

'Caring for the Elderly' - an Overview of Aged Care Support and Services in Australia



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Current Issues

'Caring for the Elderly' - an Overview of Aged Care Support and Services in Australia

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Scope

This e-brief aims to give an overview of the array of services and support provided to the elderly in Australia. The terms 'elderly' and 'aged' are taken here to mean people aged over 65 years of age. It should be noted however, that some support for the aged is given to people who are younger than that, for example, some concessions for transport and entrance fees are provided to people over 60 years or even 55 years of age. Given the number and breadth of the various programs that are available to the aged and, given the fact that all three levels of government and the non-government sector are involved in the provision of these programs, it is only possible to outline the main support and services provided. The main emphasis is on the role of the Commonwealth in terms of support and assistance for the aged, but brief details of the role of the non-government sector and that of State/Territory and local governments are also given.

One section of this brief gives some background on the very important issue of the ageing of the Australian population and contains links to contrasting views on just how policy makers now, and into the future, should respond to this ageing phenomenon.

Included are an extensive number of links to web sites across Australia and, where appropriate, brief introductory comments that put the various links in context are included. Some examples of relevant overseas links are also included.

General Resources on Aged Support and Services Back to top

- Australian Institute of Health and Welfare, *Australia's Welfare 2001*, Chapter 6 - provides a comprehensive coverage of aged care support and services.
- Productivity Commission, *Report on Government Services 2003*, Chapter 12 - also contains detailed information on aged care services across Australia, including a State/Territory breakdown of information and data. A statistical attachment on ageing is also published in the report.
- The Commonwealth Government provides a Seniors Portal site for consumers, professionals and community members to search on-line for care related government and agency information services and policies.
- Reference Information on Older People is a comprehensive reference guide compiled by Helen Scott of the Council on the Ageing (Australia).

- Commonwealth Department of Health and Ageing, [Aged Care in Australia](#), 2002, provides an overview of the aged care system in Australia.
- A general [overview](#) of support for residential and community care is available from the Department of Health and Ageing web site.

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Introduction

Support and services for the aged in Australia are provided by a large number of government programs (Commonwealth, State/Territory and local) as well as programs/support from the community and voluntary sectors (particularly families and carers), the private for profit sector and the private not-for-profit sector. Because the aged are able to access 'mainstream' support and services (for example, health care, housing support and income support) that are available to the whole population, it is not possible to precisely quarantine exactly what is provided to the aged and what it costs.

Most assistance and support is provided to that section of the aged population in most need the frail and the disabled. For many aged over 65 years of age there is no need for specific assistance. With the general trend towards people living longer and being healthier for longer, the main emphasis in terms of assistance and support is towards the 'older' aged that is those aged over 75 80 years of age. It is generally understood that the greatest need for support is in the last two years of a person's life.

In recent years the tendency in policy terms is for an increased emphasis on early intervention and 'healthy' ageing combined with 'ageing in place', that is, keeping older people out of health and residential facilities for as long as possible. This is not only more cost effective from a government point of view, (for example, it costs the Commonwealth, on average, approximately \$30 000 per annum to fund an average residential aged care bed compared to the average cost of a [Community Aged Care Package](#) of approximately \$10 000 per annum), it also conforms to the wishes of the vast majority of aged people themselves.

Development of Aged Care Support and Services

By the early 1900s both the New South Wales and Victorian governments were providing age pensions to citizens in their jurisdictions aged over 65. Queensland also introduced an age pension in 1908. In April 1909 the Commonwealth government took over the payment of these pensions. The Commonwealth 'old age pension' was paid to people aged over 65 years of age or who were aged 60 years and over and permanently incapacitated for work. The pension was means tested and from 1910 the pension became available to eligible women aged over 60 years of age. In 1910 there were 65 492 recipients of the age pension.

(For an overview of the main social security payments and benefits paid to the aged, people with disabilities and carers since 1909 see the Parliamentary Library publication [Social Security Payments for the Aged, People with Disabilities and Carers 1909 to 2003](#).)

Prior to the 1950s the majority of non-income support and assistance for the elderly was in the hands of State governments and the charitable sector. Before that time the emphasis in terms of government non-income support was the provision of basic health facilities and 'asylums' that helped care for the most needy of the aged population.

From the 1950s and 1960s onwards the Commonwealth has become increasingly involved via the provision of funding for nursing homes and community care services for the aged (see later sections of this e-brief for additional details on this).

Current Government Support

Commonwealth

In summary, the Commonwealth provides the following payments and support either specifically to the aged community or through mainstream programs that the aged can access:

- age pensions
- rent assistance and disability payments
- residential services (for example, the funding of residential aged facilities and veterans residential facilities)
- medical and pharmaceutical benefits
- public housing (with the States and Territories via the operation of the Commonwealth-State Housing Agreement)
- acute care (with the States and Territories)
- disability services (with the States and Territories via the operation of the Commonwealth-State/Territory Disability Agreement)
- hospital and home and community care support (with the States/Territories and local government)

The Commonwealth also provides support and assistance to carers of the elderly, both in the form of support payments (for example, the Carer Payment and the Carer Allowance) and support services (for example, funding for carer respite centres and carer resource centres).

As well, a range of other support services are funded by the Commonwealth that directly or indirectly help and support the aged population, for example in the provision of:

- financial counselling
- health promotion programs
- rehabilitation services
- retirement assistance for farmers
- advocacy services
- support for consumer organisations
- a range of information related to government programs

Much of the Commonwealth's general expenditures in the fields of health, disability support and housing/accommodation goes to Australians aged over 65 years of age.

State/Territory

The States and Territories also provide a range of health, housing and welfare services for the aged. Most States operate a number of residential aged care facilities and provide, often with joint Commonwealth funding, services and support such as:

- respite care
- carer assistance
- dementia support programs
- transport assistance
- home help
- information services
- Seniors' Cards that allow discounts on a range of products and services

For an example of the types of support and services provided by the States and Territories see this link to the [NSW Department of Ageing, Disability and Home Care](#).

Local

Local or municipal governments provide various aged specific support and services, some of which are funded by the Commonwealth and the States and Territories. As well as providing various levels of rate relief for aged pensioners, local governments are also directly involved with land management matters relating to health and aged specific accommodation and the provision of services such as home help and the running of Senior Citizen's clubs. Much of the effort at this level is involved with helping co-ordinate aged care services such as residential provision and various health and lifestyle support.

For an example of the types of support and services provided by local governments to the elderly see the following link to the [Bayside Council](#) (Melbourne).

Non-Government Support

As well as government support there is a large range of services and support provided to the elderly by the non-government sector. Many residential aged care facilities, support organisations and aged care programs are directly run by the community and charitable sector. It has been estimated that across the whole welfare area of the economy the non-government community sector funds, from its own resources, about 20 per cent of the total cost of welfare services and support (Australian Institute of Health and Welfare, *Australia's Welfare 2001*, p. 38). The private for profit sector is also involved with the provision of support and services for the aged, particularly with respect to residential aged care and health services.

Some Links to Non-Government Sector Associations and Organisations

- [Advocare](#)
- [Aged and Community Services Australia](#)
- [Aged Care Network](#)
- [ARPA Over 50s Association](#)
- [Carers Australia](#)
- [Centre for Education and Research on Ageing](#)
- [Council on the Ageing Australia \(COTA\)](#)
- [National Ageing Research Institute](#)
- [National Seniors Association](#)

The Role and Importance of Carers

Perhaps the greatest support of all to the aged in Australia comes from family and friends. Much of this support is in the form of being a carer or helper to an aged relative. Many of these carers receive little or no support from either government or non-government sources. For more information on the important role of carers see:

- [Carers Australia](#)
- Department of Health and Ageing [Carers site](#)

Selected Statistical Resources on Ageing in Australia [Back to top](#)

- Aged and Community Services Australia [Fact Sheets](#)
- Australian Bureau of Statistics theme page [Disability, Ageing and Carers](#)
- Australian Institute of Health and Welfare, [Older Australia At A Glance](#), 3rd edition, 2002

- Productivity Commission, [Report on Government Services 2003](#) and the statistical aged services [attachment](#)

Resources Related to Specific Areas of Aged Support [Back to top](#)

The following links give additional details on the support provided to the elderly in identifiable areas.

Social Security

The main forms of social security assistance for older (and retired) people are the aged pension, wife pension, the partner allowance and the mature age allowance. Some support is also given to retired farmers and a Pension Bonus Scheme allows the elderly who want to work past the eligible pension age to do so and still be eligible for a pension benefit at a later stage in the form of a lump sum.

According to the latest Department of Family and Community Services *Annual Report 2001 02* the Commonwealth, in 2001 02, outlaid in excess of \$17 billion on social security payments to the aged. Age pension outlays account for the majority of this expenditure in excess of \$16.5 billion. The report also notes that about 80 per cent of the population over the qualifying age for the age pension received at least some age pension as at June 2002. Thus, it can be seen that the age pension is a very important component of income for a majority of older Australians.

- The [Department of Family and Community Services](#) web site gives more details on social security support for the aged.
- The [Centrelink](#) (the Commonwealth agency responsible for social security payments) web site also provides further details on pensions and allowances.
- For an outline of some of the issues related to social security and the aged see the Council on the Ageing (Australia) submission to the Federal Budget 2002 03, [Social Security and Social Support for Older Australians](#).

Residential

The Commonwealth Government is essentially responsible for funding and regulating the formal residential aged care sector in Australia. The two main strands of residential aged care are:

- high care places (formerly nursing home beds)
- low care places (formerly hostel beds).

Contrary to popular belief only a very small proportion (about 6 per cent) of the population aged over 65 reside in residential aged care facilities. However, that 6 per cent (along with those in hospitals), are the most frail and the most in need of care.

The following links give more information on residential care:

- For an overview of changes in residential aged care over the last 20 to 30 years and also an analysis of more recent changes to the sector see Richard Gray's (Catholic Health Australia) paper [The Third Wave of Aged Care Reform](#) (1999).
- For a brief overview of the 1997 structural reform changes including the new fees and charges regime to apply to the residential aged care sector see the Parliamentary Library Research Note [Residential Aged Care New Fees and Charges](#) (Greg McIntosh, 1998).

- The Department of Health and Ageing web site gives details of the current (March 2004) level of accommodation fees/charges and daily care fees that residents in residential aged care facilities are charged.
- A recent report (Professor Len Gray, Two Year Review of Aged Care Reforms) commissioned by the Federal Government, looked at the effects of the 1997 reforms on the residential aged care sector. This report also provides detailed background on the operation of the residential aged care system in Australia. The response by the government to the 'Gray Report' can also be found at this site.
- The Annual Report on the Operation of the Aged Care Act 1997 (Department of Health and Ageing) provides a 'yearly' look at the operation of the residential aged care system. The latest report is for 2001 02.
- The key body that maintains a 'watching brief' on the residential aged care sector is the Aged Care Standards and Accreditation Agency. This agency is charged with monitoring standards in residential facilities and has the power, where necessary, to impose various sanctions on service providers in cases where standards are not met.
- A useful series of facts sheets on residential aged care (Quality Care for Older Australians) is published, and regularly updated, by the Department of Health and Ageing. The sheets included full details on fees and charges as well as information on the type of care options available and what measures are in place to help ensure appropriate care is provided.
- A reference that gives full details of the framework under which residential aged care services operate is the Residential Care Manual published by the Department of Health and Ageing (2001).
- The Australian Institute of Health and Welfare publishes a range of data on residential aged care. The following links take you to two of the Institute's key publications in this area, one dealing with statistics on residents and services in the residential sector (2000 01) and the other on Community Aged Care Packages (2000 01).
- An overview of residential aged care funding and bed/place supply over the period 1985 to 2000 is contained in a Parliamentary Library E-Brief The Funding and Supply (1985 2000) of Residential Aged Care Beds (Greg McIntosh, 2001).
- The Department of Health and Ageing in its *Annual Report* gives details of the number of aged care beds and places available (as well as those approved but not yet 'on stream') per 1000 of the population aged over 70 years of age for each of the aged care planning regions across Australia. The latest *Annual Report* (2001 02) gives such data as at June 2002. The following link takes you to the relevant chapter in that *Annual Report* (see Table 3.1 pages 10 to 12 in the electronic document). Other useful information is contained also contained in the chapter, including the main government initiatives in aged care in 2001 02.
- In 1998 the Australian Audit Office released an Audit Report on The Planning of Aged Care. This report gives useful background on the detailed processes involved in planning and allocating aged care beds and places across Australia.

Community Care

In recent years successive Commonwealth and State governments have pursued a general policy direction of 'ageing in place'. This has essentially involved a greater emphasis on keeping elderly and frail people in their home or family settings for as long as possible via the provision of home care services. The main strands of community care are:

- the [Home and Community Care Program \(HACC\)](#), was established in 1985 and is jointly funded by the Commonwealth and the States/Territories. It provides frail older (and other) people with support and services such as meals on wheels, home help, health support and the like. In 2001 02 the HACC Program provided services to 594 000 people.
- [Community Aged Care Packages \(CACPs\)](#) are individually tailored care services provided to the elderly in their homes. They are fully funded by the Commonwealth and in 2001 02 over 26 000 CACPs were provided.
- The [Extended Aged Care at Home Program Pilot \(EACH\)](#) provides home services to elderly people who have been assessed as being eligible for entry into a high care (nursing home level) residential facility. The EACH program is still in its formative stages only 290 packages were provided in 2001 02.

Health and Disability

Much of the health care for older Australians is provided via mainstream programs such as the hospital systems, the services of medical practitioners and the pharmaceutical benefits scheme. Medicare, Australia's universal health system, provides older people with equitable access to medical and hospital services at little or no cost. Eligible older people with hearing problems are provided with vouchers by the Commonwealth to enable them to access various hearing services at either Australian Hearing Services or the relevant private provider. As well, private health insurance premiums are community rated, which ensures that older people cannot be charged a higher premium because they are older or chronically ill.

- For an overview of some of the data and issues related to the health of the elderly see the relevant section from chapter 4 in [Australia's Health 2002](#) (Australian Institute of Health and Welfare). Section 4.4 of this chapter includes information on life expectancy, disability levels and the main causes of death for the elderly.
- Department of Health and Aged Care [healthy ageing discussion paper](#)
- Office for an Ageing Australia [health page](#)
- Department of Health and Aged Care [information for younger people with disabilities](#) page
- World Health Organisation (WHO) [ageing](#) page

Indigenous Aged Care

It is an unfortunate fact of Australian life that the majority of indigenous people do not reach 'old age'. According to ABS data (*Australian Social Trends 2000*) the average life expectancy at birth for male indigenous people is 56.9 years and 61.7 years for female indigenous people. These low life expectancy figures are also highlighted by the fact that approximately 12 per cent of the general Australian population is aged over 65, whilst for the indigenous population the equivalent figure is only 3 per cent.

- For details on indigenous aged and community care see the following link to a Commonwealth Grants Commission report ([Indigenous Funding Inquiry Final Report 2001](#)). Follow the link to *Indigenous Funding Inquiry Final Report* Volume 1, then go to Chapter 6 and look at Section iii on aged and community care.
- A Facts Sheet on [Older Aboriginals in South Australia](#) is published by the Department of Human Services (SA). Much of the profile shown here about the indigenous elderly in South Australia would equally apply in other States and Territories.
- Department of Health and Aged Care [cultural diversity information](#) page.
- Department of Health and Aged Care [Aboriginal and Torres Strait Islander aged care strategy](#) page.

Ageing in Rural and Remote Areas

- The following link is to an American [article](#) ('Aging in Rural and Regional Australia', *Rural America*, Fall 2002) on how the ageing of the population may impact on the rural and regional areas of Australia. The article includes data on ageing in rural and regional Australia and discusses some of the implications for agriculture, natural resource management and the viability of smaller communities.
- Department of Health and Ageing [rural and remote information](#) page.

Veterans

Most veterans are aged over 65 years of age and as well as being able to access mainstream services there are a range of other programs and support available, mainly via the Commonwealth Department of Veterans' Affairs. For an overview see;

- the [Department of Veterans' Affairs](#) web site (note especially the links to pensions, health and housing)
- a report released in 1999 on the [Future Provision of Residential and Community Services - 'A Last Debt'](#) (a 2 volume report to the Minister for Veterans' Affairs prepared by the National Ex-Service Round Table on Aged Care)
- Department of Health and Ageing veterans [fact sheet](#) and [care fees](#) information

Age Discrimination and Rights

- The Commonwealth is currently in the process of developing legislation aimed at combating age discrimination and has recently released a [discussion paper](#) on the issue.
- A useful site in this area can be found at the Human Rights and Equal Opportunity Commission [Human Rights of Older Australians](#).
- The Human Rights and Equal Opportunity Commission also produced a report [Age Matters: a Report on Age Discrimination](#) (2000).

Lifestyle/Other

- Commonwealth [National Strategy for Ageing Australia](#).
- As part of the 'National Strategy for An Ageing Australia' the Department of Health and Ageing has published a discussion paper dealing with [Attitude, Lifestyle and Community Support](#) (2000) for the aged in Australia.
- Commonwealth, State and Territory [Strategy on Healthy Ageing](#) (2000).
- The following link is to an article ('[Ageing and the Economy: Costs and Benefits](#)', *Australasian Journal of Ageing*, 2002) that estimates the contribution of the elderly (in this case in SA) to the economy and the society in general.

Long Term Policy Issues for an Ageing Australia Selected Resources [Back to top](#)

Whilst opinions may vary as to just what the effects of ageing may be on Australian society over the next fifty years and beyond, there is no doubt that policy adjustments will need to be made. The overseas experience shows a trend towards tightening eligibility for age care benefits combined with a greater role for private provision of retirement incomes. Successive Commonwealth governments have been taking steps aimed at helping reduce the rate of growth of future outlays on aged care services and support. For example, various incentives have been provided for self provision of retirement incomes through the superannuation system; changes have been made to the preservation age for superannuation; a pension bonus system has been introduced that provides a cash incentive to those who delay taking up the age pension and

greater user pays has been introduced to the residential aged care sector. Currently, policy makers are looking at the provision of incentives aimed at stopping people from retiring 'early'.

In November 1997, the Commonwealth announced a 'National Strategy for An Ageing Australia'. The aim of the Strategy is to look at the whole range of long term issues associated with Australia's ageing population. The Strategy includes provision for a wide range of consultations with all levels of government and the community and private sectors. A range of discussion papers have been released as part of the Strategy. For more information on long term ageing issues see the following -

- ABS Australian Yearbook 2003, [Feature Article on Ageing](#)
- [National Strategy on Ageing](#)
- Denys Correll, [The Nature of Ageing in the Next Decade](#), Council on the Ageing, 2002
- [The Intergenerational Report](#), Budget Paper No. 5, 2002 03
- The Myer Foundation, [2020 A Vision for Aged Care in Australia](#)
- In 1999 the Productivity Commission and the Melbourne Institute of Applied Economic and Social Research held a major conference on *Policy Implications of the Ageing of Australia's Population*. The [conference proceedings](#) can be found online.
- ACIL Consulting paper commissioned by the Department of Health and Ageing, [Ageing Gracefully: an Overview of the Economic Implications of Australia's Ageing Population Profile](#), 2000.
- Jan Webster, [Options for Financing Long Term Care for Older People in Australia](#), National Aged Care Alliance Paper, 2002.
- Greg McIntosh, [The Boomer Bulge: Ageing Policies for the 21st Century](#). Parliamentary Library Paper, 1998.
- Hal Kendig and Stephen Duckett, [Australian Directions in Aged Care: the Generation of Policies for Generations of Older People](#), Australian Policy Health Institute, University of Sydney, 2001.
- Access Economics, [Population Ageing and the Economy](#), 2001.
- G. Andrews, et al [Ageing and the Economy](#), *Australasian Journal on Ageing*, vol. 21, no. 3, 1 September 2002.
- Australian Institute of Health and Welfare (AIHW) [Projections of Older Immigrants: People from Culturally and Linguistically Diverse Backgrounds 1996-2026, Australia](#), 2001.
- [Australian Population Association](#)
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), [Independence in Ageing: the Social and Financial Circumstances of Older Overseas-born Australians](#), 1999.
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), [Future Dilemmas: Options to 2050 for Australia's Population, Technology, Resources and Environment](#), 2002.
- Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), [The Impact of Immigration on the Ageing of Australia's Population](#), 1999.
- P. McDonald & R. Kippen, (Australian Centre for Population Research), [Population Projections for Australia](#), 2000.
- OECD, [Coping with Population Ageing in Australia](#), 1999.
- OECD, [Economic Policy for Ageing Societies](#), 2001.

Main Legislation Relating to Aged Care Support and Services

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Commonwealth Government Links

[Ageing and Aged Care Division](#)
[Office for an Ageing Australia](#)

State and Territory Government Links

New South Wales

Department of Ageing, Disability and Home Care - [Ageing Information Seniors Information Service](#)
[NSW Committee on Ageing](#)

Victoria

Department of Human Services - [Aged Care in Victoria](#)
[Office of Senior Victorians](#)

Queensland

Queensland Health - [Aged and Community Care Reform Unit](#)
Department of Families - [Seniors Interests Unit](#)

Western Australia

Department for Community Development - [Office of Seniors Interests](#)

South Australia

Department of Human Services - [Ageing and Community Care Seniors Information Service](#)

Tasmania

Department of Health and Human Services - [Seniors Bureau](#)
[ADCIS Directory](#) is a database of services throughout Tasmania.

Northern Territory

Department of the Chief Minister - [Office of Senior Territorians](#)
Department of Health and Community Services - [Aged Disability and Community Care](#)

Australian Capital Territory

ACT Health [Services for Older People](#)
[Older Persons Portal](#)

Other Aged Care Sites of Interest

- [Aged Care Network](#)
- [Aged Care Oz](#)
- [Agedcare.com.au](#)
- [Australian Aged Care Exporters Network](#)
- [Australian Association of Gerontology](#)
- [Australian Nursing Homes and Extended Care Association](#)
- [Australia and New Zealand Society for Geriatric Medicine](#)
- [Carers Australia](#)
- [Centre for Ageing Studies](#)
- [Centre for Education and Research on Ageing](#), University of Sydney
- [Communication Disability in Ageing Research Unit](#), University of Queensland

- [Council on the Ageing \(COTA\)](#), and links to [State and Territory Councils on the Ageing](#)
- [Gerontology Foundation of Australia](#)
- [National Aged Care Alliance](#)
- [National Ageing Research Institute](#)
- [National Seniors Association](#)
- [Research Centre on Ageing and Retirement](#), University of New South Wales
- [Universities of the Third Age](#)

Overseas Links

- [Global Action on Aging](#)
- [HelpAge International](#)
- [International Federation on Ageing](#)
- [New Zealand Age Concern](#)
- [OECD Ageing Society](#) page
- [Older Women's Network Europe](#)
- [Second World Assembly on Ageing 2002](#)
- [United Nations Programme on Ageing](#)
- [UK Age Concern](#)
- [USA Administration on Aging](#)
- [USA National Center for Health Statistics - Aging Activities](#)
- [USA National Institute on Aging](#)
- [World Health Organisation \(WHO\) Ageing](#) page

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