care services, hold an allocation of places. In 2016–17, a total of 484 applications were received from 410 organisations. The department approved 340 applications to provide aged care. Sixteen applications were not approved and 46 applications were withdrawn by the applicant. At 30 June 2017, there were 1,355 operational approved providers of residential and home care services (excluding providers of flexible aged care services).

10.2. Quality Agency

The Australian Aged Care Quality Agency (Quality Agency) is an independent statutory authority responsible for accrediting, reviewing and monitoring providers against the quality standards under the Act, contractual arrangements, and for the provision of an education and training program.

The Quality Agency provides quality assurance through:

- the accreditation of aged care homes
- ongoing performance monitoring of aged care homes against the Accreditation Standards, including unannounced visits
- quality review of aged care services in the community including home care services,
 Commonwealth Home Support Programme services and National Respite for Carers
 Program against the Home Care Standards
- quality review of National Aboriginal and Torres Strait Island Flexible Aged Care Program services against the Quality Framework for that program.

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

10.3. Quality Indicators

During 2016, national pilots of three consumer-experience and quality-of-life tools were conducted, with 480 residential aged care and home care services, and 2,470 consumers participating. In home care, a tool to measure goal attainment was also piloted. Reports on the pilots are available on the department's website³⁴. The pilots were well supported by service providers.

National Aged Care Quality Indicator Program

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

- · unplanned weight loss
- · pressure injuries
- physical restraint.

Participation in the National QI Program for residential aged care enables service providers to collect data and receive nationally comparable reports that can be used to inform continuous quality improvement. A participation icon on My Aged Care recognises services involved in the National QI Program.

10.4. Compliance

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

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

³⁴ https://agedcare.health.gov.au/national-aged-care-quality-indicator-program-residential-and-home-care-pilot-outcomes

Notices of Non-Compliance and Sanctions

In 2016–17, the department issued 11 Notices of Decision to Impose Sanctions to 11 aged care providers due to failure to meet quality standards. On 30 June 2017, sanctions remained in place for eight of these providers. Details of sanctions imposed are included in Table 27, Appendix A.

In 2016–17, the department issued 71 Notices of Non-Compliance against aged care providers. Fifty-four Notices of Non-Compliance were issued in relation to failure to meet quality standards, two Notices of Non-Compliance were issued for compulsory reporting matters, 13 Notices of Non-Compliance were issued in relation to prudential matters and two Notices of Non-Compliance were issued in relation to Aged Care Funding Instrument matters.

During 2016–17, the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and personal care.

Access to Compliance information

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

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

10.5. Protecting residents' safety

Reportable assaults

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

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

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

In 2016–17, the department received 2,853 notifications of reportable assaults. Of those, 2,463 were recorded as alleged or suspected unreasonable use of force, 348 as alleged or suspected unlawful sexual contact, and 42 as both. With 239,379 people receiving permanent residential care in 2016–17, the incidence of reports of suspected or alleged assaults was 1.2 per cent.³⁵

Missing residents

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

- a resident is absent from a residential aged care service
- the absence is unexplained, and
- the absence has been reported to police.

In 2016–17, there were 1,108 notifications of unexplained absences of residents.

10.6. Prudential

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

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

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

³⁵ This percentage is a measure of the number of reportable assaults received from providers in the financial year compared with the number of care recipients in the permanent aged care population.

Providers that have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements. In 2015–16, 965 providers were asked to complete and lodge an APCS by 31 October 2016. The APCS outcomes for 2014–15 and 2015–16 are in Table 25, Appendix A.

The 928 providers that held RADs at 30 June 2016 reported through their APCS that they held 82,651 RADs with a total value of approximately \$22 billion. These figures include the RADs held by ten providers that reported on an alternate financial year. This is an increase of \$3.3 billion in RADs held on 30 June 2015. The average RAD holding per provider was 89 RADS valued at \$22.0 million.

Accommodation Payment Guarantee Scheme

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

The Guarantee Scheme was not triggered during 2016–17.

Validation of providers' appraisals under the Aged Care Funding Instrument

Approved providers receive Government funding for aged care service provision based on ACFI appraisals of their care recipients' level of need. To ensure residents are correctly funded for their care needs and to protect public expenditure, the department conducted 10,318 reviews of ACFI claims in 2016-17. Of these reviews, 2,658 (25.8 per cent) resulted in reductions in funding and 70 (0.7 per cent) resulted in increased funding.

If a provider is dissatisfied with the outcome of a review, they can request reconsideration of the decision. In 2016-17, providers requested reconsiderations of 380 reviews. Of these reconsiderations: 212 (56 per cent) confirmed the department's review decision; 113 (30 per cent) reinstated the provider's original classification; 55 (14 per cent) resulted in a new decision. The majority of new reconsideration decisions were because the provider supplied evidence after the review had occurred.

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

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

The Act specifies the following annual reporting requirement:

63-2 Annual report on the operation of the Act

- (1) The Minister must, as soon as practicable after 30 June but before 30 November in each year, cause to be laid before each House of the Parliament a report on the operation of this Act during the year ending on 30 June of that year.
- (2) A report under subsection (1) must include information about the following matters:
 - (a) the extent of unmet demand for places; and
 - (b) the adequacy of the Commonwealth subsidies provided to meet the care needs of residents; and
 - (c) the extent to which providers are complying with their responsibilities under this Act and the Aged Care (Transitional Provisions) Act 1997; and
 - (ca) the amounts of accommodation payments and accommodation contributions paid; and
 - (cb) the amounts of those accommodation payments and accommodation contributions paid as refundable deposits and daily payments; and
 - (d) the amounts of accommodation bonds and accommodation charges charged; and
 - (e) the duration of waiting periods for entry to residential care; and
 - (f) the extent of building, upgrading and refurbishment of aged care facilities; and
 - (g) the imposition of any sanctions for noncompliance under Part 4.4, including details of the nature of the noncompliance and the sanctions imposed;

but is not limited to information about those matters.

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

Data is not available which provides an accurate measure of any unmet demand for residential aged care places, nor for any other type of aged care service. The Australian Government needs-based planning framework is designed to increase the supply of residential and home care places in line with the growth in the aged population. In calculating this growth, the Australian Government takes into account population data from the Australian Bureau of Statistics and demographic

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

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

This process is subject to review³⁶ and is responsive to adjustment when required. While this does not guarantee that every individual will be able to immediately access the particular service of their choice, at a population level, it has been shown to be a robust and effective method for identifying and managing demand.

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

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

The average level of Australian Government payments for permanent residents in aged care was \$65,500 per care recipient, an increase of 3.3 per cent per care recipient from 2015–16.

Table 22: Average Australian Government payments (subsidies plus supplements) for each permanent residential care recipient, 2011–12 to 2016–17

201	1-12	2012–13	2013-14	2014-15	2015-16	2016–17	% Increase 2015–16 to 2016–17
\$51	,400	\$53,100	\$56,100	\$60,200	\$63,400	\$65,500	3.3

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

³⁶ Audit Report No. 40 2008-09 Planning and Allocating Aged Care Places and Capital Grants; https://www.anao.gov.au/work/performance-audit/planning-and-allocating-aged-care-places-and-capital-grants

Table 23: Summary of Australian Government payments by subsidies and supplements for residential aged care, 2012–13 to 2016–17

Type of Paymen	t	2012–13 \$M	2013–14 \$M	2014–15 \$M	2015–16 \$M	2016-17 \$M
	Permanent	7,561.6	8,027.4	9,662.4	10,507.7	11,024.2
	Respite	168.0	173.6	239.1	264.4	280.6
Basic Subsidy	Conditional Adjustment Payment*	674.9	716.4			
	Oxygen	14.6	15.3	16.4	16.5	17.5
Primary Care	Enteral Feeding	8.3	7.8	6.7	6.3	5.9
Supplements	Payroll Tax**	178.8	191.3	107.4		
	Respite Incentive	14.9	15.9	22.6	29.0	30.1
	Viability	28.6	29.8	35.4	35.6	43.2
Other Supplements	Veterans'		2.1	3.5	1.8	1.1
Заррістість	Homeless		4.5	7.4	7.6	8.3
	Hardship	3.4	3.6	4.1	5.2	4.9
Hardship	Hardship Accommodation	3.7	4.1	4.1	3.6	2.9
Accommodation Supplements	Accommodation Supplement	525.2	580.9	677.2	845.7	907.5
	Concessional	101.7	76.1	72.3	64.0	55.6
	Transitional	11.3	9.2	7.4	6.0	4.8
	Accommodation Charge Top-up	6.9	4.7	3.1	2.1	1.4
	Charge Exempt	1.3	1.3	1.0	3.8	2.0
Supplements	Pension	83.8	63.7	48.0	36.3	27.2
Relating to Grandparenting	Resident Contribution Top-up***	5.2				
	Basic Daily Fee	1.5	1.1	0.8	0.6	0.4
	Transitional Accommodation Supplement	58.3	44.8	31.7	22.3	15.5
Reductions	Means Testing Reduction****	-329.5	-320.5	-377.0	-455.7	-560.8
	Other	69.5	161.5	15.8	-31.5	31.5
Total (\$million)		9,192.0	9,814.4	10,589.4	11,371.4	11,903.8

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

^{**} The payroll tax supplement ceased on 1 January 2015.

^{***} The resident contribution top-up supplement ceased in March 2013.

^{****} New means testing arrangements (combined income and asset assessments) were introduced on 1 July 2014. Prior to these arrangements residents were subject to income testing only.

Table 24: Summary of Australian Government payments by subsidies and supplements for home care, 2015-16 and 2016–17

Type of Paymen	t	2015–16 \$M	2016–17 \$M
Subsidy	Home care subsidy	1,312.3	1,627.9
Supplements	Oxygen	1.8	2.4
	Enteral Feeding	0.5	0.7
	Dementia and Cognition	21.7	24.7
	Veterans'	0.2	0.2
	Hardship	0.2	0.2
	Viability	7.2	11.4
Reductions	Income testing reduction	-12.7	-21.3
	Other	155.5	-60.0
Total (\$million)		1,486.6	1,586.2

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

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

Section 10-3 of the Act allows the department to revoke a provider's approval when they are no longer suitable to provide care. In 2016–17, the department revoked approval for one organisation.

During 2016–17, the main areas of non-compliance related to approved providers not meeting the Accreditation Standards, particularly in relation to Standard 2: Health and personal care.

Providers that have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year. In 2015–16, 965 providers were asked to complete and lodge an APCS by 31 October 2016. The APCS outcomes for 2014–15 and 2015–16 are shown below

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

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

^{* 2016-17} data are unavailable at the time of publication.

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

Due to the implementation of a new data collection method (see Data Sources), 2016-17 data are not yet available for this report. Data for 2015-16 are published in the 2015-16 ROACA. When available, 2016-17 data will be published on GEN, in ACFA's reports and in the 2017-18 ROACA.

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

The 928 providers that held RADs at 30 June 2016 reported through their APCS that they held 82,651 RADs with a total value of approximately \$22 billion. These figures include the RADs held by ten providers that reported on an alternate financial year. This is an increase of \$3.3 billion in RADs held on 30 June 2015. The average RAD holding per provider was 89 RADs valued at around \$22 million.

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

Due to the implementation of a new data collection method (see Data Sources), 2016-17 data are not yet available for this report. Data for 2015-16 are published in the 2015-16 ROACA. When available, 2016-17 data will be published on GEN, in ACFA's reports and in the 2017-18 ROACA.

^{** 2014-15} and 2015–16 figures include reported instances of non-compliance with late refunds and applicable interest.

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

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

Table 26: Proportion of new entrants to permanent residential care entering within a specified period after an ACAT assessment during 2016–17

2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 9 months
2.4%	7.8%	24.3%	47.0%	67.0%

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

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

Due to the implementation of a new data collection method (see Data Sources), 2016–17 data are not yet available for this report. Data for 2015-16 are published in the 2015–16 ROACA. When available, 2016-17 data will be published on GEN, in ACFA's reports and in the 2017-18 ROACA.

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

In 2016–17, the department issued eleven Notices of Decision to Impose Sanctions to eleven providers. On 30 June 2017, sanctions remained in place for eight of these providers. Information about these sanctions is given in Table 27. Full details of current and archived sanctions, and of compliance actions taken by the department, may be found on the My Aged Care website (www.myagedcare.gov.au/compliance-information).

Table 27: Sanctions imposed under the Aged Care Act 1997 – 1 July 2016 to 30 June 2017

Approved Provider	Date and Number of Sanctions Imposed	Outcomes
Mary MacKillop Care SA LTD	10/09/2016	Two sanctions expired on 10/12/2016.
Service: Mary MacKillop Care St Catherines	Three sanctions imposed	The third sanction expired on 10/3/2017.
Illaroo Co-operative Aboriginal Corporation (Rose Mumbler)	17/11/2016 Four sanctions imposed	One sanction expired on 17/2/2017.
Service: Rose Mumbler Village		The remaining three sanctions expired on 17/5/2017.
Wesley Community Services Limited	21/12/2016	One sanction was lifted on 29/05/2017.
Service: Wesley Rayward	Three sanctions imposed	The remaining two sanctions expired on 21/06/2017.
Global Care Group (GCG) Incorporated	10/03/2017	One sanction expired on 10/06/2017.
Service: Morrison Lodge.	Three sanctions imposed	The remaining two sanctions expired on 10/10/2017.
Northern Adelaide Local Health Network Incorporated	17/03/2017	One sanction expired on 17/06/2017.
<i>Service:</i> Makk and McLeay Nursing Home	Three sanctions imposed	The remaining two sanctions expired on 17/9/2017.
		Service closed 14/06/2017.
		Northern Adelaide Local Health Network Incorporated status as an approved provider was revoked on 6/10/2017.
Hillside Brae Pty Ltd	22/04/2017	Sanctions expire on 22/01/2018.
Service: Hillside at Figtree	Three sanctions imposed	011 2270 1720 10.
People Care Pty Ltd	11/05/2017	Both sanctions expired on 11/09/2017.
Service: People Care	Two sanctions imposed	011 1 170 97 20 17 .
Martindale ACF Pty Ltd	16/05/2017	One sanction expired on 16/8/2017.
Service: Martindale Nursing Home	Four sanctions imposed	The remaining three sanctions expire on 16/11/2017.

Approved Provider	Date and Number of Sanctions Imposed	Outcomes
NSW State Government (NSW Ministry of Health)	27/05/2017	Sanctions expire on 27/11/2017.
Will listry of Fredicity	Four sanctions imposed	0112771172017.
Service: Garrawarra Centre		
Regis Aged Care Pty Ltd	27/05/2017	One sanction expired on 27/08/2017.
Service: Regis Tiwi Gardens	Three sanctions imposed	011 277 007 20 17.
<u> </u>	·	The remaining two Sanctions expired on 15/09/2017.
Uniting Care Wesley	29/06/2017	One sanction expired
Port Adelaide Incorporated		on 29/09/2017.
	Three sanctions imposed	
Service: Westminster Village Nursing Home		The remaining two sanctions expire on 29/12/2017.

Glossary

Glossary

Term	Definition
ACAP	Aged Care Assessment Program
ACAR	Aged Care Approvals Round
ACAT	Aged Care Assessment Team
ACETI	The Aged Care Education and Training Incentives Programme
ACFA	Aged Care Financing Authority
ACFI	Aged Care Funding Instrument
ACFR	Aged Care Financial Report
Act, the	The Aged Care Act 1997, the primary legislation governing the provision of aged care services
Aged Care Principles	Subordinate legislation made by the Minister under subsection 96 1(1) of the Act
APCS	Annual Prudential Compliance Statement
CALD	Culturally and Linguistically Diverse
CHSP	Commonwealth Home Support Programme
CVS	Community Visitors Scheme
DACS	Dementia and Aged Care Services
DAP	Daily Accommodation Payment
DBMAS	Dementia Behaviour Management Advisory Services
Department, the	The Department of Health
DEX	The Department of Social Services Data Exchange
EACH-D	Extended Aged Care at Home Dementia
Guarantee Scheme	Accommodation Payment Guarantee Scheme
HACC	Home and Community Care
IEI	Indigenous Employment Initiatives
IRSDT	Indigenous Remote Service Delivery Traineeships
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
Minister, the	The Minister for Aged Care, the Hon Ken Wyatt AM, MP.
MMM	Modified Monash Model
NACAP	National Aged Care Advocacy Program

Term	Definition
NACWCS	National Aged Care Workforce Census and Survey
NTTP	Northern Territory Training Program
OPAN	Older Persons Advocacy Network
QI	Quality Indicator
Quality Agency	The Australian Aged Care Quality Agency
RAD	Refundable Accommodation Deposit
RAS	My Aged Care Regional Assessment Service
ROACA	Report on the Operation of the Aged Care Act 1997
RRTP	Rural and Remote Training Program
SBRTs	Severe Behaviour Response Teams
STRC	Short-Term Restorative Care
TIS	Translating and Interpreting Service

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