Australian Government

Department of Health and Ageing

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

1 July 2008 - 30 June 2009

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Foreword

By the Minister for Ageing, The Hon Justine Elliot MP

I am pleased to present the Report on the Operation of the *Aged Care Act 1997* for 2008-09.

This report confirms the Rudd Government's ongoing commitment to increasing access to quality aged care services for older Australians where and when they need them.

More services are being provided to more older Australians than ever before. The number of residential beds and community care packages continues to grow, so too does the funding for services. Importantly, standards of care continue to improve as a result of ongoing oversight.

Like many other nations, Australia has an ageing population. Today there are around two million Australians aged 70 years or older. This is projected to rise to 5.7 million by 2050, or around one person in every six.

The Rudd Government is committed to building a modern aged care system that meets the needs of the 21st century and meets the challenges of our ageing population. A system that: focuses on people; acknowledges the increasingly complex care needs; and offers more choice for consumers.

Over the past year, more residential care places became operational, community care services have grown and more services are on the way with $3 billion in aged care related construction activity either completed or underway. As at 30 June 2009, the number of residential, community and transition care places operating in Australia increased to 228,038.

I have the opportunity to speak with older Australians on a regular basis and their resounding message is that they want to live with maximum independence and maximum dignity. They want to remain active in their communities and close to their families, friends and neighbours. Community care services help many people achieve this.

In recognition of the value of independence to older Australians, the Rudd Government has expanded its own community care services and increased its support for the Home and Community Care (HACC) program by providing funding of more than $1 billion – an increase of more than eight per cent over last year.

Over the next four years funding for aged and community care will reach more than $44 billion. Importantly, measures in the 2009-10 Budget will increase total funding for residential aged care from the Commonwealth and residents by an estimated $728 million over the next four years.

To improve the quality of care provided by aged care facilities, the Rudd Government has invested more than $127 million in training for nearly 21,000 aged care workers since coming to office. A skilled workforce improves the standards of care provided to residents and ongoing up skilling programs help providers retain their workforce.

The Rudd Government's efforts to improve quality and accountability by strengthening police check requirements for all staff and introducing reporting requirements for residents who have gone missing without explanation has resulted in greater protections for residents.

As part of its commitment to greater transparency and providing more information to consumers of aged care services and their relatives, the Government has increased the information that is available on individual homes through the Aged Care Australia website. The additional information is helping older Australians and their families make more informed choices about their options for residential care.

The Government is also well advanced in meeting its commitment to provide an additional 2,000 transition care places and to make more aged care places available through its $300 million Zero Real Interest Loans initiative.

The Rudd Government will continue to provide older Australians with an aged care system that offers more residential aged care beds and community care packages, increased funding and a robust compliance regime to continually improve standards of care.

Like the Rudd Government, aged care service providers and their staff are committed to providing high quality care. We all have the health, safety and well being of older Australians as our number one priority and we will continue to work hard to deliver world class care services that meet the needs of our ageing population.

Justine Elliot

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Executive Summary

The Report on the Operation of the *Aged Care Act 1997* meets the requirement of section 63-2 of the Act that the Minister for Ageing present to Parliament a report on the operation of the Act for each financial year. This report describes the operation of the Act during 2008-09 and includes additional information to aid understanding of aged care programs and policies.

Overview

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

Overall Australian Government expenditure for ageing and aged care during 2008-09 totalled $9.1 billion, compared with $8.3 billion in 2007-08 – an increase of 9.1 per cent. This includes aged care support and assistance provided both under and outside the *Aged Care Act 1997*. The largest single component of expenditure outside the Act was $1.094 billion for the Home and Community Care (HACC) program, which is funded jointly by the Australian Government and state and territory governments. This compares with $1.013 billion in 2007-08. In 2008-09 around 862,400 individuals received HACC services – around 69 per cent of these people were aged 70 years or older.

In 2008-09, through aged care programs under the Act, a total of 211,345 people received permanent residential care in aged care homes and 41,873 received short-term respite care in aged care homes. In addition, 64,111 people who would otherwise be eligible for residential care, chose to receive a package of community care and support at home, and a further 12,635 people, on discharge from hospital, received transition care to optimise rehabilitation and allow more time for them to consider long term support arrangements.

Some people received care through more than one aged care program during 2008-09.

The total number of operational aged care places across the aged care system at 30 June 2009 was 228,038 – an increase of 2.2 per cent over the previous year. This included 178,379 residential places, 47,431 community care places and 2,228 transition care places.

Aged Care Planning

To ensure that the growth in the number of aged care places available across Australia matches the growth in the aged population the Australian Government's planning framework determines the type/s and regional distribution of additional places to be made available.

In the 2008-09 Aged Care Approvals Round a total of 10,447 new aged care places were allocated comprising 5,748 residential aged care places, 2,944 Community Aged Care Packages (CACPs), 1,193 Extended Aged Care at Home (EACH) packages and 562 EACH Dementia packages. A total of 1,915 residential aged care places were advertised that could not be allocated based on applications received.

Financial assistance for a further 1,455 aged care places was offered in September 2008 through round one of the Zero Real Interest Loans initiative. Round two will be run together with the 2009-10 Aged Care Approvals Round and will continue to target areas of special need and where providers were previously less likely to invest.

Information, assessment and community support

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

The Australian Government provides a wide range of information products and services, including information lines, brochures and fact sheets, Internet websites, and the Commonwealth Respite and Carelink Centres network. In 2008-09 a total of 102,624 calls were made to the Aged Care Information Line and more than 9.8 million individual information products, including more than 975,000 items on dementia, were distributed to consumers.

Australian Government expenditure in 2008-09 for the Aged Care Assessment Program was $74.5 million, which included recurrent funding for Aged Care Assessment Teams (or ACATs). In 2008-09, 116 Aged Care Assessment Teams operated nationally, to comprehensively assess the care needs of frail older people and help them to find the services most appropriate to meet their care needs. A person must generally be assessed by an ACAT before they can access aged care services provided under the Aged Care Act.

In addition to mainstream aged care services the Australian Government provides a range of specialised support for those living in the community who are dealing with some of the more common effects of ageing such as dementia, incontinence and eyesight problems.

The Australian Government also provides support services for carers, particularly respite care. Respite is provided in aged care homes (under the Act) and through programs that operate outside the Act. In 2008-09 there were around 56,426 admissions to residential respite care, and care recipients used almost 1.27 million resident days at a cost of more than $147 million – an increase of more than 15 per cent over 2007-08. The National Respite for Carers Program provided a further 4.7 million hours of respite through over 650 respite services across Australia in 2008-09.

Aged care services

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

Community aged care

Community aged care funded by the Australian Government provides home-based care that can improve quality of life for frail older people and help them to remain active and connected to their own communities. Throughout 2008-09 the Australian Government

continued to progress reforms to community aged care aimed at strengthening and improving the community care system.

The largest part of the Australian Government's support for community care is provided outside of the Act, through the joint Australian Government, state and territory government funded HACC program which delivers high-quality, affordable and accessible services in the community. While the Australian Government provides 60 per cent of funding and maintains a broad strategic policy role, the HACC program is managed on a day-to-day basis by the state and territory governments. Total combined Australian Government and state and territory government funding for 2008-09 was $1.793 billion – an increase of $134.6 million over the previous year's total.

Under the *Aged Care Act 1997*, the Australian Government provides packages of community care of varying levels of assistance depending on the care needs of the client. As at 30 June 2009, there were 40,195 Community Aged Care Packages being provided for frail older people who prefer to live at home, are able to remain living at home with support, and would otherwise be eligible to receive at least a low level of residential care. There were also 6,514 Extended Aged Care at Home (EACH) and EACH Dementia packages for people with complex needs requiring high level care who have expressed a preference to live at home and are able to do so with some assistance.

In 2008-09 the Australian Government spent $479.7 million on CACPs and a total of $256.3 million on EACH and EACHD packages.

Residential Care

Residential care is a combination of care and accommodation for frail older people who have been assessed and approved as aged care recipients. Assessments take account of the restorative, physical, medical, psychological, cultural and social dimensions of the person's care needs. Aged care residents receive either low level care or high level care, according to need.

As at 30 June 2009 there were 2,783 aged care homes across Australia delivering residential care, and around 66 per cent of all operational residential care places were being used to provide high level care. On average, 92.9 per cent of all residential places were occupied during 2008-09.

The Australian Government subsidises the provision of residential aged care to those approved to receive it. The payment for each resident consists of a basic subsidy plus those supplements that the resident is entitled to. Australian Government funding for residential care subsidies and supplements, paid to aged care providers for providing care, was $6.5 billion in 2008-09 compared with $6.0 billion in 2007-08– an increase of 7.8 per cent.

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

In 2008-09 the Australian Government took action to ensure that the rise in the base pension, announced in the 2008-09 Budget, would be shared between aged care providers and pensioners receiving care. To achieve this objective the *Aged Care Act 1997* was amended to reset the basic daily fee from 85 per cent to 84 per cent of the single basic age pension from 20 September 2009. Special arrangements were also put in place for part pensioners and self funded retirees already in aged care who did not benefit from the full pension rise to protect them from any increase in the basic daily fee. These residents will pay a fee of approximately 77 per cent of the single basic age pension.

In addition, new entrants from 20 September 2009 who also do not benefit from the full pension increase will have special transitional arrangements for a period of four years. These new residents will initially pay a fee of approximately 77 per cent of the single basic age pension. Over the next four years their fees will gradually increase until they are paying 84 per cent of the base pension.

A range of other payments are available to providers of residential aged care. For 2008-09 the Conditional Adjustment Payment increased to 8.75 per cent of the basic subsidy amount. This amount is paid to residential care providers, on top of the basic subsidy, to assist them to become more efficient and more able to continue to provide high quality care to residents.

In 2008-09 an estimated 70.7 per cent of aged care homes received income from accommodation charges, and about 82.0 per cent held accommodation bonds at 30 June 2009. The average accommodation charge for new residents was an estimated $19.35 per day. The average accommodation bond agreed with a new resident in 2008-09 was an estimated $212,958 and the median new bond amount was an estimated $200,000.

Flexible Care

In total five types of flexible care are provided for under the Act. Because of their nature EACH and EACHD packages are treated as community care in this report. The remaining three – Transition Care, Multi-Purpose Services and Innovative Care – provide alternative ways to address the needs of care recipients. In addition, flexible models of care are provided outside the Act under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

As at 30 June 2009:

- the Australian Government had allocated a total of 2,698 flexible care places for transition care under the Act, all states and territories had established transition care services, and 2,228 of the 2,698 allocated were operational;
- there were 126 operational Multi-Purpose Services, with a total of 3,076 flexible aged care places, representing an increase of more than 9 per cent over the previous year; and
- more than 147 innovative care places were operational nationally.

Support for people with special needs

Through the aged care planning framework the Australian Government may specify a proportion of places that must be provided for certain specified target groups. In 2009 the Australian Government amended the *Aged Care Act 1997* to include homeless older people as a 'special needs' group. This enables aged care places to be specifically allocated for homeless older people in future Aged Care Approvals Rounds.

In the 2008-09 Aged Care Approvals Round, 851 residential aged care places and 1,425 community aged care places were allocated for people from Aboriginal and Torres Strait Islander communities, people from diverse cultural and linguistic backgrounds, people who are financially or socially disadvantaged and people who are veterans (including a spouse, widow or widower of a veteran). A further 1,418 residential and 1,448 community aged care places were allocated to regional, rural and remote areas.

Quality

In the residential aged care setting, the Encouraging Best Practice in Residential Aged Care (EBPRAC) program continues to support the uptake of existing evidence-based guidelines by funding organisations to translate this evidence into practice for staff to use in everyday practice.

Progress has been made on better practice in community care including on development work in the priority areas of care planning and assisting care providers to locate suitable resource information.

The Australian Government funds workforce training programs to ensure that aged care workers are offered training opportunities to develop the necessary skills to pursue a career in the aged care industry and to implement their learning in the delivery of quality care. Support is provided for training in certificate courses which can build to and include, gaining enrolled nurse qualifications. In 2008-09, approximately 9,400 certificate-level training places were funded at a cost of $51.2 million. In addition to the vocational education opportunities available, 841 nursing scholarships were offered to encourage more people to enter or re-enter aged care nursing and to support enrolled nurses to upgrade their skills to registered nursing level.

Regulation and compliance

The Aged Care Standards and Accreditation Agency Ltd (the Agency) accredits all Australian Government funded aged care homes, with 91.6 per cent of homes accredited for at least three years. During 2008-09, the Agency identified 303 homes as being non-compliant with one or more of the 44 expected outcomes of the Accreditation Standards. At 30 June 2009, 2.4 per cent of homes (68 homes) were identified as not meeting one or more of the expected outcomes of the Accreditation Standards.

During 2008-09 the Department of Health and Ageing has progressed reviews of the aged care accreditation process and the Accreditation Standards. These reviews seek to strengthen current accreditation and monitoring processes and support quality improvements to ensure that recipients of Australian Government funded residential aged care services receive the best possible level of care. These reviews are being undertaken in consultation with key stakeholders, including the Agency, consumers, and industry.

The quality assurance system is reinforced by a program of unannounced visits, and audits for residential care and follow-up action as appropriate for all aged care services. Where providers are found not to be meeting their responsibilities under the Act and fail to remedy the situation, there is the possibility of regulatory action by the Department, such as the imposition of sanctions. In 2008-09, the Department took sanction action against 27 Approved Providers, issuing 30 Notices of Decision to Impose Sanctions. At 30 June 2009, 13 of the sanctions remained in place. The Department also issued 163 Notices of Non-Compliance.

In 2008-09, the Agency conducted 7,595 visits to homes, which represents an average of 2.7 visits per home. All homes received at least one unannounced visit from the Agency during the year.

During 2008-09 the Department commenced the second three-year cycle for the Quality Reporting Program for community care services. Enhancements include police checks and assessment of Quality Reporting Improvement plans from the first cycle.

Progress has been made on streamlining and strengthening arrangements for community care quality including development of Common Standards and reporting processes for all community care programs.

On 10 October 2008 the Minister announced the development of a Charter of Rights and Responsibilities for Community Care. The Charter, which has been developed in consultation with the Ageing Consultative Committee, will assist in protecting the rights of older Australians receiving Australian Government funded community care packages, will help care recipients recognise their responsibilities to service providers, and will also give them a greater say in how these services are provided to them.

Prudential arrangements provide protection for residents who pay bonds and include a guarantee of repayment. Legislation came into effect on 1 January 2009 which addressed concerns highlighted since the introduction of the Accommodation Bond Guarantee Scheme (Guarantee Scheme) in May 2006. These include clarifying that the Guarantee Scheme continues to protect residents of providers that lose their approval and ensuring that lump sum payments very similar to accommodation bonds are protected. During 2008-09, the Guarantee Scheme has been activated twice. The Government has refunded the outstanding accommodation bond balances, including interest, to affected residents.

Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (CIS) commenced operation on 1 May 2007 and was established through changes to the *Aged Care Act 1997* and the introduction of regulations under the Act - the *Investigation Principles 2007*. The CIS covers both residential and community aged care services subsidised under the Act.

The CIS received 12,573 contacts between 1 July 2008 and 30 June 2009. Approximately 63 per cent (or 7,962) of these contacts were considered 'in-scope' cases - that is, relating to an Approved Provider's responsibilities under the Act - and subsequently investigated. Breaches of an Approved Provider's responsibilities were identified in 1,093 cases (which includes where a Notice of Required Action was issued).

Between 1 July 2008 and 30 June 2009, the CIS made 1,629 referrals to external agencies more appropriately placed to deal with the matters raised; conducted 3,151 site visits during the course of investigating a case; and issued 181 Notices of Required Action where Approved Providers were found in breach of their responsibilities under the Act and had not already taken action to address the breach.

Glossary

ACAT	Aged Care Assessment Team
Act, the	the *Aged Care Act 1997*
Agency, the	the Aged Care Standards and Accreditation Agency Ltd
Approved Provider	A person or organisation approved under Part 2.1 of the Act to be a provider of care for the purpose of payment of subsidy (A provider approved since the commencement of the Act must be a corporation.)
ACFI	Aged Care Funding Instrument
ACPAC	Aged Care Planning Advisory Committee
ACPR	Aged Care Planning Region
AIHW	Australian Institute of Health and Welfare
CACP	Community Aged Care Package
CAP	Conditional Adjustment Payment
CIS	Complaints Investigation Scheme
COAG	Council of Australian Governments
Department, the	Department of Health and Ageing
EACH	Extended Aged Care at Home
EACHD	Extended Aged Care at Home - Dementia
Extra service	Extra service status allows aged care homes to offer a 'significantly higher' than average standard of accommodation, services and food in return for additional payment under certain conditions.
HACC	Home and Community Care
High care	High care includes: • personal care services - for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments; and • nursing services and equipment - for example, equipment to assist with mobility, incontinence aids, basic pharmaceuticals, provision of nursing services and procedures, administration of medications, provision of therapy services and provision of oxygen.

Low care	Low care includes: • personal care services - for example, assistance with the activities of daily living, such as bathing, toileting, eating, dressing, mobility, maintaining continence or managing incontinence, and communication; rehabilitation support; assistance in obtaining health and therapy services; and support for people with cognitive impairments.
Minister, the	the Hon Justine Elliot MP, Minister for Ageing
MPS	Multi-Purpose Service
NRA	Notice of Required Action
Office, the	the Office of Aged Care Quality and Compliance
Principles, the	the Aged Care Principles, which are subordinate legislation made by the Minister under subsection 96-1(1) of the *Aged Care Act 1997*
RCS	Resident Classification Scale
Residential care	Residential care includes accommodation related services - for example, furnishings, bedding, general laundry, toiletry goods, cleaning services, meals, maintenance of buildings and grounds, and the provision of staff continuously on call to provide emergency assistance
Secretary	Secretary to the Department of Health and Ageing

1 Introduction

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

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

Purpose of this Report

This report details the operation of Australia's aged care system during the 2008-09 financial year and is the tenth in the series. It is delivered to Parliament and the Australian community by the Minister for Ageing in accordance with section 63-2 of the Act, which requires that the report include information about:

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

In addition to information required by the Act, the report also includes information on matters outside the strict scope of the Act where this provides a more useful and comprehensive picture of the aged care system. Further information about the aged care legislative framework can be found at Appendix A.

Structure and Scope

The structure of the report has been revised this year to provide a more comprehensive picture of the pathways of care in the aged care sector while retaining consistency with information and data provided in previous years.

Chapter 2 provides an overview of the current aged care environment, aged care planning arrangements and the way aged care places are provided.

Chapter 3 outlines support for older people on the threshold of aged care, including information, assessment of aged care needs and specialised services such as incontinence assistance and respite for carers.

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

This is followed by a discussion of special access and support arrangements for population groups with special needs in Chapter 7.

Chapters 8 and 9 focus on measures to support quality and safety in aged care, including regulation and compliance arrangements, while the final chapter (Chapter 10) reports activity under the Complaints Investigation Scheme.

Appendix A provides further detail on the aged care legislative context and Appendix B lists the legislative amendments that were made during 2008-09.

Appendix C provides detail on the responsibilities of Approved Providers under the *Aged Care Act 1997* and Appendix D lists the sanctions that were imposed on Approved Providers for breaching their responsibilities between 1 July 2008 and 30 June 2009.

Sources

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

Information for the report was also obtained through a survey of aged care providers, which was conducted by Taverner Research Company. Overall, 96.1 per cent of aged care homes responded to the 2009 survey, compared with 89.5 per cent in 2008.

2 Overview of the Australian Aged Care System

The Australian Government aims to encourage and assist older people to remain independent, active and engaged members of their community and recognises that older Australians are an invaluable asset to our communities. It is committed to helping older Australians enjoy active, healthy and independent lives by encouraging positive approaches to ageing.

The Government also aims to ensure that all frail older Australians have timely access to appropriate care and support services as they age by providing:

- comprehensive information, assessment, and referral mechanisms;
- needs-based planning arrangements;
- support for special needs groups in our communities;
- the support that carers need to look after frail older people living at home;
- a choice of service types;
- high quality, accessible and affordable care; and
- a safe and secure aged care environment.

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

2.1 Encouraging healthy active ageing

The Australian Government's commitment to positive ageing and to promoting respect for older people in the community was demonstrated by the appointment, in April 2008, of Ms Noeline Brown as the first Ambassador for Ageing.

The Ambassador is involved in a range of activities and events across Australia promoting positive and active ageing and encouraging recognition and respect for the ongoing contributions made by older Australians. For instance in October 2008, at 70 years of age, Ms Brown participated in the Byron Bay Lighthouse Run/Walk to show that older people can also participate in such activities.

In December 2008, the Minister for Ageing and the Ambassador launched a series of posters and brochures focusing on four healthy ageing messages:

- Staying physically active;
- Eating well;
- Keeping in touch with family, friends and community; and
- Avoiding falls at home.

The posters and brochures have been widely distributed through senior citizens clubs, Commonwealth Carelink and Respite Centres, GP's surgeries and community health centres across Australia.

The Australian Government also actively participates in the Council of Australian Government's Ministerial Conference on Ageing. The Council met once in 2008-09 and was supported by a Ministerial Advisory Council on Ageing, consisting of senior officials from Commonwealth and state and territory departments, which met three times in 2008-09. The Ministerial Council is currently progressing work on innovations in treatment and service delivery for people with more severe psychogeriatric disorders, and on strategies to foster local collaboration across health service sectors to ensure the needs of this group are appropriately met.

The Australian Government also supports organisations such as National Seniors Australia and the Council of the Ageing (COTA) 50+ to facilitate their participation, as peak bodies representing consumers, in the policy development processes of government.

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

The National Seniors Productive Ageing Centre was established by National Seniors Australia to advance the knowledge and understanding of productive ageing to improve the quality of life of people aged 50 and over. The Centre receives support from the Australian Government to provide advice on productive ageing matters, undertake consumer-orientated research and education, promote and inform productive ageing and support productive ageing decisions by seniors.

2.2 Support for aged care services

The Australian Government funds and regulates the provision of residential and community care to those approved to receive it, and provides capital grants to assist in the expansion of aged care services. It also has in place quality assurance and consumer protection programs to support the regulation of residential aged care, community care and flexible care services.

The services and regulation framework that operate under the *Aged Care Act 1997* provide the foundation of Australia's aged care system and are based on the set of objectives outlined in the Act, namely to:

- promote a high quality of care and accommodation;
- protect the health and well being of residents;
- help residents enjoy the same rights as all other people in Australia;
- ensure that care is accessible and affordable for all residents;
- plan effectively for the delivery of aged care services;
- ensure that aged care services and funding are targeted towards people and areas with the greatest needs;

- encourage services that are diverse, flexible and responsive to individual needs;
- provide funding that takes account of the quality, type and level of care;
- provide respite for families and others who care for older people; and
- promote 'ageing in place'—that is, help older people stay where they want to live, by linking care and support services.

Australian Government expenditure for ageing and aged care during 2008-09, including aged care support and assistance provided under and outside the *Aged Care Act 1997*, totalled $9.1 billion, compared with $8.3 billion in 2007-08 – an increase of 9.1 per cent.

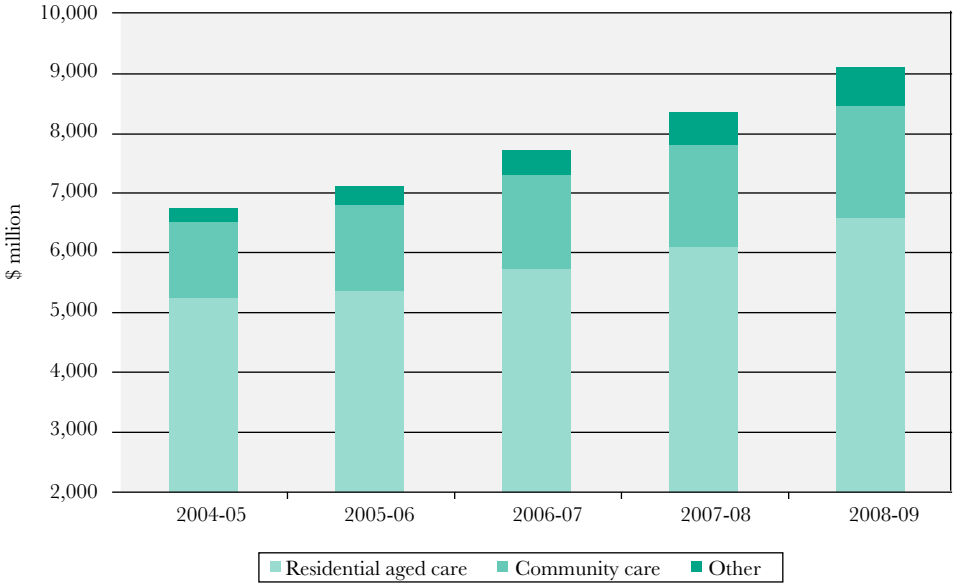
In 2008-09, for Australian Government programs provided under the Act:

- expenditure on residential aged care subsidies and supplements was $6.5 billion, compared with $6.0 billion in 2007-08 – an increase of 7.8 per cent;
- expenditure on Community Aged Care Packages (CACPs) was $479.7 million, compared with $447.8 million in 2007-08 – an increase of 7.1 per cent;
- expenditure on Extended Aged Care at Home (EACH) and Extended Aged Care at Home - Dementia (EACHD) packages was $256.3 million, compared with $198.8 million in 2007-08 – an increase of 28.9 per cent; and
- expenditure on flexible care programs[1], (other than EACH and EACHD packages), was $174.8 million, compared with $136.3 million in 2007-08 – an increase of 28.3 per cent.

The largest single component of Australian Government expenditure outside the Act was $1.094 billion for the Home and Community Care (HACC) program, to which the states and territories also contributed $698.2 million in 2008-09. In 2007-08, the Australian Government's contribution to the HACC program was $1.013 billion.

[1] Flexible care programs (other than EACH and EACHD packages) include Multi-Purpose Services, Innovative Pool and Transition Care places.

Figure 1: Growth in total Australian Government outlays for aged care from 2004-05 to 2008-09[2]



Some 900,000 older Australians currently receive some form of aged care each year, with more than one in 13 people aged 70 and over currently receiving permanent residential care. In 2008-09, through aged care programs administered by the Australian Government under the *Aged Care Act 1997*:

- 211,345 people received permanent residential care - equivalent to 10.5 per cent of people aged 70 years or over (estimated population as at 30 June 2008[3]);
- 41,873 people received residential respite care - equivalent to 2.1 per cent of people aged 70 years or over (estimated population as at 30 June 2008) - of whom 19,193 were later admitted to permanent care;
- 64,111 people received care through a community care package (either a Community Aged Care Package, an Extended Aged Care at Home package or Extended Aged Care at Home Dementia package) - equivalent to 3.2 per cent of people aged 70 years or over (estimated population as at 30 June 2008); and

[2] Residential care includes: residential care subsidies (including those paid on behalf of the Department of Veterans' Affairs); Rural and Regional Building Fund; Aged Care Accreditation Agency; Aged Care Bond Security; Targeted Capital Assistance; Zero Real Interest Loans; Capital Infrastructure and Support.

Community care includes: community care subsidies (CACP, EACH & EACHD); Home & Community Care (HACC) program; carer respite, information and support programs; and continence support programs.

Other includes aged care assessment, aged care workforce, ageing information and support, culturally appropriate aged care, dementia and flexible aged care.

[3] Australian Demographic Statistics ABS Cat. No. 3101.0 Dec 2008

- 12,635 people received care under the Transition Care Program – an increase of 22 per cent over the previous year.

Some people received care through more than one of these aged care programs during 2008-09.

In addition, many older Australians receive assistance through the joint Australian and state and territory government Home and Community Care program. In 2008-09 approximately 862,400 individual clients received HACC services; of these around 69 per cent were aged 70 years and over[4]. Some of those who received care under the HACC program may also have received residential and/or community care during the same year from Australian Government aged care programs administered under the Act.

2.3 The needs-based planning framework

The Australian Government's needs-based planning framework aims to ensure sufficient supply of both low-level and high-level residential and community care places by ensuring that the growth in the number of aged care places matches growth in the aged population. It also ensures balance in the provision of services between metropolitan, regional, rural and remote areas, as well as between people needing differing levels of care. Under the framework, the Government seeks to achieve and maintain a specified national provision level of subsidised operational aged care places for every 1,000 people aged 70 years or over, known as the aged care provision ratio. The provision ratio was first set in 1985, increased from 100 places to 108 places in 2004-05, and further increased in February 2007 to 113 operational places per 1,000 people aged 70 years or over (to be achieved by 2011). The proportion of different types of care places offered was also adjusted in 2007 from 40 to 44 places for high level residential care, from 48 to 44 places for low level residential care and from 20 to 25 places for community care (with 4 for high level community care and 21 for low level community care) for every 1,000 people aged 70 years or over.

The process for allocating aged care places outlined in the *Aged Care Act 1997* provides for open and clear planning, that identifies community needs and allocates places in a way that best meets the identified needs of the community. Each year, the planning arrangements determine the types and regional distribution of aged care places that are to be made available and may specify a proportion of places that must be provided to certain groups of people specified in the Act, such as people with special needs, particular care requirements or people in need of respite.

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

The allocation of places to Aged Care Planning Regions within each state and territory is then determined by the Secretary, acting on the advice of Aged Care Planning Advisory

[4] Preliminary estimate for 2008-09.

Committees (ACPACs). The ACPACs are established under the Act to provide advice on comparative aged care needs in the Aged Care Planning Regions, including consideration of people from the prescribed special needs groups. ACPAC members in each state and territory are appointed by the Secretary and comprise people from government and the community with experience and/or interest in aged care. Members are not appointed to represent a particular body or group. They are chosen because of their ability to contribute to the planning of aged care and to give effective advice to the Secretary.

Following the Secretary's distribution of places across each state and territory, an annual Aged Care Approvals Round is conducted as an open competitive process. This process invites applications for an allocation of aged care places and/or capital grants. Places are allocated to applicants that demonstrate that they can best meet the aged care needs within a particular planning region. Successful applicants who receive an allocation of aged care places may deliver the specified type(s) of care to the community through one or more aged care services. Capital grants are provided to support Approved Providers to acquire land to build new premises, erect, alter or extend premises or acquire furniture, fittings or equipment for those premises.

The time required for building approval and construction means that providers have two years to make aged care places operational, however this may be extended in certain circumstances. Once providers have been allocated new residential places they must make quarterly progress reports on when the places are expected to become operational. The capacity of applicants to bring places into operation as quickly as practicable is a consideration in the Aged Care Approvals Round's assessment process. CACP and EACH packages generally become operational soon after allocation.

Delays in bringing residential places into operation are often due to planning difficulties at the state, territory or local level. The Australian Government is currently looking at ways to ensure the time between the allocation of new places and when they become operational is reduced to a minimum.

Current provision

The total number of operational aged care places rose this year, from 223,107 at 30 June 2008 to 228,038 at 30 June 2009 – an increase of 4,931 places, or 2.2 per cent, on the previous year. This included 178,379 residential places, 47,431 community care places and 2,228 transition care places. The number of allocated and operational aged care places as at 30 June 2009 is detailed in Table 1.

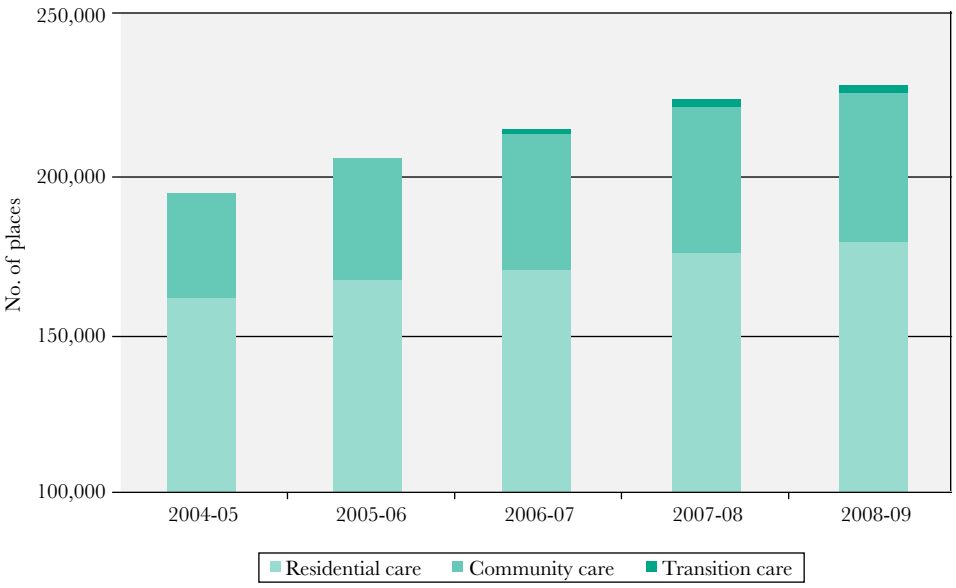
Table 1: Allocated and operational residential, community and transition care places per 1,000 people, aged 70 years or older, at 30 June 2009, by state and territory

	Residential			Community			Transition Care	Total Places
	High	Low	Total	High	Low	Total		
Allocated Places								
NSW	51.6	49.1	100.7	3.5	20.4	24.0	1.3	126.0
VIC	47.7	51.6	99.3	3.7	20.3	24.0	1.3	124.6
QLD	47.5	51.3	98.8	4.0	21.5	25.4	1.3	125.6
SA	52.4	46.7	99.1	3.3	20.1	23.4	1.3	123.8
WA	45.8	49.2	95.0	5.5	22.8	28.2	1.2	124.5
TAS	48.1	46.8	94.9	4.4	21.7	26.1	1.5	122.5
NT	59.5	48.3	107.8	21.7	112.5	134.2	4.6	246.6
ACT	47.3	54.1	101.4	8.1	24.9	33.0	1.7	136.1
Aust.	**49.3**	**49.9**	**99.2**	**3.9**	**21.1**	**25.1**	**1.3**	**125.6**
Operational Places								
NSW	45.0	42.3	87.3	3.0	19.5	22.5	1.1	111.0
VIC	41.2	46.8	88.0	3.1	19.4	22.5	1.1	111.6
QLD	39.5	45.1	84.6	2.8	18.9	21.7	1.0	107.3
SA	49.4	44.3	93.7	2.9	19.6	22.5	1.1	117.3
WA	37.3	44.0	81.3	4.1	22.1	26.1	1.0	108.4
TAS	45.2	41.1	86.3	3.6	20.3	23.9	1.2	111.5
NT	54.3	43.3	97.6	17.8	104.0	121.8	3.5	222.9
ACT	33.2	39.7	72.9	6.4	21.2	27.6	1.5	102.1
Aust.	**42.6**	**44.2**	**86.9**	**3.2**	**19.9**	**23.1**	**1.1**	**111.0**

Note: The place numbers include flexible care places. EACH and EACHD places are attributed as high level community care while Multi-Purpose Services places, permanently allocated Innovative Care places and flexible places under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program are attributed as either high level residential care, low level residential care or low level community care as appropriate.

Over the five years from 1 July 2004 to 30 June 2009 there was a steady increase in the total number of operational aged care places nationally of 34,285 places, or 18 per cent (see Figure 2 below).

Figure 2: Operational aged care places at 30 June each year from 2004-05 to 2008-09



Recent allocations of new places

In the 2008-09 Aged Care Approvals Round, a total of 10,447 new aged care places were allocated comprising 5,748 residential aged care places and 4,699 community care places. The community care places were made up of:

- 2,944 Community Aged Care Packages that provide support services for older people with care needs living at home. They are designed as an alternative to low care residential aged care;
- 1,193 Extended Aged Care at Home (EACH) packages which deliver care in people's own homes equivalent to high care residential aged care, including the provision of nursing care; and
- 562 Extended Aged Care at Home Dementia (EACHD) packages for people who experience behaviours of concern and psychological symptoms associated with dementia.

Table 2 (below) provides a breakdown of these places by state and territory. Once operational these new residential and community places will attract estimated annual recurrent funding of more than $347 million in Australian Government subsidies.

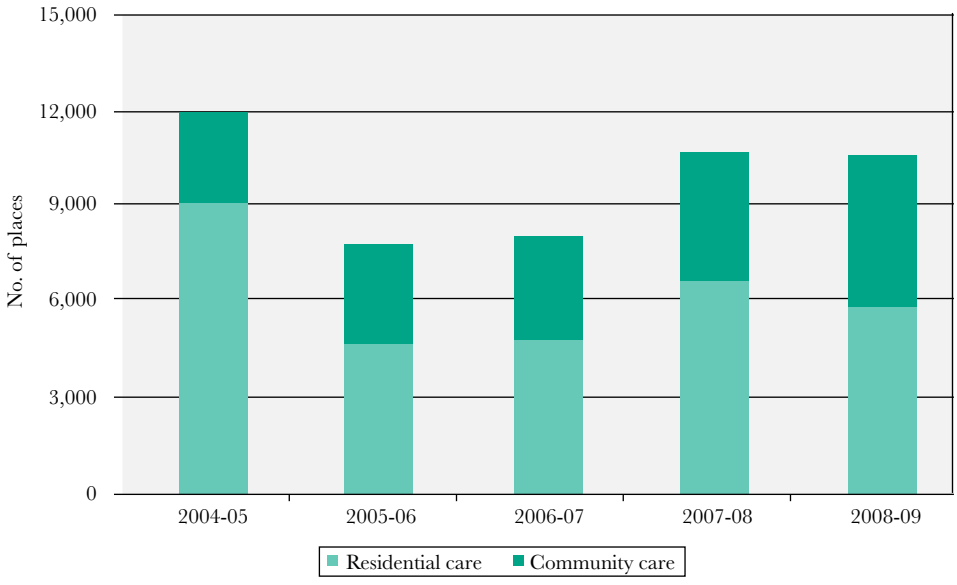
Table 2: New residential places and community care (CACP and EACH) packages allocated in the 2008-09 Aged Care Approvals Round, by state and territory

	Residential aged care places	CACP packages	EACH* packages	Total places
NSW	1,992	622	380	2,994
VIC	1,338	447	311	2,096
QLD	1,603	969	454	3,026
SA	123	101	64	288
WA	519	589	436	1,544
TAS	89	72	45	206
NT	0	54	25	79
ACT	84	90	40	214
Aust.	**5,748**	**2,944**	**1,755**	**10,447**

* Includes EACHD packages

Figure 3 (below) shows allocations of new places over the five years to 30 June 2009. The number of places allocated per year peaked in 2004-05 when the Australian Government increased the target ratio from 100 to 108 places per 1,000 people aged 70 or over.

Figure 3: New places allocated in annual rounds from 2004-05 to 2008-09



Gaps in service provision

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

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

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

In the 2008-09 Aged Care Approvals Round, it was not possible to allocate all 7,663 residential places advertised across Australia. Factors contributing to this outcome included the global financial crisis, which made potential applicants cautious about applying for new places, and the proximity of the 2008-09 ACAR to the first round of the Zero Real Interest Loans initiative, which resulted in loan offers for an additional 1,348 residential places. The number of high and low level community care places allocated in the 2008-09 Aged Care Approvals Round was greater than the number of places that were originally advertised.

Areas in which the Department did not receive a sufficient number of quality applications for residential care places will be considered for additional allocations of community aged care places and can be targeted in round two of the Zero Real Interest Loans initiative.

The Zero Real Interest Loans initiative was introduced in the 2008-09 Budget, providing up to $300 million in zero real interest loans to residential aged care providers to build or expand residential and respite facilities in areas of high need. The objective is to encourage proven providers of residential aged care, through the provision of low cost finance, to establish residential aged care services in areas where they were previously less likely to invest. The 2008 Loans Round offered up to $150 million in zero real interest loans to build 1,348 residential aged care places in high need areas and 107 community care places.

Round two of the Zero Real Interest Loans initiative will be run together with the 2009-10 Aged Care Approvals Round, and will continue to target areas where providers were previously less likely to invest, as well as areas where there is a need for residential aged care services for people from culturally and linguistically diverse backgrounds and for Indigenous Australians.

3 Information, Needs Assessment and Community Support

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

Specialised support is also provided in the community to assist people who are dealing with some of the more common affects of ageing such as dementia, incontinence and eyesight problems.

3.1 Enabling older people to make informed choices

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

The Department has provided an Aged Care Information Line (Freecall 1800 500 853) open to the public since 1997. This helpline provides information and publications on fees, charges, programs and procedures for Commonwealth funded residential and community aged care options. The total number of calls received since that time is 870,124. There were 102,624 calls to the information line in 2008-09, compared to 99,039 calls in 2007-08.

Table 3: Calls to the information line by main category of caller and main reason for call during 2008-09

Caller Type	Number of calls	Percentage of all calls (*)
Main category of caller:		
Friend or family member	59,710	58.1%
Providers of residential care	13,221	12.9%
Self or general public	12,368	12.0%
Health Service/Support Service	3,518	3.4%
Main issue or reason for call:		
Asset Assessment	29,089	28.3%
Accommodation Bond/Charge	27,461	26.7%
Income Test/Means Test	23,419	22.8%
Health and Ageing publications	22,176	21.6%

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

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

Over 9.8 million individual information products were distributed to consumers during 2008-09, including:

- 4.13 million items from the Department's stock of information products, such as the Request For An Assets Assessment form;
- more than 980,000 items of carer information such as fact sheets on legal arrangements, managing money, services available to consumers;
- more than 2.88 million items on continence such as *Continence Aids Assistance Scheme Application Guidelines* and *Dementia and Incontinence* information resources;
- more than 910,000 items on Commonwealth Respite and Carelink Centres; and
- more than 975,000 items on dementia.

There were also 100 emails, 95 faxes and 47 mail-outs of information circulars sent to service providers and major stakeholders during 2008-09, advising of amendments to policy and procedures, changes to fees and charges, and reminders of best practice education and training through the Aged Care Standards and Accreditation Agency Ltd.

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

The Department's website (http://www.health.gov.au) offers information on aged care services provided by the Australian Government and access to a range of publications and fact sheets. Amendments and updates distributed throughout the year to aged care service providers are also published on the website. Major reports and publications from and by the Department are easily accessed through the publications listing.

To assist people to make informed decisions for themselves or for family members the Aged Care Australia website (http://www.agedcareaustralia.gov.au) includes an aged care home finder and community care service finder function for locating services. This site has been active since 30 November 2006, and averaged 23,969 Homefinder searches per month and 1,899 Community Care searches per month in 2008-09.

Information and support for carers is also provided through the Commonwealth Respite and Carelink Centres. These centres provide information and link older people to a wide range of community, aged care and support services available locally or anywhere in Australia.

In 2008-09, 54 centres across Australia provided more than 206,000 clients with information about community, residential and other aged care services. Clients included general practitioners, other health professionals, service providers, individuals and their carers. Commonwealth Respite and Carelink Centres may be contacted through a national freecall number, 1800 052 222. For emergency respite support outside standard business hours these Centres can be contacted on the freecall number 1800 059 059. Information can also be accessed through their website (http://www.commcarelink.health.gov.au).

In addition, the Carer Information and Support Program funds the development and distribution of carer information products, including education programs for carers and information about government programs that support carers. The Carer Information and Support Program distributed an estimated 276,000[5] items in 2008-09.

3.2 Assessments for subsidised care

The Australian Government funds state and territory governments to manage and administer the Aged Care Assessment Program (ACAP). This funding is provided through new national partnership payment arrangements under the Intergovernmental Agreement on Federal Financial Relations. State and territory governments are responsible for the day-to-day administration of the program, including the employment of assessment staff for Aged Care Assessment Teams (ACATs) and the delivery of assessment services in each state or territory.

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

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

To ensure services are accessible for all frail, older people, 116 ACATs operate across all regions in each state and territory and are based in hospitals or in the local community. Assessments are conducted in accordance with the aged care legislation and Commonwealth Guidelines for the program.

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

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

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

[5] The figure for 2007-08 was incorrectly reported – reflecting a double counting of some items distributed.

A total of 199,694 completed assessments were recorded in 2007-08, compared with 188,967 in 2006-07 – an increase of 5.7 per cent. The past five years have shown an overall increase in the number of completed assessments across all states except for the ACT (See Table 4 below).

Table 4: Number of completed ACAT assessments from 2003-04 to 2007-08, by state and territory

	2003-04	2004-05	2005-06	2006-07	2007-08
NSW	61,676	62,895	63,260	66,860	70,858
VIC	48,884	47,041	47,674	50,029	53,000
QLD	30,361	28,482	27,351	30,030	31,716
SA	13,569	13,943	15,840	15,642	16,210
WA	14,886	16,293	16,699	17,910	19,170
TAS	4,620	4,525	4,894	5,215	5,593
NT	749	831	862	999	1,080
ACT	2,210	2,867	2,774	2,282	2,067
Aust.	**176,955**	**176,877**	**179,354**	**188,967**	**199,694**

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

Amendments in the *Aged Care Amendment (2008 Measures No.2) Act 2008* were passed by Parliament on 4 December 2008 to remove the automatic 12 month lapsing date for approvals for some types of Australian Government subsidised care. These changes will significantly improve the efficiency of ACAT assessments and lead to a reduction in assessment waiting times by ensuring that ACAT reassessments are conducted only for the people who genuinely need them.

The implementation of these changes will significantly decrease the workload for ACATs and improve timeliness in assessment. An older person can continue to be re-assessed at any time, if their care needs change.

In February 2006 COAG agreed to improve access to care services for the elderly, people with disabilities and people leaving hospital[6]. As a result, state and territory governments identified national priority areas to improve and strengthen the Aged Care Assessment Program. Activities implemented in 2008-09 include:

- development of an Implementation Plan for the recommendations from the National ACAT Review, incorporating both national and state and territory activities against each recommendation;
- implementation of the National ACAP Training Strategy, including:
    - two national workshops for ACAT Education Officers held to improve their training skills and program knowledge,

[6] See COAG Meeting, 10 February 2006. *Communiqué*. Attachment D—Better health for all Australians: action plan.

- revision of the National Training for Aged Care Assessment Team Delegates to include self-directed, face-to-face and on-line training modalities, and
- development of draft ACAT National Minimum Training Standards for endorsement by the Commonwealth and the states and territories to ensure consistency in training and assessments.

In 2008-09 state and territory governments were also funded to undertake specific projects that the Department agreed contributed to the strengthening and improvement of the ACAP. Activities being progressed at the state and territory level include: rapid response initiatives to address extended waiting times in areas of high demand; provision of additional training opportunities and options; implementation of improved management structures and processes; improved access to the program for Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds; jurisdictional reviews of the operation of the Program; and data management and information technology infrastructure improvements.

Australian Government funding for each ACAT is determined using a 'needs-adjusted', population-based model (the target group being people aged 70 years and over and Indigenous Australians aged 50 years and over), with weightings for age, remoteness, Indigenous status, culturally and linguistically diverse populations and socio-economic factors. The funding model aims to assist in the equitable allocation of available Australian Government funding to ACATs across the country.

Australian Government expenditure in 2008-09 for the ACAP was $74.5 million, which included recurrent funding for ACATs, Evaluation Units, ACAT training, community care assessments, the Dementia Support for Assessment Program and the COAG reform initiative projects.

In 2008-09, a total of $3.5 million was provided for COAG reform projects to help support ACAT participation in activities to strengthen the Aged Care Assessment Program. This funding included $350,000 to support the national network of ACAT Education Officers.

3.3 Support for carers - respite

The Australian Government recognises that carers play a vital role in sustaining Australia's current system of community-based, person-centred care. An estimated 475,000 Australians are primary carers, helping older Australians, people with chronic illness or younger people with disabilities to live at home. Respite care in residential or community care settings gives carers a break from their usual care arrangements, and by doing so, assists people with care needs to remain living in their community of choice.

Respite care is one of the key supports for carers funded by the Australian Government. The Australian Government provides for respite care in aged care homes under the Act as well as through a range of programs outside the Act. The main programs providing respite for older Australians outside the Act are the National Respite for Carers Program and the Home and Community Care program. The Australian Government also provides additional funding for Multi-Purpose Services to fund respite care in rural areas.

Community respite care

The National Respite for Carers Program provides support for carers of frail older Australians and people with disabilities. Australian Government support for the National Respite for Carers Program complements support provided to carers through residential respite care.

In 2008-09, 127,504 carers were provided with assistance through the NRCP. This figure includes 29,992 carers assisted with respite through respite services; 89,599 carers assisted to receive respite through Commonwealth Respite and Carelink Centres (see also Section 3.1) and 7,913 carers who received counselling services.

Australian Government expenditure on the NRCP was $193.3 million in 2008-09. This includes funding for day respite care delivered in aged care homes.

Respite services funded under the NRCP provided approximately 4.7 million hours of respite in 2008-09. This was delivered through over 650 respite services in a variety of settings, including 78 overnight community respite services and 96 new or expanded respite services for employed carers funded under the Overnight Community Respite and Employed Carer initiatives.

Nationwide, 54 Commonwealth Respite and Carelink Centres provide carers with information, coordinate respite services, help carers access these services, and arrange individual respite when needed.

Carer Associations in each state and territory provide carers with specialist advice and resources, professional counselling through the National Carers Counselling Program, and education and training.

Residential Respite

Residential respite provides short term care in aged care homes to people who have been assessed and approved by an ACAT to receive residential respite care. It may be used on a planned or emergency basis. In 2008-09, there were 56,426 admissions to residential respite care, and the number of residential respite days used increased from an estimated 1.18 million days in 2007-08 to almost 1.27 million days in 2008-09.

Table 5: Estimated respite care resident days by level of care during 2008-09, by state and territory

	High care	Low care	Total
NSW	286,752	282,934	569,656
VIC	82,481	197,743	280,224
QLD	69,847	81,443	151,290
SA	67,638	60,529	128,167
WA	28,824	49,380	78,202
TAS	15,190	15,029	30,219
NT	5,715	3,622	9,337
ACT	7,765	10,429	18,194
Aust.	**564,212**	**701,109**	**1,265,289**

The Australian Government continues to increase spending on respite care. Expenditure on residential respite care was more than $147 million in 2008-09, compared with $127.3 million in 2007-08 – an increase of more than 15 per cent.

Table 6: Australian Government expenditure for residential respite care, from 2004-05 to 2008-09, by state and territory

	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	42.9	49.1	57.3	59.5	69.8	17.2%
VIC	18.5	20.9	23.8	25.3	28.2	11.6%
QLD	12.5	12.9	15.0	15.3	17.7	15.6%
SA	9.6	11.4	13.5	13.9	15.9	14.7%
WA	5.1	5.9	6.5	7.0	8.5	21.4%
TAS	2.7	3.0	3.3	3.4	3.7	8.9%
NT	0.1	1.1	1.5	1.2	1.3	8.2%
ACT	1.5	1.5	1.6	1.7	2.1	26.0%
Aust.	**93.5**	**105.8**	**122.5**	**127.3**	**147.2**	**15.7%**

The Australian Government provides incentives to residential aged care providers to increase the provision of high care residential respite. The incentive is currently paid as a supplement for high care respite payable to aged care providers who dedicate at least 70 per cent of their respite allocation for respite care. In 2008-09 around $10.1 million was paid to residential aged care providers through this supplement.

3.4 Support for people with dementia

The Australian Government's Dementia Initiative provides more than $30 million a year for dementia research, early intervention and improved care initiatives and training for aged and community care workers.

As part of the Dementia Initiative, approximately $10 million was provided for Dementia Behaviour Management Advisory Services (DBMAS) nationally. The service is delivered by multi-disciplinary teams that may include, but are not limited to, psychologists, registered nurses and allied health professionals who provide support and education for care workers in residential and community care programs and for family carers.

DBMAS functions include the provision of education and tailored information workshops, clinical supervision and mentoring and modelling of behaviour management techniques. These activities aim to build staff capacity in aged care services so that they gain increased knowledge and confidence in understanding the needs of people with dementia and in managing care recipients presenting with Behavioural and Psychological Symptoms of Dementia (BPSD).

In addition, DBMAS provides a telephone support service, 24 hours a day, on 1800 699 799 and received 5,468 calls between 1 July 2008 and 30 June 2009.

Older people with complex care needs and dementia, who experience difficulties in their daily lives as a result, can receive assistance through the Extended Aged Care at Home Dementia program (see Chapter 4).

3.5 Support for people with incontinence

There are two key programs that provide support for the estimated 4 million Australians with incontinence: the National Continence Management Strategy (NCMS) and the Continence Aids Assistance Scheme (CAAS).

The National Continence Management Strategy has four main themes: Awareness Raising; Information and Evidence; Workforce Support; and Intervention and Management. The NCMS commenced in 1998 and is now in Phase 3 (2006-2010). A wide range of projects has been undertaken to support people affected by incontinence, their carers, family and friends, health professionals and service providers.

A key service funded by the Strategy is the National Continence Helpline, which is managed by the Continence Foundation of Australia. The Helpline provides free clinical continence information and advice to people with incontinence, their carers, family, health professionals and the general public.

The Continence Aids Assistance Scheme assists eligible people who have permanent and severe incontinence to meet some of the costs of continence products. The CAAS is available to people 5 years of age and over with permanent and severe incontinence where it is caused by an eligible neurological condition. People who have permanent and severe incontinence caused by another condition are also eligible, provided they hold a current Centrelink Pensioner Concession Card. People eligible for the CAAS access a subsidy, which is indexed annually, for continence products ordered through a sole Government Provider.

From 1 July 2010, the Continence Aids Payment Scheme (CAPS) will replace the current CAAS. Under the CAPS a direct payment will be made to clients by Medicare Australia so they can purchase continence products from a supplier of their choice.

3.6 Eye health care

The National Framework for Action to Promote Eye Health and Prevent Avoidable Blindness and Vision Loss, endorsed by the Australian Health Ministers' Conference in November 2005, has a focus on the promotion of eye health and the prevention of eye disease and injury.

The National Eye Health Initiative aims to improve quality, safety and access to eye health care, and supports projects that respond to the Framework, including:

- eye health promotion activities to encourage Australians to look after their eyes;
- the development of clinical practice guidelines;
- a demonstration grants program aimed at trialling and evaluating different eye health care service delivery models;
- formative, attitudinal, evaluation and health services research; and
- support for Vision 2020 Australia.

4 Community Care

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

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

4.1 What is provided?

Home and Community Care

The largest part of the Australian Government's support for community care is provided outside of the Act, through the Home and Community Care (HACC) program. The HACC program is a joint Australian Government, state and territory government initiative administered under the *Home and Community Care Act 1985*. The Australian Government provides 60 per cent of funding and maintains a broad strategic policy role with day-to-day management provided by state and territory governments.

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

The HACC Review Agreement is a bilateral funding agreement between the Australian Government and state and territory governments, and took effect on 1 July 2007 (replacing the 1999 HACC Amending Agreement). It is the legal basis on which funds are provided by the Australian Government and state and territory governments for the operation of the HACC program.

Arrangements introduced through the HACC Review Agreement are intended to provide substantial benefits in the following areas:

- earlier allocation of funds: Simplifying administrative arrangements and business processes will significantly improve the timeliness of allocating funds to service providers. This will result in the earlier establishment of additional services on the ground for people in the target group each year.
- better planning: The move to triennial planning will support an improved focus on planning for longer term strategic objectives to improve the operation of the program. It will also give greater certainty to communities and service providers.
- improved relationships between governments: The interdependency of governments in achieving the objectives of the program has been recognised and the specific roles of the Australian Government and state and territory governments have been clarified to better support a collaborative approach to decision making and implementation of improvements in the program.

Community Aged Care Packages

Community Aged Care Packages (or CACPs) are packages of personal assistance and care services which are provided for under the Act. CACPs are individually tailored packages of low level care designed to support frail older people, with complex care needs, in their own homes.

The CACPs provided under the community care arrangements of the *Aged Care Act 1997* are complemented by the Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages which provide high level care. The EACH and EACHD packages are provided under the flexible care arrangements of the Act.

Table 7 shows the number of CACPs allocated to service providers as at 30 June each year over the five years from 2005 to 2009, and the percentage increase in available packages, by state and territory.

Table 7: Number of allocated CACPs at 30 June each year from 2005 to 2009, by state and territory

	2005	2006	2007	2008	2009	Increase between 2008 and 2009
NSW	10,579	12,021	12,613	13,487	14,204	5.3%
VIC	7,893	9,113	9,562	10,135	10,582	4.4%
QLD	4,957	6,000	6,525	6,972	7,935	13.8%
SA	2,786	3,184	3,292	3,464	3,565	2.9%
WA	2,518	3,192	3,230	3,456	4,062	17.5%
TAS	849	983	970	1,021	1,101	7.8%
NT	539	625	569	587	641	9.2%
ACT	416	456	489	514	604	17.5%
Aust.	**30,537**	**35,574**	**37,250**	**39,636**	**42,694**	**7.7%**

Community Aged Care Packages – Audit of the CACP Program

The Australian National Audit Office (ANAO) undertook an audit of the administration of the CACP program, commencing in January 2007. Since the tabling of the audit report on 23 May 2007, the Department has undertaken significant work to address the recommendations made by the ANAO. Progress against the recommendations is monitored through the Department's Audit Committee every six months.

This work has resulted in the response to seven of the eight recommendations being fully implemented. These include:

- the development of guidelines, in consultation with Department of Veterans' Affairs, on the relationship between the CACP and Veterans' Home Care programs (recommendation 2);
- improved arrangements for the allocation of new CACP places in the Aged Care Approvals Round (recommendation 3);

- improved arrangements for the assessment and referral of people to CACP care (recommendation 4);
- the implementation of administrative procedures to enable Community Care Grants to be deployed with greater consistency to improve the management and delivery of the CACP program to all areas of need (recommendation 5);
- improved aged care assessment procedures (recommendation 6);
- improved access to systematic information about Approved Providers' decisions and acceptance of people into CACP places, by utilising referral networks which it funds (recommendation 7); and
- improved CACP program management reporting framework to provide quality information to the Parliament about community care (recommendation 8).

Work on the remaining recommendation - the development of best practice guidelines in the delivery of case management - is continuing to progress steadily (see also Section 8.2).

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

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

The EACH program provides coordinated and managed packages of care, tailored to meet the needs of the individual. Packages are flexible in content but generally include qualified nursing input, particularly in the design and ongoing management of the package. Services available through an EACH package may include clinical care, personal assistance, meal preparation, continence management, assistance to access leisure activities, emotional support, therapy services, home safety and modification.

The EACHD program provides individually tailored packages of care for frail, older people with dementia who have complex care needs and who are assessed by an ACAT as requiring high level care, wish to remain living at home, and are able to do so with the assistance of an EACHD package. The care packages provide services necessary to support the person at home, including nursing care or personal assistance (or both).

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

In the 2008-09 Aged Care Approvals Round, 1,193 new EACH packages and 562 EACHD packages were allocated, bringing the total to 8,083 packages allocated nationally at 30 June 2009 – an overall increase of 28 per cent. By 30 June 2009 more than 80 per cent of allocated places were operational, bringing the total number of operational places to 6,514.

Table 8: Number of allocated EACH and EACHD packages at 30 June each year from 2005 to 2009, by state and territory

	2005	2006	2007	2008	2009	Increase between 2008 and 2009
EACH						
NSW	611	874	1,083	1,415	1,700	20.1%
VIC	478	718	882	1,106	1,356	22.6%
QLD	289	439	532	691	973	40.8%
SA	155	230	286	355	399	12.4%
WA	155	235	299	406	689	69.7%
TAS	50	75	90	119	152	27.7%
NT	40	60	70	83	100	20.5%
ACT	50	70	87	111	146	31.5%
Aust.	**1,828**	**2,701**	**3,329**	**4,286**	**5,515**	**28.7%**
EACH Dementia						
NSW	0	225	450	675	787	16.6%
VIC	0	166	331	497	569	14.5%
QLD	0	115	231	351	523	49.0%
SA	0	58	116	179	194	8.4%
WA	0	58	116	174	321	84.5%
TAS	0	20	40	60	86	43.3%
NT	0	10	20	30	38	26.7%
ACT	0	15	30	45	50	11.1%
Aust.	**0**	**667**	**1,334**	**2,011**	**2,568**	**27.7%**

Community care reforms

Throughout 2008-09 the Australian Government continued to progress reforms to community aged care. The reforms aimed at strengthening and improving the community care system, including the HACC, CACP, EACH and EACHD programs. It built on the current strengths of the community care system and outlined a number of ways to improve the system to reduce complexity and achieve greater consistency, as well as simplifying and creating a fairer system for people requiring care to stay at home.

In consultation with state and territory governments, progress continued in a number of areas during 2008-09, including:

- further development of nationally consistent approaches for assessment and identification of needs of clients and carers;

- the Access Point Demonstration Projects nationally. The Access Point Demonstration Projects were evaluated over 18 months by KPMG and this was completed in June 2009. This evaluation incorporated consolidated information drawn from preceding evaluation reports at both the national and state and territory levels;
- further development and piloting of draft common standards for Quality Reporting and related expected outcomes, together with a self assessment reporting tool and guidelines for service providers and assessors; and
- ongoing communication with the sector, keeping them up to date with progress and highlighting opportunities for involvement.

Work undertaken through these activities is informing the key reform directions being developed by COAG for the future of community and residential care for the aged.

4.2 Who provides care?

Determining who provides care services through the HACC program is the responsibility of individual state and territory governments. All HACC service providers must provide services in accordance with the HACC National Service Standards and the National HACC Program Guidelines 2007.

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

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

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

Table 9: Operational community care (CACP) places by provider type at 30 June 2009, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	4,982	3,960	3,073	586	367	599	13,567
VIC	3,716	2,434	1,398	255	1,251	1,081	10,135
QLD	3,301	1,342	1,559	430	121	219	6,972
SA	1,025	1,529	400	114	305	91	3,464
WA	1,035	1,840	183	525	92	252	3,927
TAS	377	188	325	57	55	27	1,029
NT	147	60	153	45	0	182	587
ACT	122	298	49	45	0	0	514
Aust.	**14,705**	**11,651**	**7,140**	**2,057**	**2,191**	**2,451**	**40,195**
% of Total	36.6%	29.0%	17.8%	5.1%	5.5%	6.1%	

Table 10: Operational community care (EACH) places by provider type at 30 June 2009, by state and territory

	Religious	Charitable	Community Based	For profit	State Govt.	Local Govt.	Total
NSW	435	659	186	133	0	19	1,432
VIC	727	128	71	5	159	30	1,120
QLD	443	166	60	18	10	0	697
SA	69	222	46	11	0	7	355
WA	180	257	10	80	0	30	557
TAS	25	69	2	23	4	0	123
NT	30	38	0	15	0	0	83
ACT	18	73	20	0	0	0	111
Aust.	**1,927**	**1,612**	**395**	**285**	**173**	**86**	**4,478**
% of Total	43.0%	36.0%	8.8%	6.4%	3.9%	1.9%	

Table 11: Operational community care (EACHD) places by provider type at 30 June 2009, by state and territory

	Religious	Charitable	Community Based	For profit	State Govt.	Local Govt.	Total
NSW	239	309	59	55	0	13	675
VIC	295	92	55	0	45	10	497
QLD	183	126	32	10	0	0	351
SA	5	138	21	5	0	5	174
WA	161	17	0	16	0	0	194
TAS	44	10	0	13	3	0	70
NT	15	5	0	10	0	0	30
ACT	5	32	8	0	0	0	45
Aust.	**947**	**729**	**175**	**109**	**48**	**28**	**2,036**
% of Total	46.5%	35.8%	8.6%	5.4%	2.4%	1.4%	

4.3 Who receives care?

Community care services across Australia help many older people to remain independent, in their own homes and in their communities, instead of moving prematurely into aged care homes.

The Home and Community Care program delivers high-quality, affordable and accessible services in the community that are essential to the well being of older Australians, younger people with a disability and their carers. The target group includes people with moderate, severe or profound disabilities of any age. In 2008-09, around 862,400 people received services through the Home and Community Care program, of whom around 69 per cent were frail, older people and around 31 per cent were younger people with a disability.

Community care provided under the *Aged Care Act 1997* delivers support and assistance to older people at home in their own communities. Packages are available in all states and territories, including rural and remote locations.

Table 12: Number of community care recipients by Australian Government program and area of remoteness, at 30 June 2009

Remoteness Area	CACPs	EACH	EACH Dementia	Total
Major Cities of Australia	25,881	2,741	1,291	29,913
Inner Regional Australia	8,239	1,018	402	9,659
Outer Regional Australia	2,997	357	171	3,525
Remote Australia	512	34	7	553
Very Remote Australia	410	3	0	413
Aust.	**38,039**	**4,153**	**1,871**	**44,063**

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

Packaged care provides varying levels of assistance depending on the care needs of the client.

Community Aged Care Packages are suitable for older people who prefer to live at home, would otherwise be assessed as eligible to receive at least low level residential care, and are able to remain living at home with support. In 2008-09 a total of 54,362 people received support in the community through a Community Aged Care Package.

Frail older people with complex care needs who are assessed by an ACAT as requiring high level care, have expressed a preference to live at home, and are able to do so with some assistance, can receive coordinated packages of community care through the Extended Aged Care at Home program. Individually designed Extended Aged Care at Home Dementia packages are also available for people who experience behaviours of concern and psychological symptoms associated with dementia which impact on their ability to live independently in the community. In 2008-09, 6,453 people received care through an EACH package and 3,296 people received care through an EACHD package.

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

4.4 How is community care funded?

Home and Community Care

The Home and Community Care program is jointly funded by the Australian Government and state and territory governments. The Australian Government contributes approximately 60 per cent of HACC program funding nationally and maintains a broad strategic role. State and territory governments contribute approximately 40 per cent of program funding and manage the program on a day-to-day basis.

Following the Council of Australian Government federal financial framework reforms, Australian Government funding for the HACC program is paid to states and territories by the Treasury under a new National Partnership Agreement.

Australian Government funding for HACC in 2008-09 totalled $1.094 billion – an increase of 8.1 per cent over total funding provided in 2007-08. Total combined Australian Government and state and territory government funding for 2008-09 was $1.793 billion – an increase of $134.6 million over the previous year.

Australian Government funding included $3.8 million in extra, one-off, unmatched funding to states and territories in 2008-09 to build on and extend the work previously agreed by COAG for improved, nationally consistent arrangements for access, assessment and referral for HACC. The extra funding recognises costs associated with implementing these changes and will be available only to those states and territories that implement agreed community care reforms.

Community Care Packages

Australian Government financial assistance for community care provided under the Act (CACPs, EACH and EACHD) is paid to service providers as a contribution to the cost of providing care. The Minister for Ageing determines the rates for community aged care subsidies and supplements, to apply from 1 July of each year. The current rates of payment can be found on the Department's Internet site[7].

Community care recipients also contribute to the cost of their care. While the Australian Government does not set the fees that CACP, EACH and EACHD recipients are asked to pay, it does set a maximum level for the daily fees that Approved Providers may ask care recipients to pay. All care recipients can be asked to pay a daily fee equivalent to 17.5 per cent of the single basic pension ($6.87 per day on 30 June 2009). Care recipients can also be asked to pay an income tested fee of up to 50 per cent of income above the pension. However, no one may be denied a service because they cannot afford to pay.

The Australian Government's recurrent expenditure on CACPs increased from $447.8 million in 2007-08 to $479.7 million in 2008-09 – an increase of more than seven per cent nationally.

[7] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

Table 13: Australian Government expenditure for Community Aged Care Packages, from 2004-05 to 2008-09, by state and territory

	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	113.1	124.1	140.1	153.1	165.7	8.3%
VIC	83.5	94.3	106.5	118.0	125.8	6.6%
QLD	49.9	54.7	63.3	71.9	77.7	8.1%
SA	30.7	33.1	37.2	41.1	43.2	5.1%
WA	26.8	29.0	34.4	37.9	40.2	6.1%
TAS	9.4	10.1	11.1	12.1	12.8	5.7%
NT	5.4	6.3	6.6	7.7	7.9	2.2%
ACT	4.5	5.0	5.7	6.0	6.5	9.4%
Aust.	**323.3**	**356.6**	**404.9**	**447.8**	**479.7**	**7.1%**

Australian Government recurrent expenditure on EACH and EACHD packages of care increased to a combined total of $256.3 million in 2008-09. Expenditure on EACH packages increased by more than twenty-two per cent nationally, to reach $172.7 million (see table below).

Table 14: Australian Government expenditure for Extended Aged Care at Home packages, from 2004-05 to 2008-09, by state and territory

	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	9.7	19.9	31.8	45.4	57.7	27.2%
VIC	9.7	19.5	29.7	39.9	46.3	16.0%
QLD	5.1	9.9	17.1	21.7	26.3	21.2%
SA	2.9	5.9	9.6	12.6	14.6	15.6%
WA	3.0	4.8	8.1	11.6	15.9	37.0%
TAS	1.1	1.9	2.7	3.5	4.5	29.8%
NT	0.8	1.5	2.1	2.6	2.9	10.5%
ACT	1.2	1.9	2.8	3.8	4.5	18.2%
Aust.	**33.3**	**65.3**	**103.9**	**141.1**	**172.7**	**22.4%**

Expenditure on EACHD packages continued to increase significantly, reaching a total of $83.6 million in 2008-09 – an increase of more than 44 per cent over 2007-08 (see following table).

Table 15: Australian Government expenditure for Extended Aged Care at Home Dementia packages, from 2006-07 to 2008-09, by state and territory

	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	7.3	18.7	28.2	50.9%
VIC	4.6	16.1	22.1	37.2%
QLD	2.2	9.3	13.3	43.2%
SA	1.9	5.2	7.7	48.5%
WA	0.7	4.2	6.9	64.5%
TAS	0.5	1.9	2.5	30.4%
NT	0.8	0.9	0.9	1.2%
ACT	7.1	1.3	2.0	51.0%
Aust.	**25.1**	**57.7**	**83.6**	**44.9%**

Community Aged Care Viability supplement

The Act provides for a viability supplement to assist providers of community care and flexible care programs in rural and remote areas. This is available to eligible providers of CACPs, EACH and EACHD packages, Multi-Purpose Services providing community care and services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. The supplement recognises the higher costs and recruitment difficulties faced by these services.

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

Community Care and Flexible Care Grants

Community Care and Flexible Care Grants (also known as 'establishment grants') assist organisations that may be disadvantaged in meeting the cost of establishing viable services. Those receiving grants include organisations without an established service infrastructure, those servicing remote or isolated communities where there are limited resources, and services with only small numbers of community care places. Individual grants may be up to $65,000 (GST exclusive) for Community Care Grants and $100,000 (GST exclusive) for Flexible Care Grants depending on the circumstances of the organisation. Twenty Community Care and Flexible Care Grants were made in 2008-09, totalling close to $995,000 in value.

In February 2008 the Australian Government agreed to expand the eligibility of the current community care grants program to make it more accessible to providers, especially those delivering services to special needs groups. The Australian Government also agreed to the introduction of a flexible care grant that will be made available to providers of the EACH and EACHD packages.

Table 16: Value of community care establishment grants allocated during 2008-09, by state and territory

	Number of grants made	Total value ($'000)
NSW	4	225
VIC	1	44
QLD	2	154
SA	0	0
WA	4	217
TAS	7	245
NT	2	109
ACT	0	0
Aust.	**20**	**994**

5 Residential care

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

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

At 30 June 2009 there were 2,783 aged care homes delivering residential care under these arrangements, with an occupancy rate of 92.9 per cent over 2008-09. This compares to 93.8 per cent in 2007-08 and 94.5 per cent in 2006-07.

5.1 What is provided?

There are two main types of residential aged care in Australia; low level care and high level care. While some aged care homes specialise in low or high level care, many homes now offer the full continuum of care, which allows residents to stay in the same home as their care needs increase ('ageing in place').

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

High level care provides functionally very dependent people with 24 hour care either by registered nurses or under the supervision of registered nurses. Nursing care is combined with accommodation, support services (cleaning, laundry and meals), personal care services (help with dressing, eating, toileting, bathing and moving around) and allied health services (such as physiotherapy, occupational therapy, recreational therapy and podiatry).

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

Ageing in place

For the continuing benefit of care recipients, the Act allows places allocated to an aged care home for low level care to be used for high level care. This allows care recipients to remain in the same aged care home while receiving a higher level of care, enabling residents to age in place. Table 17 gives information on the utilisation of residential places for low level care and high level care as at the end of 2008-09.

Table 17: Utilisation of operational residential aged care places at 30 June 2009, by state and territory

	Proportion of all operational residential places utilised for high care	Proportion of operational places allocated as low care and utilised for high care
NSW	66.9%	41.1%
VIC	62.9%	39.2%
QLD	66.0%	45.9%
SA	74.9%	55.0%
WA	66.0%	43.5%
TAS	64.6%	37.3%
NT	64.8%	27.0%
ACT	64.4%	46.0%
Aust.	**66.3%**	**42.9%**

Extra service

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

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

At 30 June 2009, there were 17,294 residential care places approved for Extra Service status, of which 11,551 were operational. The total number of places approved for Extra Service represented 8.6 per cent of all allocated residential mainstream places and comprised 13,921 high care places and 3,373 low care places.

5.2 Who provides care?

Aged care is delivered to older Australians by service providers who have been approved under the Act. Approval may be granted for all types of aged care, or may be limited to specified service type(s) and/or specified aged care services. Regardless of what type of aged care is to be provided, the service provider must be approved before they can be paid for providing aged care.

Matters considered in approving service providers include applicants' suitability to provide aged care, which encompasses aspects such as suitability and experience of key personnel, previous experience in providing aged care, record of financial management and ability to meet standards for the provision of aged care.

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

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

In general, residential aged care in Australia is delivered by providers from the religious and charitable, community, private for profit and government sectors. In 2008-09 the 'not-for-profit' group (comprising religious, charitable and community-based providers) were responsible for almost 60 per cent of residential care places while private-for-profit providers increased their share of residential care places by a further 1 per cent to 34 per cent.

Table 18: Operational residential places, other than flexible care places, by provider type at 30 June 2009, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	17,842	12,738	9,161	19,099	776	781	60,397
VIC	7,285	3,339	6,434	22,120	5,917	777	45,872
QLD	12,700	4,851	3,496	8,613	1,496	205	31,361
SA	4,600	4,516	2,116	3,895	832	429	16,388
WA	4,667	2,516	1,808	5,039	66	327	14,423
TAS	1,935	970	1,007	521	87	16	4,536
NT	249	165	66	0	0	0	480
ACT	654	543	125	446	0	0	1,768
Aust.	**49,932**	**29,638**	**24,213**	**59,733**	**9,174**	**2,535**	**175,225**
% of Total	28.5%	16.9%	13.8%	34.1%	5.2%	1.4%	

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

5.3 Who receives care?

The Australian Government funds residential aged care for people who are frail or disabled and require at least a low level of continuing personal care and are incapable of living in the community without support. During 2008-09 a total of 211,345 people received permanent residential care in Australia's aged care homes. The following table gives an indication of the distribution of residents in aged care homes across Australia on 30 June 2009.

Table 19: Number of permanent residents by state and territory, and by level of care, at 30 June 2009

Care level	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust.
High	39,682	28,800	20,566	12,100	9,464	2,892	291	1,118	114,913
Low	14,489	12,439	8,026	3,276	3,853	1,234	99	534	43,950
Total	**54,171**	**41,239**	**28,592**	**15,376**	**13,317**	**4,126**	**390**	**1,652**	**158,863**

Note: The number of residential aged care recipients is less than the overall number of places available because a small proportion of places are vacant at any one time and around 2 per cent of places are used for respite at any one time.

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

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

Table 20 (below) shows the proportion of residents placed in permanent residential care within a specified time period after assessment (and recommendation for residential care) by an ACAT, by level of care.

This entry period measure is not a proxy for waiting time for admission to an aged care home as the ACAT recommendation is simply an option for that person. Many people who receive a recommendation for residential care may also receive and take up a recommendation for a CACP place instead, or simply choose not to take up residential care at that time. The increased availability of community care and respite care has a significant effect in delaying entry into permanent care[8].

Table 20: Proportion of new entrants to permanent residential care entering within a specified period after ACAT assessment, by level of care at entry, during 2008-09

	2 days or less	7 days or less	Less than 1 month	Less than 3 months	Less than 6 months
High care	10.2%	26.1%	56.0%	80.9%	91.3%
Low care	3.9%	10.4%	31.0%	61.3%	80.6%
All residents	**7.4%**	**19.1%**	**44.9%**	**72.2%**	**86.5%**

5.4 How is residential care funded?

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

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

Subsidies and payments can be grouped into two main categories:

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

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

What the Government pays

The Australian Government subsidises the provision of residential aged care to those approved to receive it. The payment for each resident consists of a basic subsidy plus those supplements that the resident is entitled to. The system used to assess the amount of basic subsidy payable changed on 20 March 2008 with the introduction of the new Aged Care Funding Instrument (ACFI), in place of the old Resident Classification Scale (RCS). From that date all new permanent residents are given a classification under the new ACFI.

All existing permanent residents who entered before 20 March 2008 have now been assessed under the new ACFI. However, grand-parenting arrangements are in place to ensure that these residents do not receive less funding and will only be moved to the new ACFI basic subsidy if the rate determined under the ACFI exceeds their grand-parented rate under the former scale by more than $15 for the regular annual assessment (or $30 for an ad hoc 'major change').

The level of basic subsidy for respite residents continues to be at set rates determined by the ACAT's assessment of the resident as high or low care.

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

- a basic subsidy amount determined, for permanent residents, by the resident's classification under the ACFI introduced from 20 March 2008 (or by their grand-parented RCS classification if they have yet to transfer to the ACFI) and, for respite residents, by the ACAT's assessment of the resident;
- plus an additional Conditional Adjustment Payment which is an additional percentage of the basic subsidies paid to eligible providers of residential aged care. (For more information see Care Payments, below);
- plus any primary supplements for new supported residents or former concessional residents, transitional residents, respite residents, oxygen, enteral feeding and payroll tax;
- less any reductions in subsidy resulting from the provision of Extra Services, adjusted subsidies for government (or formerly government) owned aged care homes or the receipt of a compensation payment[9];
- less any reduction resulting from the income-testing of residents who entered residential care on or after 1 March 1998; and
- plus any other supplements, including the pensioner supplement, the viability supplement and the hardship supplement (the last of which reduces charges for residents who would otherwise experience financial hardship).

The Minister for Ageing determines the rates for subsidies and care supplements to be paid from 1 July of each year and the rates of accommodation-linked supplements on 20 March and 20 September each year (at the same time as the Australian Government's pension changes). The current rates of payment are available on the Department's internet site[10], in the Aged Care Essentials newsletter and from the Aged Care Information Line.

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

[10] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-subs-supplement.htm

Australian Government funding for residential care subsidies and supplements has risen from $6.0 billion in 2007-08 to $6.5 billion in 2008-09 (see Table 21). This includes funding appropriated through the Health and Ageing portfolio as well as funding for veterans in residential care through the Veterans' Affairs portfolio. These combined appropriations are paid as subsidies and supplements to aged care homes through payment systems managed by Medicare Australia.

Table 21: Australian Government recurrent residential aged care funding, from 2004-05 to 2008-09, by state and territory

	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	1,749.3	1,849.7	1,959.8	2,084.2	2,248.1	7.9%
VIC	1,237.2	1,317.0	1,396.4	1,495.4	1,626.8	8.8%
QLD	903.0	953.7	1,005.0	1,058.8	1,127.9	6.5%
SA	505.9	550.3	590.8	632.1	680.2	7.6%
WA	414.0	441.1	465.2	495.5	536.7	8.3%
TAS	140.7	147.2	153.3	161.5	167.7	3.9%
NT	15.9	17.7	17.3	17.9	18.6	4.0%
ACT	48.0	51.6	54.2	57.7	61.3	6.4%
Aust.	**5,021.5**	**5,339.0**	**5,655.5**	**6,002.9**	**6,474.0**	**7.8%**

Note: Totals may not sum exactly, due to rounding. Aust. totals also include amounts that cannot be attributed to individual states or territories. Table includes funding through the Veterans' Affairs portfolio.

The following table shows recurrent residential aged care funding broken down by different types of subsidies and supplements. Principle subsidies and supplements are outlined below. Full details can be found in the Residential Care Manual 2009[11].

Table 22: Summary of Australian Government Payments by Subsidy and Supplements

Type of payment	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m
Basic Subsidy					
Permanent	4,272.0	4,516.0	4,762.7	5,006.4	5,325.4
Respite	85.4	92.3	101.5	106.6	128.2
Conditional Adjustment Payment	75.6	159.3	250.0	353.8	471.0
Primary care Supplements [(a)]					
Oxygen	6.8	7.7	8.4	9.2	10.2
Enteral Feeding	11.2	11.6	11.0	10.8	10.2
Payroll Tax	81.7	88.5	94.4	99.3	104.1
Respite Incentive	0.0	3.5	8.5	8.4	10.1

table continues on next page

[11] See http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-manuals-rcm-rcmindx1.htm

Hardship					
Hardship	5.7	5.6	5.6	5.9	5.0
Hardship (Accommodation)	0.0	0.0	0.0	0.0	0.4
Accommodation Supplements					
Accommodation Supplement	0.0	0.0	0.0	4.7	104.1
Interim Accommodation Supplement	0.0	0.0	0.0	95.8	0.0
Transitional accommodation supplement	0.0	0.0	0.0	1.6	28.8
Viability	14.3	15.1	15.7	15.1	14.8
Supplements relating to grandparenting					
Concessional	298.8	302.5	308.1	307.0	267.5
Transitional	78.6	60.6	46.4	36.2	28.1
Charge Exempt	4.4	3.4	3.0	2.7	2.2
Pension	286.6	293.9	297.6	300.6	247.0
Income testing reduction	-157.7	-183.6	-213.5	-251.1	-242.9
Other reductions	-48.9	-53.0	-57.1	-57.1	-61.8
Other	7.0	10.1	13.3	-52.8	21.3
Total	**5,021.5**	**5,333.6**	**5,655.5**	**6,002.9**	**6,474.0**

(a) Respite supplement is included in the basic subsidy payment for respite residents.

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

Table 23: Average Australian Government payments (subsidy plus supplements) for each permanent residential aged care recipient, from 2004-05 to 2008-09

	2004-05	2005-06	2006-07	2007-08	2008-09	Increase: 2007-08 to 2008-09
High care residents	$43,200	$44,000	$45,150	$47,200	$48,550	2.9%
Low care residents	$15,500	$15,800	$16,300	$17,050	$17,750	4.2%
All residents	**$33,450**	**$34,600**	**$36,000**	**$38,000**	**$40,100**	**5.5%**

Care Payments

The Basic Subsidy amount is based on the Aged Care Funding Instrument (ACFI), introduced from 20 March 2008, which allocates residential care funding for aged care homes on the basis of residents' care needs. It applies to all new residents and is gradually replacing the RCS for residents who were in care on 20 March 2008. As at 30 June 2009, about 61 per cent of all residents' funding was being paid against the new ACFI rates and only 39 per cent of residents were on their former RCS rates.

The ACFI instrument consists of 12 care-need questions, some of which are supported by specified assessment tools. The resident's care needs are rated by the aged care home on a scale of A, B, C or D for each of the 12 questions and these scores are used to define the actual ACFI rating.

The ACFI has three funding categories or domains: Activities of Daily Living (ADLs), Behaviour (BEH) and Complex Health Care (CHC). Funding in each of these domains is provided at levels of either high (H), medium (M), low (L) or nil (N). The defined funding rates are set out in Table 24. The subsidy paid for a resident is made up by the sum of the amounts payable for the three care domains (ADL + BEH + CHC) but, as at 30 June 2009, was capped at $138.11 as part of the transitional arrangements. Transitional arrangements end on 30 June 2011, after which there will be no cap.

Table 24: Daily ACFI subsidy rates as at 30 June 2009

Level	Activities of daily living (ADL)	Behaviour Supplement (BEH)	Complex Health Care Supplement (CHC)
Nil	$0.00	$0.00	$0.00
Low	$29.22	$6.68	$13.15
Medium	$63.65	$13.85	$37.46
High	$88.17	$29.17	$54.09

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

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

Receipt of CAP funding by individual Approved Providers is voluntary and conditional on compliance with requirements set out in the *Residential Care Subsidy Principles 1997*[12]. Only three Approved Providers have chosen not to participate in the CAP. Participating Approved Providers have met the CAP requirements by:

- participating in the 2007 aged care workforce census;
- satisfying the CAP staff training requirements for the 2008 calendar year; and
- satisfying the CAP audited financial reporting requirements, by lodging a written notice in respect to the 2007-08 financial year.

The CAP payment is calculated as a percentage of the basic subsidy payable in respect of each resident and has increased each year from the initial rate of 1.75 per cent in 2004-05 to reach a level of 8.75 per cent of the basic subsidy in 2008-09. (The CAP is also applied to the basic subsidy amounts in calculating the rates of payment for the Multi-Purpose Services program and the flexible services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.)

[12] Division 4, Part 10 Residential Care Subsidy Principles

The CAP is expected to continue at the level of 8.75 per cent of the basic subsidy over the next four years from 2009-10, providing $2.3 billion to residential aged care providers over this period.

Primary care supplements include the following:

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

A hardship supplement is payable for those residents where the Secretary has made a determination that the imposition of care or accommodation payments would cause financial hardship for the particular resident. Care recipients can seek financial hardship assistance with their daily care fees, the income tested fee, accommodation charge or bond (see section 7.5).

Accommodation Payments

The accommodation supplement (which replaces the concessional resident supplement and pensioner supplement from 20 March 2008) is paid to providers on behalf of residents who cannot meet their own accommodation costs. The accommodation supplement is only payable for eligible permanent residents who entered an aged care service from 20 March 2008.

The supplement provides a maximum of $26.88 per day for eligible residents to ensure that providers receive the equivalent of the maximum accommodation charge for all residents either from the resident or the Government or from a combination of both.

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

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

Table 25 contains the movements in the maximum daily rate of the accommodation supplement to 20 September 2012.

Table 25: Movement in the maximum rate of accommodation supplement

	Estimated Maximum Supplement
1 July 2009 to 19 September 2010	$26.88
20 September 2010 to 19 March 2011	$28.72
20 March 2011 to 19 September 2011	$30.55
20 September 2011 to 19 March 2012	$32.38

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

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

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

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

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

In the 2009-10 Budget, the Australian Government allocated an additional $14.8 million to increase the viability supplements paid to eligible residential aged care providers in regional, rural and remote areas, increasing the total funding to $72.3 million over four years. The average daily supplement will increase by more than 40 per cent over the next two years – from $3.43 to $5.12.

Table 26: Australian Government expenditure for residential viability supplement, and the number of aged care homes receiving residential viability supplement, during 2008-09, by state and territory

	Mainstream Residential Services		National Aboriginal and Torres Strait Islander Flexible Aged Care Program		Multi-Purpose Services[1]	
	Services	$'000	Services	$'000	Services	$'000
NSW	111	3,316.3	2	87.0	47	1,978.3
VIC	95	2,307.5	0	0.0	7	303.7
QLD	106	4,203.5	3	247.0	22	1,484.2
SA	53	1,511.2	4	431.0	9	1,363.8
WA	31	1,835.1	1	122.0	30	1,918.6
TAS	27	699.2	0	0.0	3	144.8
NT	12	951.7	9	1,107.0	1	33.4
ACT	0	0.0	0	0.0	0	0.0
Aust.	**435**	**14,824.4**	**19**	**1,994.0**	**119**	**7,226.8**

Note: [1.] Includes all services receiving a payment, including positive adjustments based on a previous year's entitlement. At 30 June 2009, there were 119 operational MPS all of which received the viability supplement.

Grand-parented payments

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

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

In addition there are five classes of people for whom a hardship supplement is automatically paid, including self-funded retirees whose income is just above the pension cut-off and who may be disadvantaged by paying a higher (non-pensioner) rate of the basic daily fee. Further details of financial hardship arrangements are set out in section 21-37 of the *Residential Care Subsidy Principles 1997*.

What residents pay

The Australian Government does not set the level of fees that residents in aged care homes are asked to pay; however, it does set the maximum level of the fees that providers of care may ask residents to pay. The new arrangements introduced by the *Aged Care Amendment (2008 Measures No. 1) Act 2008* significantly improved the equity of the user fees arrangements.

When a person enters residential aged care, an Approved Provider must offer the person a resident agreement that both the provider and the resident sign, which sets out the policies and practices the provider will follow in setting fees for the resident and the resident's date of permanent entry to the aged care service.

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

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

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

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

Care Fees

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

The maximum daily fee for all permanent residents who enter an aged care home on or after 20 March 2008 was 85 per cent of the annual single basic age pension. The maximum daily

fee was $467.74 per fortnight on 20 March 2009[13]. Before that date, the maximum daily fee was set at a higher level for non-pensioners. The maximum basic daily fee is increased in March and September each year at the same time as changes to the age pension.

As part of the Australian Government's Secure and Sustainable Pension Reforms in the 2009-10 Budget, single pensioners received increases of up to $35.41 a week in their pension payments (including indexation) on 20 September 2009. The Government's decision was framed so that residential aged care providers and pensioners in their care would share the rise in the base pension, to recognise that care providers also needed additional funding to contribute to the costs of services.

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

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

Phased residents can be asked to pay a basic daily fee at the phased resident contribution rate. The phased resident contribution for the first 6 months is the same rate as the protected resident contribution (which is about 78 per cent of the single basic pension). For the period 20 March 2010 to 19 March 2013, the contribution will increase every 6 months until it equals 84 per cent of the single basic age pension (as shown in Table 27).

Table 27: Phased resident contribution rate over time

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

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

The income tested fee is paid by those residents with substantial income and is used to make the cost of aged care more sustainable for taxpayers. Each resident is subject to an income

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

test and the Government reduces the amount of payment going to the provider (called the income test reduction amount) based on the amount that the resident's income exceeds the threshold amount. The provider would normally increase the amount of fee charged to the resident up to or equal to the income test reduction amount. That is, payment of the fee reduces government expenditure rather than accruing to care providers.

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

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

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

Accommodation payments

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

Entrants to high care are required to pay a charge, which is capped and its value is set at the time of entry. Entrants to residential low care may be asked to pay a bond, which is nominally uncapped, but there is a requirement that the new resident be left with a minimum level of assets.

The Australian Government assists those residents who do not have sufficient means, in the payment of their accommodation payments. Full pensioners are not required to pay either accommodation bonds or accommodation charges.

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

Under these arrangements, in 2008-09 providers receive $26.88 per day in accommodation payments for all new residents entering high care, either as a Government supplement or a resident contribution, or a mixture of the two, depending on the value of the new resident's assets. The accommodation supplement is paid by the Australian Government for all new residents entering high or low care who have less than $34,500 (indexed) in assets. For those with more assets, the Government supplement reduces, with the supplement cutting out altogether for those with more than $90,564 (indexed) in assets. This system replaced a number of previous accommodation payments paid for pensioners, and people with low assets.

In 2008–09, an estimated 70.7 per cent of homes collected accommodation charges, compared with 68.3 per cent in 2007–08. The average daily charge to new residents was $19.35, compared with $17.19 in 2007-08. Table 28 shows the maximum daily accommodation charges for pensioners and non-pensioners and the percentage of residents paying the maximum allowable amount for pensioners and non-pensioners.

Table 28: Maximum daily accommodation charges, pensioner and non-pensioner, in 2008-09

Date of entry	Pensioner		Non-Pensioner	
	Maximum Amount	% residents paying maximum	Maximum Amount	% residents paying maximum
1 July 2008 - 19 September 2008	$19.56	63.8%	$26.88	14.6%
20 September 2008 - 19 March 2009	$21.39	64.6%	$26.88	14.0%
20 March 2009 - 30 June 2009	$23.22	67.2%	$26.88	14.6%

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

Residents can choose to pay an accommodation bond as a lump sum, a regular periodic payment or a combination of both (see Table 29). The bond amount and the payment arrangements are negotiated between an Approved Provider and a resident.

The payment of the bond typically requires a significant rearrangement of the financial affairs of the resident, including sale or rental of the person's home, unless that asset is protected under the *Aged Care Act 1997*. This financial vehicle is more consistent with a longer term accommodation change than a short, health-related transition. In recognition of this, the Act gives up to six months for the bond to be paid.

Providers derive income from the accommodation bonds by extracting a retention amount each year, an agreed amount for any other services and by retaining any earnings accruing from the investment of that bond. Providers must use the income from accommodation bonds and retention amounts to meet capital work costs or retire debt related to residential care, or to improve the quality and range of aged care services.

There are strict prudential requirements related to the accounting and handling of bonds collected by aged care providers. The Department closely monitors how effectively providers are meeting these requirements and conducts an annual review of providers' prudential arrangements (see section 9.6).

An estimated 82.0 per cent of aged care homes held accommodation bonds at 30 June 2009, compared with 78.8 per cent at 30 June 2008. The average accommodation bond agreed with a new resident in 2008-09 was $212,958 compared with $188,798 in 2007-08. The median bond amount in 2008-09 was $200,000 compared with $155,000 in 2007-08[14].

[14] Accommodation bond and charge data for 2008-09 are based on preliminary results of the 2009 Survey of Aged Care Homes and subject to further refinement following detailed analysis of the survey results

In about 13.5 per cent of the aged care homes that received new bonds in 2008-09, the average new bond amount agreed for the home was $100,000 or less. In an estimated further 26.0 per cent of such homes, the average amount for new bonds was in the range $100,001 to $150,000.

As shown in Table 29, the method of payment of bonds most frequently used was payment by lump sum.

Table 29: Method of payment of accommodation bonds, as percentage of all bond-paying new residents, from 2004-05 to 2008-09

	2004-05	2005-06	2006-07	2007-08	2008-09
Lump sum	91.8%	91.2%	91.1%	91.0%	89.3%
Periodic payments	4.5%	3.8%	3.6%	3.0%	3.5%
Combination of lump sum and periodic payments	3.7%	5.0%	5.3%	6.0%	7.4%

The size of individual bonds has increased substantially over recent years. As a bond can represent a significant proportion of a resident's life savings, the Australian Government has taken measures to strengthen the protection of residents' bonds. (See Section 9.6 for more information.)

Further information on residential aged care fees and charges can be found on the Department of Health and Ageing web site at http://www.health.gov.au or by calling the Aged Care Information Line on Freecall 1800 500 853.

The extra service amount is the maximum additional amount a provider can charge a resident for receiving extra service in a residential care service with extra service status. Extra service status is granted for services, or distinct part of services, where residents are provided with significantly higher standards of accommodation and food (see section 5.1).

A provider cannot charge any fees above the approved extra service fee amount, for any of the accommodation, services or food specified in the conditions of grant of extra service status. If a resident is occupying an extra service status place, the residential care subsidy for that resident is reduced by 25 per cent of the approved extra service fee for that place.

As at 30 June 2009, there were 8,200 residents receiving care in an extra service status bed, and 13,693 individual residents received care in an extra service status bed throughout the year.

Building activity

Through accommodation payments, residential aged care providers have access to funding to upgrade and maintain buildings. The sector is continuing to invest significant funds in new buildings, rebuilding, and upgrading of homes. Table 30 sets out details[15].

An estimated total of $1,570 million of new building, refurbishment and upgrading work was completed during 2008-09, involving about 16.9 per cent of all homes. An estimated further $1,435 million of work was in progress at 30 June 2009, involving about 10.1 per cent of all homes. At June 2009, an estimated 11.1 per cent of homes were planning building work.

[15] Building activity data for 2008-09 are preliminary and subject to further refinement following detailed analysis of the survey results.

Table 30: Estimated building work expenditure by residential aged care services from 2004-05 to 2008-09[16]

	2004-05	2005-06	2006-07	2007-08	2008-09
Building Work					
Estimated total building work completed during the year or in progress at 30 June ($m)	$2,084	$2,241	$2,988	$3,381	$3,005
Proportion of homes that completed any building work during the year (%)	16.8	16.7	15.2	13.4	16.9
Proportion of homes with any building work in progress at the end of the year (%)	12.1	11.3	12.3	9.8	10
New building work[1]					
Proportion of homes that completed new building work during the year (%)	3.7	3.1	2.7	3.1	3.1
Proportion of homes with new building work in progress at the end of the year (%)	2.8	2.9	3.2	2.7	2.4
Estimated new building work completed during the year ($m)	$573	$756	$629	$873	$968
Estimated new building work in progress at the end of the year ($m)	$482	$542	$801	$854	$731
Proportion of homes that were planning new building work (%)	7.7	6.9	4.6	3.4	3.2
Rebuilding work[2]					
Proportion of homes that completed rebuilding work during the year (%)	0.8	0.4	0.7	0.8	0.8
Proportion of homes with rebuilding work in progress at the end of the year (%)	1.1	1.1	1.7	1.3	1.2
Estimated rebuilding work completed during the year ($m)	$85	$60	$97	$184	$280
Estimated rebuilding work in progress at the end of the year ($m)	$256	$256	$556	$546	$342
Proportion of homes that were planning rebuilding work (%)	3	2.5	2.7	1.5	1.5
Upgrading work[3]					
Proportion of homes that completed upgrading work during the year (%)	12.5	13.2	11.8	9.9	13.2

table continues overleaf

[16] Source: Surveys of Aged Care Homes, 2005, 2006, 2007, 2008 and 2009. Building data for 2008-09 are preliminary and subject to further refinement following detailed analysis of the 2009 survey results.

Upgrading work (cont.)					
Proportion of homes with upgrading work in progress at the end of the year (%)	9	7.4	7.4	6	6.7
Estimated upgrading work completed during the year ($m)	$292	$300	$307	$394	$322
Estimated upgrading work in progress at the end of the year ($m)	$396	$328	$497	$530	$362
Proportion of homes that were planning upgrading work (%)	11	9.6	7.9	7.2	7.2

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

Capital assistance

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

Fifty-four million dollars in capital assistance was allocated during 2008-09 to assist providers of residential care to improve and upgrade 20 aged care homes, with almost 64 per cent of this funding allocated to services in rural and remote areas. Of this, $19.5 million was allocated as Residential Care Grants, to support fire and safety related improvements and other works required for accreditation and certification, as well as the construction of new accommodation. The remaining $34.5 million was provided through the Regional and Rural Building Fund to assist rural and regional aged care homes to upgrade the quality of their buildings or to expand, thereby increasing access to aged care places for rural communities.

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

The first stage of the initiative (2008 Loans Round) was launched in April 2008 and providers were given the opportunity to apply for a share of $150 million in zero real interest loans for residential aged care places in high need areas. Applications closed in June 2008 and results were announced on 17 September 2008. The $150 million was offered to providers to build a total of 1,348 new residential care beds in areas of need as a result of the first round of this initiative. A further 107 community care places were also offered in conjunction with the loans. The second round of the initiative will be incorporated into the 2009-10 Aged Care Approvals Round.

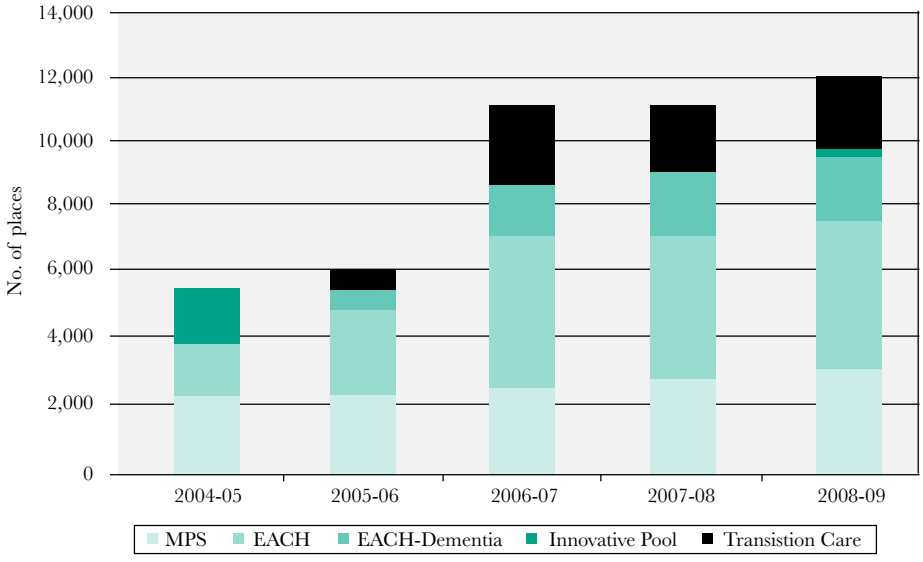
6 Flexible care

Flexible care addresses the needs of care recipients, in either a residential or community care setting, in ways other than the care provided through mainstream residential and community care. Five types of flexible care are now provided for under the Act – Extended Aged Care at Home (EACH) and Extended Aged Care at Home – Dementia (EACHD) packages, Transition Care, Multi-Purpose Service (MPS) places, and Innovative Care. Arrangements for the various types of flexible care are set out in the *Flexible Care Subsidy Principles 1997*. Because of their nature EACH and EACHD services provided under flexible care arrangements have been discussed in more detail in Chapter 4 - Community Care.

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

Figure 4 shows the total number of operational flexible care places funded under the Act, as at 30 June each year, over the five year period to 30 June 2009.

Figure 4: Operational flexible care places from 2004-05 to 2008-09



6.1 What is provided?

Transition care

The Transition Care program provides time-limited, goal-oriented and therapy-focused care for older people after a hospital stay. Under the program older people are provided with a package of services that includes low intensity therapy (such as physiotherapy, occupational therapy and social work), case management, and nursing support and/or personal care.

Transition care is designed to improve older people's independence and confidence after a hospital stay, and allows them to return home rather than prematurely enter residential care. Importantly, transition care gives older people and their families and carers time to consider long-term care arrangements. Transition care can be provided for up to 12 weeks (with a possible extension of another 6 weeks) in either a home-like residential setting or in the community.

The Transition Care program was established in 2004-05 as a jointly funded initiative between the Australian Government and state and territory governments. Commencing in 2005, the Australian Government initially provided a total of 2,000 transition care places to the states and territories, broadly based on the proportion of non-Indigenous people aged 70 or over and Indigenous people aged 50 or over. In 2007-08 the Australian Government announced that an additional 2,000 transition care places would be provided nationally by 2011-12. The recurrent costs of these additional places are fully funded by the Australian Government. In June 2008, the first release of 228 new transition care places was allocated to states and territories as the Approved Providers of transition care services. The second release of 470 places was allocated in March 2009.

Multi-Purpose Services

Multi-Purpose Services are a joint initiative between the Australian Government and those states and territories that need such services. They operate under the Act and deliver a mix of aged care, health and community services in rural and remote communities. Some health, aged and community care services may not be viable in a small community if provided separately. By bringing the services together, economies of scale are achieved to support the services.

At 30 June 2009, there were 126 operational Multi-Purpose Services, with a total of 3,076 flexible aged care places (with some of the Multi-Purpose Services serving more than one location). This represents an increase of nine services over the past financial year and an increase of nearly 9.2 per cent in the number of such operational, flexible aged care places over the previous year.

Table 31: Multi-Purpose Services and operational places at 30 June 2009, by state and territory

	Number of Multi-Purpose Services with operational aged care places	Operational aged care places
NSW	48	902
VIC	7	333
QLD	23	422
SA	14	535
WA	30	778
TAS	3	100
NT	1	6
ACT	0	0
Aust.	**126**	**3,076**

Innovative Care Services

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

For example, the Transition Care program (above) is built on the lessons learned from two pilot programs developed through the Innovative Pool - the Innovative Care Rehabilitation Services and the Intermittent Care Services pilots - both of which addressed the interface between aged care and hospital care.

Pilot projects that are approved under the Innovative Pool have clear client eligibility criteria, are time limited and have controlled methods of service delivery. The Innovative Pool is not intended to provide on-going aged care services. Evaluation is an integral element of all projects.

At 30 June 2009, there were 10 operational services with a total of 147 operational innovative care places.

6.2 Who provides care?

The government sector provides 87.3 per cent of Transition Care, Multi-Purpose Service, and Innovative Care services (Table 32). The EACH and EACHD components of flexible care are reported in the section on community care (see Section 4.2).

Transition care services are provided solely by state and local governments. As at 30 June 2009, the Australian Government had allocated a total of 2,698 flexible care places for transition care under the Act. Within the framework of the program, state and territory governments develop their own service delivery models for transition care that best respond to local circumstances.

All states and territories have established transition care services, and 2,228 of the 2,698 places allocated were operational by 30 June 2009.

State and local governments are also the major provider of Multi-Purpose Services which are primarily located in hospital settings. Innovative Pool program service providers are Approved Providers from the community care sector across five states.

Table 32: Operational flexible care places (excluding EACH and EACHD) by provider type at 30 June 2009, by state and territory

	Religious	Charitable	Community Based	For Profit	State Govt.	Local Govt.	Total
NSW	52	0	42	0	1,674	24	1,792
VIC	0	12	94	0	903	0	1,009
QLD	38	0	59	28	773	0	898
SA	0	24	164	0	737	0	925
WA	0	28	0	0	956	0	984
TAS	0	41	49	0	133	0	223
NT	33	18	97	0	28	60	236
ACT	0	0	0	0	37	0	37
Aust.	**123**	**123**	**505**	**28**	**5,241**	**84**	**6,104**
% of Total	2.0%	0.5%	8.3%	2.0%	85.9%	1.4%	

Note: Flexible care places include Innovative Care, Multi-Purpose Services and Transition Care places.

6.3 Who receives care?

Flexible care addresses the needs of care recipients in ways other than that provided through mainstream residential and community care.

The Transition Care program is for older people who have been admitted to hospital and who would otherwise be eligible for residential care. A person may only enter transition care directly after discharge from hospital. As at 30 June 2009, 1,885 people were receiving transition care (Table 33). When fully established, the program will assist up to 30,000 older Australians each year.

Table 33: Number of transition care recipients by area of remoteness, at 30 June 2009

Remoteness Area	Transition care
Major Cities of Australia	1,391
Inner Regional Australia	378
Outer Regional Australia	13
Remote Australia	0
Very Remote Australia	3
Aust.	**1,885**

The Multi-Purpose Service program supports the integration and provision of health and aged care services for small rural and remote communities.

Innovative Pool programs support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or target group.

6.4 How is flexible care funded under the Act?

Transition care

The Transition Care program is jointly funded by the Australian Government and all states and territories. In 2007-08 the Government made a budget announcement to provide an additional 2,000 transition care places by 2011-12. Whereas previously transition care places were jointly funded with states and territories, recurrent costs of the additional places are fully funded by the Commonwealth. Australian Government funding for the Transition Care program is provided in the form of flexible care subsidy for each person receiving transition care.

Table 34: Expenditure on transition care, by state and territory, 2008-09

	NSW $m	VIC $m	QLD $m	SA $m	WA $m	TAS $m	NT $m	ACT $m	Total
Australian Government	25.8	21.8	11.6	8.0	5.2	2.0	0.5	1.3	76.1
States and territories	22.5	26.6	10.6	7.1	3.6	2.6	0.6	1.2	74.8
Total	**48.3**	**48.4**	**22.2**	**15.1**	**8.8**	**4.6**	**1.0**	**2.5**	**150.9**

Multi-Purpose Services

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

There was continued growth in Australian Government expenditure for the Multi-Purpose Services program, from $78.3 million in 2007-08 to $95.0 million in 2008-09.

Table 35: Australian Government expenditure for Multi-Purpose Services, from 2003-04 to 2008-09, by state and territory

	2004-05 $m	2005-06 $m	2006-07 $m	2007-08 $m	2008-09 $m	Increase: 2007-08 to 2008-09
NSW	16.0	18.9	20.9	24.2	30.8	27.3%
VIC	7.9	8.3	8.6	9.2	9.8	6.5%
QLD	7.1	8.8	10.1	12.0	12.7	5.8%
SA	5.9	6.6	7.0	9.0	16.5	85.4%
WA	13.2	16.6	19.9	20.7	21.6	4.4%
TAS	2.3	3.1	2.7	3.0	3.3	10.0%
NT	0.0	0.0	0.0	0.2	0.3	50.0%
ACT	0.0	0.0	0.0	0.0	0.0	0.0%
Aust.	**52.4**	**62.3**	**69.2**	**78.3**	**95.0**	**21.5%**

Innovative Care Services

At the beginning of each financial year the Minister for Ageing determines the flexible care subsidy rates for the Innovative Pool pilots. These subsidy rates are paid for each client per day receiving care through the Innovative Pool program.

The Australian Government spent a total of $3.7 million nationally on projects funded from the Innovative Pool program in 2008-09.

7 Support for people with special needs

The *Aged Care Act 1997* aims to provide aged care services in a way that best meets the identified needs of the community. It facilitates access to care irrespective of gender, race, culture, language, economic circumstance or geographic location. In accordance with these aims, the Secretary may decide, under section 12-5 of the Act, that a number of aged care places will be made available to focus on the care of particular groups of people.

The special needs provisions in the Act are consistent with the aims of the Australian Government's Social Inclusion Agenda which, in part, aims to ensure strategies which provide a pathway to inclusion and a continuum of care.

People with special needs are identified under the Act and Principles and include people from Aboriginal and Torres Strait Islander communities, people from non-English speaking (culturally and linguistically diverse) backgrounds, people who live in rural or remote areas, people who are financially or socially disadvantaged, and veterans (including spouses, widows and widowers of veterans). Younger people with disabilities and people with psychiatric disorders also require careful consideration.

In the White Paper on Homelessness, *The Road Home* (December 2008), the Australian Government undertook to amend aged care legislation to recognise older people who are homeless as a special needs group. The *Allocation Principles 1997* were amended on 1 June 2009 to include "people who are homeless or at risk of homelessness" as a special needs group for the purposes of the *Aged Care Act 1997*.

The Act requires Approved Providers to demonstrate their understanding of the particular care needs of people from the special needs groups when applying for new places or the transfer of places.

In the 2008-09 Aged Care Approvals Round, 851 residential aged care places and 1,425 community aged care places were allocated to aged care providers seeking to provide care with a focus on people from four of the special needs groups - that is, people from Aboriginal and Torres Strait Islander communities, people from diverse cultural and linguistic backgrounds, people who are financially or socially disadvantaged and people who are veterans, including a spouse, widow or widower of a veteran. A further 1,418 residential and 1,448 community aged care places were allocated to regional, rural and remote areas. In addition, a capital grant of $16 million was allocated to Mission Australia to construct a residential aged care service in Redfern in New South Wales for older people who are homeless or at risk of becoming homeless.

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

7.1 Aboriginal and Torres Strait Islander people

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

Aboriginal and Torres Strait Islander people access aged care services both funded under the Act and funded outside the Act through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

All aged care services that are funded under the Act are required to provide culturally appropriate care. Also, whether they are located in a community or a residential setting, services may be subject to specific conditions of allocation in relation to the proportion of care to be provided to particular groups of people, including Aboriginal and Torres Strait Islander people.

The National Aboriginal and Torres Strait Islander Flexible Aged Care Program (the Flexible Aged Care Program) aims to provide quality, flexible, culturally appropriate aged care to older Aboriginal and Torres Strait Islander people close to their home and community. Service providers deliver a mix of residential and community aged care services in accordance with the needs of the community. At 30 June 2009, there were 29 aged care services funded to deliver over 650 flexible aged care places. These services are funded and operate outside the regulatory framework of the *Aged Care Act 1997*.

The Australian Government's Indigenous Aged Care Plan (the Plan) was announced on 22 September 2008 and totals $46 million over five years. The Plan aims to improve the long-term quality of aged care for Aboriginal and Torres Strait Islander people wishing to remain in their communities. The Plan has four key elements, which include the development of an independent quality framework with a set of culturally appropriate standards for the Flexible Aged Care Program; a capital grants program to upgrade or expand aged care services; a support program to give providers access to a range of professional services on care management, quality, governance and financial management; and funding for emergency assistance to eligible aged care services. The Plan will benefit all of the 29 flexible aged care services, aged care services under the Act providing care to Aboriginal and Torres Strait Islander people, and aged care services in remote locations.

7.2 People from culturally and linguistically diverse backgrounds

Older people from culturally and linguistically diverse backgrounds can access and benefit from the same funding and services as other older people in the community. There are also some additional initiatives intended to address their special needs.

Partners in Culturally Appropriate Care is a program that was developed in 1997 to support aged care service providers in the provision of culturally appropriate care to people from non-English speaking (culturally and linguistically diverse) backgrounds. In 2008-09 the Australian Government provided over $1.3 million to continue the Partners in Culturally Appropriate Care initiative.

The Community Partners Program assists older people from culturally and linguistically diverse communities to gain access to aged care services. In 2008-09 the Australian Government provided $5 million to continue the Community Partners Program.

7.3 Veterans

Veterans, including spouses, widows and widowers of veterans, are designated as 'people with special needs' under the Act[17]. The care needs of 'people with special needs' are taken into account in the planning and allocation of aged care places.

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

There were 25,405 DVA gold or white treatment card holders in residential aged care at June 2009, a decrease from 26,783 at June 2008.

Table 36: Number of DVA gold or white treatment card holders in residential aged care, June 2009

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Aust.
8,789	6,235	5,055	2,318	1,934	763	19	292	25,405

7.4 People who live in rural and remote areas

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

In addition, the Multi-Purpose Services program supports improvement in the integration and provision of health and aged care services for small rural and remote communities. The flexibility inherent in the program can be used to respond to the specific needs of each community and to allow change, as the community's needs change. Nationally, the number of Multi-Purpose Services increased from 117 services in June 2008 to 126 services in June 2009. Some Multi-Purpose Services provide services at more than one location. (For further information on Multi-Purpose Services see Chapter 6.)

Aged care providers delivering aged care services to remote and very remote locations will also receive support under the Remote and Indigenous Service Support Program. This program assists Aboriginal and Torres Strait Islander owned or operated organisations anywhere in Australia and services located in remote and very remote locations that are providing community and/or residential care.

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

7.5 People who are financially or socially disadvantaged

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

Supported, concessional and assisted residents

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

Supported residents are those who:

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

Concessional residents are those who:

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

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

Concessional residents and some supported residents do not pay accommodation bonds or charges. Assisted residents and some supported residents pay a reduced amount of accommodation bond or charge. The amount of bond or charge for these residents depends on the amount of their assets.

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

The Australian Government gives additional supplements to aged care providers on behalf of supported, assisted and concessional residents. The accommodation supplement paid for supported residents and the concessional resident supplement are paid at two levels. An aged care home receives a higher rate of supplement for eligible supported and concessional residents where:

- more than 40 per cent of its residents are supported, concessional or assisted residents; or
- more than 40 per cent of its post 20 March 2008 residents are supported residents.

The lower rate of supplement is paid for eligible supported and concessional residents of homes where:

- 40 per cent or fewer of their residents are supported, concessional or assisted residents; or
- 40 per cent or fewer of a home's residents are not supported, concessional or assisted residents and 40 per cent or fewer of a home's post-20 March 2008 residents are not supported.

The supplement paid for eligible assisted residents is calculated separately and is not affected by changes in the proportion of supported, concessional and assisted residents.

Of the 162,253 people receiving care in residential homes as at 30 June 2009, financial support was being provided for 18,843 supported residents, 37,598 concessional residents and 4,469 assisted residents.

Hardship provisions

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

During 2008-09, the Department processed 897 applications for financial hardship assistance. Of these, 54 per cent were approved and 6 per cent were rejected as ineligible. Following advice from the Department, the remaining 40 per cent of applications were withdrawn when, for example, the Department was able to recommend more appropriate ways to obtain needed support. Approvals of financial hardship assistance are reviewed on a case-by-case basis or when a resident's financial circumstances change. There are some classes of care recipients who are automatically eligible for a hardship supplement. These are described in the *Residential Care Subsidy Principles 1997*.

7.6 Homelessness

In comparison to other older people, older people experiencing homelessness have more complex health and support needs, face lower life expectancy and often do not have family support.

The Australian Government has expanded the support it provides for care recipients with special needs to include homeless older people.

The Australian Government has:

- amended the *Aged Care Act 1997* to include homeless older people as a 'special needs' group to formally recognise their unique requirements. This will better allow the needs of homeless older people to be specifically taken into account during the annual allocation of new residential care places and community care packages;
- specifically allocated aged care places for homeless older people in future Aged Care Approval Rounds. This will support aged care providers with a proven track record in servicing homeless older people; and
- provided capital funds for at least one new specialist facility for homeless older people a year for the next four years to 2012.

These measures respond to the White Paper on Homelessness, *The Road Home*, released in December 2008. The White Paper builds on other Government activities such as the Australian Government's Assistance for Care and Housing for the Aged (ACHA) to support older homeless people.

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

During 2008-09 a total of $4.3 million was paid to 42 providers to assist older people obtain access to permanent housing and other community support. This included a funding boost of 25 per cent to 38 existing providers.

8 Quality in Aged Care

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

- assistance to develop and maintain a sufficient and skilled aged care workforce;
- strategies to improve clinical care; and
- support for consumers of aged care services.

8.1 Workforce

An adequate and well-qualified workforce is fundamental to the delivery of quality aged care. The Australian Government supports a range of workforce initiatives designed to provide additional training opportunities for existing staff and to create better career paths for all care workers. These initiatives assist providers to meet their responsibilities under the Act and to develop a well trained aged care workforce.

Bringing nurses back into the workforce

In the 2008-09 Budget, the Australian Government committed $138.9 million over five years across the Health and Ageing and Education portfolios in support of the recruitment and training of up to a total of 8,750 nurses across public and private hospitals and aged care, as well as funding up to an additional 1,170 university nursing places per year.

In relation to aged care, $6.9 million is being provided over five years to bring 1,000 registered nurses and enrolled nurses, who have been out of the health workforce for more than 12 months, back into employment in residential aged care.

Eligible nurses who re-enter residential aged care on or after 15 January 2008 will receive cash bonuses of up to $6,000 and their employers will be paid up to $1,000 towards the costs of re-training and re-skilling each re-entry nurse.

On 2 December 2008, changes were introduced in the Bringing Nurses Back into the Workforce program which included extending the program to community based aged care, paying the $1,000 training support payment in full, whether nurses return to work part-time or full-time and additional training support for enrolled nurses returning under the program to up-skill to the Diploma in Nursing.

In 2008-09, 71 nurses had returned to aged care work and been assessed as eligible to receive the cash bonus.

More aged care nurses

The Aged Care Nursing Scholarships Scheme encourages more nurses to enter or re-enter aged care and to increase the skills of nurses working in the aged care sector, particularly in rural and regional areas.

The scholarship scheme is administered by the Royal College of Nursing Australia.

Both undergraduate and postgraduate scholarships are available. Scholarship applicants are ranked according to their demonstrated commitment to aged care, and the recency and longevity of their regional, rural and remote experience.

Undergraduate scholarships are valued at $10,000 per year, to a maximum of $30,000. Postgraduate scholarships are valued at up to $15,000. From 1 July 2008 to 30 June 2009, 352 undergraduate and 204 postgraduate scholarships have been awarded.

Support for aged care workers

The Support for Aged Care Training Program funds accredited education and training for personal care workers, including up-skilling to enrolled nursing, in smaller aged care homes and homes in rural and remote locations in Australia.

In 2008-09, 1,356 certificate-level training places were funded at a cost of $6.049 million.

Better Skills Better Care

The Better Skills for Better Care Program initiative aims to enhance the skills and qualifications of personal care workers in residential aged care homes.

In 2008-09 the Better Skills for Better Care program provided more than 5,000 training opportunities to personal care workers to gain accredited Certificate training ranging from Certificate III in Aged Care Work to enrolled nurse qualifications.

Dementia care skills for aged care workforce

The Dementia Care Essentials Program was a four year program to provide accredited training in vital aspects of good dementia care, including care planning, communications, and managing challenging behaviour to 17,000 residential and community aged care workers. Over the four years to 30 June 2009, in excess of 18,000 residential and community aged care workers across Australia have received training at a total cost of $13.6 million. The program has been extended until 30 June 2010.

Community Aged Care Workforce

The Community Aged Care Workforce Development Program provides Certificate level III and IV training for community aged care workers who deliver direct care to recipients of Australian Government subsidised Community Aged Care Packages, Extended Aged Care at Home and Extended Aged Care at Home - Dementia packages. In 2008-09 more than 3,000 training places were made available for community aged care workers.

The program also funds the Post-Graduate Community Aged Care Nurses Scholarship Scheme. The scholarship scheme is administered by the Royal College of Nursing Australia. In 2008-09, 285 scholarships were offered under the scheme.

Aboriginal and Torres Strait Islander Community Care

The aged care sector's rollout of the Australian Government's workforce initiatives, including changes to the Community Development Employment Projects Program, has to the end of June 2009, resulted in the creation of more than 500 permanent, part-time positions in aged care services throughout Australia for Aboriginal and Torres Strait Islander people.

These employment and workforce development initiatives complement the Indigenous Aged Care Plan, which was announced on 22 September 2008. Improving opportunities for Aboriginal and Torres Strait Islander people to secure employment in their local aged care services will assist in improving quality and culturally appropriate aged care services for Aboriginal and Torres Strait Islander people.

8.2 Quality Improvement

Encouraging Best Practice in Residential Aged Care Program

The Encouraging Best Practice in Residential Care (EBPRAC) program aims to improve the quality of clinical care for residents in aged care homes.

The Program supports the uptake of existing evidence-based guidelines by funding organisations to translate the best available evidence into easy approaches for staff to use in their everyday practice. While there are a number of existing evidence-based guidelines to assist aged care staff in providing appropriate care for residents, it is recognised that there is a need to establish strategies to translate the evidence into everyday practice. This could include training programs, improved communication procedures, assessment tools or management policies and protocols.

Funded applicants are required to establish a consortium that includes residential aged care homes, researchers and educators to implement up-to-date, evidence-based clinical care in a specific area of practice for residents of aged care homes. In 2008-09, the second round of EBPRAC funded eight projects.

Community Care Better Practice

Quality assurance arrangements for older Australians receiving community aged care are being expanded to include strategies to support the sector to improve quality service provision. Better practice is a key component of initiatives to improve the quality of care.

A key strategy in supporting the sector is through identification and promotion of evidence-based better practice models in care planning/case management, falls prevention, wound management and safe medication management.

In 2008-09, in consultation with key stakeholders, work has been undertaken to identify better practice models suitable for use in community care. To date, progress has been made on development work in the priority areas of care planning and assisting care providers to locate suitable resource information.

8.3 Advocacy and support

National Aged Care Advocacy Program

The Department funds aged care advocacy services in each state and territory under the National Aged Care Advocacy Program (NACAP). Advocacy services provide independent advocacy and information to recipients or potential recipients (or their representatives) of aged care. The services also perform an educative role for aged care recipients and Approved Providers on the rights and responsibilities of care recipients.

In 2008-09, services under the National Aged Care Advocacy Program undertook 3,638 advocacy cases, handled 5,261 general enquiries and provided 1,618 face-to-face education sessions.

Community Visitors Scheme

The Community Visitors Scheme (CVS) provides one-on-one volunteer visitors to residents of Australian Government subsidised aged care homes who are socially or culturally isolated and whose quality of life would be improved by friendship and companionship. The Community Visitors Scheme is available to any resident of an Australian Government subsidised aged care home who is identified by their aged care home as at risk of isolation or loneliness, whether for social or cultural reasons or because of disability. The scheme has wide acceptance in the community and the aged care sector.

In 2008-09, funding for the Community Visitors Scheme was approximately $8.93 million, with 7,500 funded visitors.

9 Regulation and Compliance

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

9.1 Approved Provider

To receive Australian Government subsidies for providing aged care, an aged care service must be operated by an organisation that has been approved under the provisions of the *Aged Care Act 1997*, and hold an allocation of places in respect of care recipients occupying those places in a service. In 2008-09 the Department received 122 applications by entities seeking approval as providers; of these 74 have been approved.

An Approved Provider, and associated key personnel, must continue to be suitable under the legislative provisions. One of the obligations of an Approved Provider is to notify any changes in key personnel within 28 days. In 2008-09 Approved Providers notified 6,498 changes; ceasing 2,722 and commencing 3,776 key personnel.

Approved Providers of Australian Government funded aged care must comply with the legislative obligations as set out in the *Aged Care Act 1997* and the Aged Care Principles. The Department monitors compliance by Approved Providers with their responsibilities and should the Approved Provider cease to be suitable the Department is required to revoke Approved Provider status under the provisions set out in the *Aged Care Act 1997*. In 2008-09, two Approved Providers were found to be no longer suitable and had their approvals revoked.

9.2 Community Care Quality Reporting

Quality Reporting is the Australian Government's process to promote ongoing improvement of the quality of their community care service delivery. It is a Government requirement that applies to providers funded for Community Aged Care Packages, Extended Aged Care at Home (EACH) and EACH Dementia packages, and the National Respite for Carers (NRCP) program. Providers of these services are required to appraise their performance against program standards and complete a Quality Report at least once during a three year cycle. The second three year cycle commenced on 1 July 2008 and includes police checks and review of improvement plans from the first cycle. Twenty per cent of community care services participated in Quality Reporting in 2008-09.

A number of strategies were progressed during 2008-09 to strengthen the quality assurance framework for community care packages and the NRCP.

As part of the development of common standards and reporting processes across community aged care programs, more information is being included under the Standards.

Draft Common Standards and their associated Expected Outcomes were endorsed, subject to a pilot, by Community Aged Care Officials (CACO) in 2008, and further consultation with peak bodies and major organisations occurred in January 2009. The pilot commenced

in late April 2009 and is due to be completed in September 2009. Based on the outcomes of the pilot, the Common Standards documents and processes will be further revised, with implementation planned to occur for 2010.

Identification of better practice models has been undertaken to underpin work to support the sector in improving quality service provision.

Consumer awareness of services and advocacy and complaints options is expected to be bolstered by a Charter of Rights and Responsibilities for Community Care. The development of the Charter was announced by the Minister for Ageing on 10 October 2008.

The Charter will assist in clarifying the rights of the 64,000 Australians receiving community aged care packages, as well as helping care recipients recognise their responsibilities to service providers. The Charter will also give older Australians receiving at-home care a greater say in how these services are provided to them.

The Charter was developed in 2008-09 in consultation with the Ageing Consultative Committee and the organisations and consumers that they represent, as well as other key stakeholders, and came into effect on 1 October 2009.

9.3 Residential care accreditation

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

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

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

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

[18] Review of Pricing Arrangements in Residential Aged Care. Summary of the Report. Canberra, 2004, pp. 38-39.

During 2008-09, the Agency conducted education and information sharing activities including:

- Better Practice events attended by a total of 1,221 delegates;
- a series of one-day seminars attended by 595 participants and covering continuous improvement, evidence-based practice and managing risk;
- courses in assessing for accreditation, including the aged care quality assessment course, attended by 590 participants;
- Quality Education on the Standards *(QUEST)* sessions delivered to 5,218 staff of residential aged care homes; and
- a National Education Conference, attended by 153 delegates.

Aged care homes must remain accredited to continue receiving Australian Government funding. During 2008-09, the Agency conducted the following visits to assess and monitor Australian Government funded aged care homes against the Accreditation Standards:

- 1,622 accreditation site audits;
- 104 review audits, of which 57 were unannounced; and
- 5,869 support contacts, of which 3,481 were unannounced.

This means that the Agency conducted a total of 7,595 visits to homes during 2008-09 – an average of 2.7 visits per home. All homes received at least one unannounced visit during the year.

In respect of the 104 review audits that were conducted, 104 decisions were made:

- 49 homes were the subject of a decision not to revoke or vary the period of accreditation;
- 49 homes were the subject of a decision to vary accreditation; and
- six homes were subject to a decision to revoke accreditation. Of these, two homes closed and, following requests for reconsideration, three homes were granted a period of accreditation of six months and one home had the balance of its existing period of accreditation re-instated.

During 2008-09, the Agency identified 303 homes as being non-compliant with one or more of the 44 expected outcomes of the Accreditation Standards. Homes found to be non-compliant with the Accreditation Standards are placed on a timetable for improvement, providing them with an opportunity to correct the non-compliance.

As at 30 June 2009, 2,794 homes were accredited. Of these homes:

- 91.6 per cent (2,560 homes) were accredited for three years; and
- 2.4 per cent (68 homes) were identified as having some non-compliance in respect of one or more of the 44 expected outcomes of the Accreditation Standards.

Information about a home's accreditation status, including copies of the most recent accreditation and review audit reports, is published on the Agency's website. The Agency also publishes an annual report, which gives details about the operation of accreditation. Further information is available on the Agency's website at http://www.accreditation.org.au.

Accreditation reform

During 2008-09 the Department progressed reviews of the accreditation process and the Accreditation Standards. These reviews seek to strengthen current accreditation and monitoring processes and support quality improvements to ensure that recipients of Australian Government funded residential aged care receive the best possible level of care.

A discussion paper on the review of the accreditation process for residential aged care homes was released in May 2009 for public consultation, with submissions due by 17 July 2009. Outcomes of the public consultation process will be considered during 2009-10 and will inform advice to the Minister for Ageing on options for enhancing the accreditation process.

During 2008-09 the Department also established a Technical Reference Group to assist with the review of the Accreditation Standards. In early 2009-10, a request for tender will be undertaken to engage the services of an appropriately skilled and experienced organisation or consortia to progress the review of the Standards and pilot the revised Standards in a number of aged care facilities.

9.4 Residential care certification

Certification focuses on the building quality of aged care homes. A home must be certified to be able to receive accommodation payments and Extra Service charges. Residents expect high quality and safe accommodation in return for their direct and indirect contributions, therefore all aged care homes are required to meet fire safety and privacy and space targets to be eligible to receive the maximum level of the accommodation supplement available from March 2008.

While certification is not time limited, it is based on the principle of continuous improvement and an agreed 10-year plan, introduced in 1999, provides homes with a clear framework for improving safety, privacy and space standards. Every aged care home that was constructed prior to July 1999 is required to have no more than four residents accommodated in any room, no more than six residents sharing each toilet and no more than seven residents sharing each shower or bath.

Under the privacy and space requirements, all new buildings constructed since July 1999 are required to have an average, for the whole aged care home, of no more than 1.5 residents per room. No room may accommodate more than two residents. There is also a mandatory standard of no more than three residents per toilet, including those off common areas, and no more than four residents per shower or bath. Table 37 shows the summary of services that have met the privacy and space requirements as at 30 June 2009.

Table 37: Services that have met the privacy and space requirements as at 30 June 2009, by state and territory

	Total Services	Total Compliant Services	Percentage of Compliant Services
NSW	889	867	97.5%
VIC	780	776	99.4%
QLD	477	468	98.1%
SA	271	270	99.6%
WA	245	243	99.1%
TAS	82	81	98.7%
NT	14	14	100.0%
ACT	25	24	96.0%
Aust.	**2,783**	**2,743**	**98.5%**

The requirements of the 1999 Certification Assessment Instrument do not override the building and fire safety regulations within each state and territory. Through the Building Code of Australia, the state and territory building regulations set the minimum community standard for safety, health and amenity of buildings.

Ninety-nine per cent of aged care homes met the fire and safety requirements of the 1999 Certification Instrument at 30 June 2009. The remaining homes had not met the increased quality measure for fire safety by 30 June 2009 but have major building works underway and are expected to achieve the targets in the near future.

Approved Providers of residential aged care are required to complete a fire safety declaration each calendar year. The declaration seeks assurance that Australian Government funded aged care homes have complied with all applicable state, territory and local government fire safety laws throughout the year and as at 31 December each year. All fire safety declaration forms for the 2008 calendar year were received. Of these, one indicated non-compliance and this home is currently under the supervision of the local council.

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

9.5 Compliance / Sanctions

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

Australians expect high standards of care in aged care services. The accreditation system for residential care and the quality reporting system for community care emphasise providers

accepting responsibility for providing, maintaining and improving service. The regulatory processes give Approved Providers every opportunity to address non-compliance.

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

Protecting residents' safety

Reportable assaults

All Australian Government subsidised aged care homes must report incidents or allegations of sexual assault or serious physical assault. In this context, 'reportable assault' is defined in the *Aged Care Act 1997* and means unlawful sexual contact or unreasonable use of force that is inflicted on a person receiving residential aged care. Under these arrangements, Approved Providers are required to:

- report to the police and to the Department within 24 hours incidents involving alleged or suspected reportable assaults;
- take reasonable measures to ensure staff members report any suspicions or allegations of reportable assaults to the Approved Provider;
- take steps to protect the security of residents in the facility;
- take reasonable steps to protect the identity of any person who lodges a report; and
- keep consolidated records of all incidents involving allegations or suspicions of reportable assaults.

The Department may receive information about alleged or suspected assaults on a resident through varied means, for example, from an Approved Provider, from a staff member, from residents and their families and from other health professionals.

In 2008-09 the Department received notification of 1,411 alleged reportable assaults. Of those, 1,121 were recorded as alleged unreasonable use of force, and 272 as alleged unlawful sexual contact and 18 as both.

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

Missing residents

Under the *Aged Care Act 1997* Approved Providers of aged care homes have a responsibility to ensure a safe and comfortable environment consistent with residents' care needs, and this includes residents who have wandering behaviours.

From 1 January 2009 amendments to the *Accountability Principles 1998* came into effect in relation to Approved Providers notifying the Department about residents who go missing without explanation from Commonwealth funded aged care homes.

Approved Providers are required to contact the Aged Care Complaints Investigation Scheme (CIS) if:

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

The CIS must be notified about the absence as soon as reasonably practicable and within 24 hours of the Approved Provider reporting the absence to the police.

For the period 1 January 2009 to 30 June 2009 there were 367 notifications of missing care recipients made to the CIS.

Police Checks

Police check arrangements aim to prevent unsuitable people from working in Australian Government subsidised aged care services and to enhance protection for older Australians receiving care.

From January 2009 amendments to the *Accountability Principles 1998* came into effect to extend police checks to all staff and contractors who have access to care recipients, regardless of whether they are supervised or unsupervised, which must be renewed every three years. In addition, volunteers who have unsupervised access to care recipients must also have a national criminal history record check. These arrangements also apply to the Australian Government's National Respite for Carers Program.

Persons who are precluded from becoming a staff member or unsupervised volunteer are those whose police check record shows that they have been convicted of murder or sexual assault, or convicted of, and sentenced to, imprisonment for any other form of assault.

Sanctions

In 2008-09, the Department took sanction action against 27 Approved Providers, issuing 30 Notices of Decision to Impose Sanctions. At 30 June 2009, 13 of the sanctions remained in place. Details of sanctions imposed in 2008-09 are included at Appendix D. The Department also issued 163 Notices of Non-Compliance.

9.6 Prudential

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

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

At 30 June 2008, Approved Providers reported through their Annual Prudential Compliance Statements that they held over 58,000 bonds with a total value of around $7.7 billion. The average holding per Approved Provider was $7.9 million and the 10 largest bond holders (including company groups) held approximately 22.3 per cent, or around $1.7 billion, of all accommodation bond monies.

Approved Providers holding accommodation bonds or entry contributions must comply with three Prudential Standards: the Liquidity Standard, the Records Standard and the Disclosure Standard. The Prudential Standards collectively seek to enhance management of accommodation bond and entry contribution funds by Approved Providers through:

- requiring Approved Providers to systematically assess their future accommodation bond and entry contribution refund obligations and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due; and
- promoting the transparency of Approved Providers' management of accommodation bond and entry contribution funds by requiring disclosure, to residents, prospective residents and the Department, of information on the Approved Provider's prudential compliance and their financial position.

During 2008-09, the Department conducted monitoring and compliance activity to promote compliance with the prudential requirements, including assessing the Annual Prudential Compliance Statements lodged by Approved Providers and investigating cases of possible non-compliance. The Department has developed a program to monitor large Approved Providers and released guidance about the prudential requirements in the updated Residential Care Manual.

The Annual Prudential Compliance Statement is a key mechanism through which the Department monitors the compliance of Approved Providers with the prudential requirements. The Prudential Standards require an Annual Prudential Compliance Statement to be completed by each Approved Provider, indicating compliance with the prudential requirements. For the 2007-08 reporting year, 1,215 Approved Providers were asked to complete and lodge an Annual Prudential Compliance Statement by 31 October 2008. The four Approved Providers that did not lodge had ceased trading or were under external administration.

Table 38: Annual Prudential Compliance Statement outcomes for 2006-07 and 2007-08

Annual Prudential Compliance Statement Reported compliance	2007-08	2006-07
Approved Providers that reported non-compliance	184	213
Approved Providers that reported non-compliance with the Records Standard	44	19
Approved Providers that reported non-compliance with the Disclosure Standard	41	44
Approved Providers that reported non-compliance with the Liquidity Standard	11	48
Approved Providers that reported they refunded accommodation bonds after due dates	115	136

The results show improvement in three of the four areas of compliance. The reported level of compliance with the Records Standards would have improved except for two new questions requiring Approved Providers to report on recording of interest paid with bond refunds. Excluding the new questions, only 12 Approved Providers reported non-compliance with the Records Standard in 2007-08.

During 2008-09 the Department issued 36 'warning letters' and two Notices of Non-Compliance to Approved Providers for non-compliance with the prudential requirements.

Accommodation Bond Guarantee Scheme

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

The Guarantee Scheme was triggered twice during 2008-09, and the Government has refunded the outstanding accommodation bond balances, including interest, to affected residents. The Department is currently pursuing recovery of the refunded amounts from the companies.

9.7 Validation of Providers' Appraisals (under Aged Care Funding Instrument and Resident Classification Scale)

Aged care providers are accountable for the subsidies they receive based on the ACFI appraisals they complete to show the assessed care needs of the residents in their care. As it is the care staff in the home that complete the appraisals on which a funding classification is determined, the Department checks the accuracy of the appraisals to protect taxpayer funding and ensure that the funding for a sample of residents reflects their assessed care needs. These reviews are a primary accountability measure to safeguard public expenditure on residential aged care.

The ACFI replaced the RCS as a means to determine the amount of aged care subsidy on 20 March 2008. During 2008-09 reviews of both instruments were undertaken. The RCS reviews were a strategy to ensure the accuracy of any future funding provided under 'grand-parenting' arrangements. These arrangements relied on the most recent RCS classification in place prior to the transition to an ACFI classification.

During 2008-09, 12,548 reviews of RCS appraisals were completed. Of those reviews, 3,749 or 30 per cent resulted in reductions of funding, of which 350 or 9.3 per cent were appealed. On appeal to the Department, approximately 28.6 per cent of the 350 appealed decisions were confirmed. In approximately 43.7 per cent of cases, the original classification by the home was reinstated. In the remaining cases, 27.7 per cent of the review decisions were set aside and a new decision substituted.

During 2008-09, 7,480 ACFI reviews were completed. Of those reviews, 1,057 or 14 per cent, resulted in reductions of funding, 21 or 2 per cent, were appealed. On appeal to the Department, approximately 40 per cent of the 21 appealed decisions were confirmed. In approximately 50 per cent of cases, the original classification by the home was reinstated. In the remaining cases, 10 per cent of the review decisions were set aside and a new decision substituted.

During 2008-09 there were no applications made by Approved Providers to appeal the review of the RCS or ACFI Appraisal through the Administrative Appeals Tribunal.

10 Complaints Investigation Scheme

The Aged Care Complaints Investigation Scheme (CIS) commenced operation on 1 May 2007 and was established through changes to the *Aged Care Act 1997* and the introduction of regulations under the Act - the *Investigation Principles 2007*. The CIS covers both residential and community aged care services subsidised under the Act. The CIS is a free service with offices in each state and territory.

Anyone can contact the CIS with a concern, including care recipients, family members, care providers, staff members and health professionals. Complaints can be made openly, anonymously or on a confidential basis and can be about anything that affects the quality of care for aged care recipients.

The CIS has the power to conduct investigations on its own initiative and issue Notices of Required Action, where an Approved Provider is found to be in breach of their responsibilities under the Act.

CIS complaints activity

The CIS received 12,573 contacts between 1 July 2008 and 30 June 2009. Approximately 63 per cent (or 7,962) of these contacts were considered 'in-scope' cases – that is, relating to an Approved Provider's responsibilities under the Act – and subsequently investigated. The remaining 37 per cent (or 4,611 cases) were either addressed through the provision of information or were 'out-of-scope' of the scheme and were therefore not investigated, although they may have been referred to the appropriate body to deal with. Complaints that are not within the parameters of an Approved Provider's responsibility under the Act are classified as 'out-of-scope' cases.

Victoria received the highest number of contacts during the reporting period, with 34 per cent (or 2,743) of the total number of in-scope cases and 32 per cent (or 1,467) of the total number of out-of-scope cases recorded Australia-wide. New South Wales recorded 26 per cent (or 2,083) of the total number of in-scope cases and 26 per cent (or 1,187) of the total number of out-of-scope cases. Queensland recorded 17 per cent (or 1,390) of the total number of in-scope cases and 20 per cent (or 918) of the total number of out-of-scope cases. South Australia and Western Australia recorded 17 per cent (or 1,348) of the total number of in-scope cases and 18 per cent (or 820) of the total number of out-of-scope cases. The smaller jurisdictions of Tasmania, Northern Territory and the Australian Capital Territory recorded 5 per cent (or 398) of the total number of in-scope cases and 4 per cent (or 219) of the total number of out-of-scope cases.

Figure 5: Identification of complaints as in-scope or out-of-scope from 1 July 2008 to 30 June 2009, by state and territory

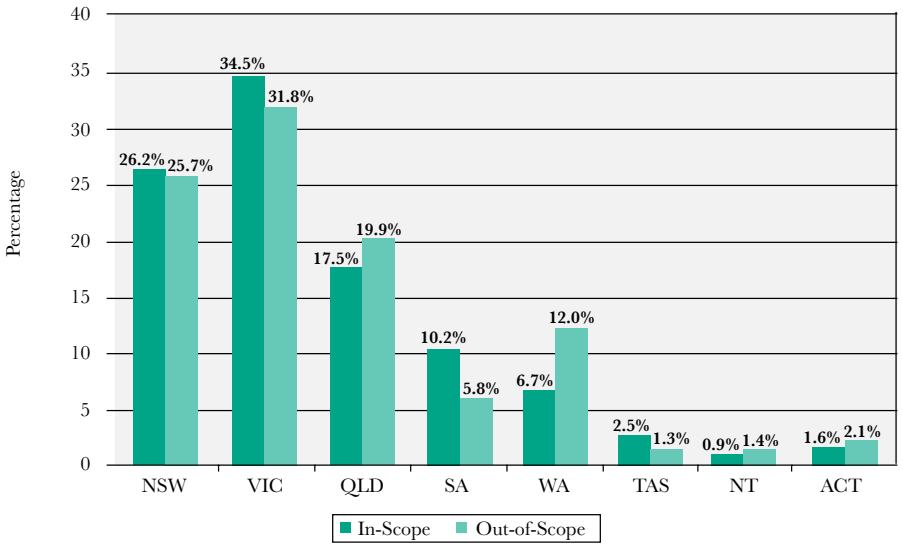


Table 39: In-scope and out-of-scope cases created in 2008-09

Cases	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
In-Scope	2,083	2,743	1,390	815	533	197	70	131	7,962
Out-of-Scope	1,187	1,467	918	268	552	59	63	97	4,611
Total	**3,270**	**4,210**	**2,308**	**1,083**	**1,085**	**256**	**133**	**228**	**12,573**

In 2008-09, 12,327 cases were finalised. Approximately 63 per cent (or 7,726) of these finalised cases were in-scope cases. The remaining 37 per cent (or 4,601) were out-of scope being finalised at 'intake' or shortly thereafter. The number of cases finalised in 2008-09 will include cases received in 2007-08.

Figure 6: Cases finalised – in-scope and out-of-scope 2008-09

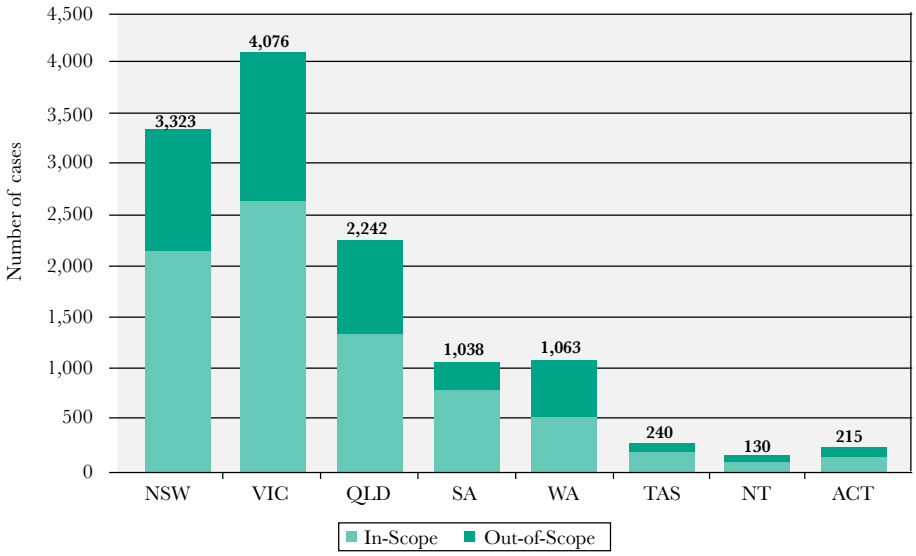


Table 40: In-scope and out–of-scope cases finalised in 2008-09

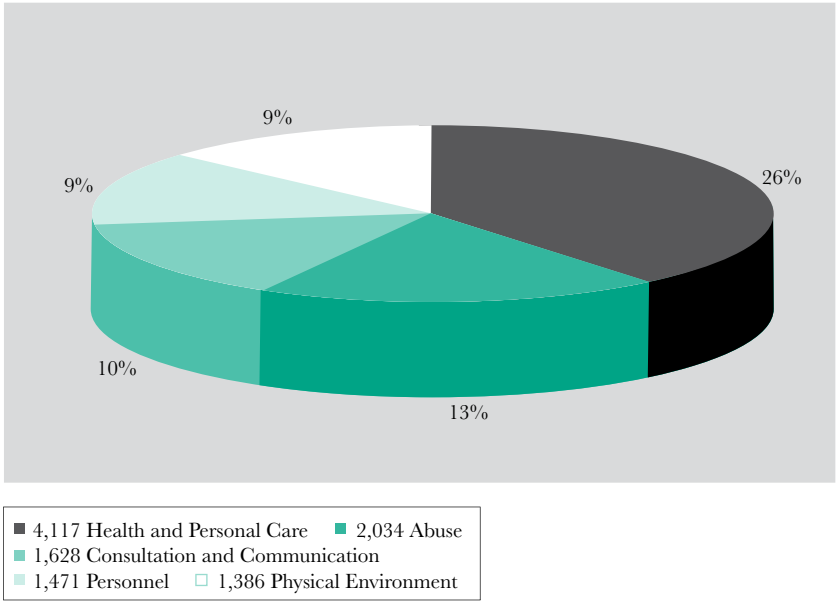
Cases	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
In-Scope	2,142	2,613	1,324	770	511	181	67	118	7,726
Out-of-Scope	1,181	1,463	918	268	552	59	63	97	4,601
Total	**3,323**	**4,076**	**2,242**	**1,038**	**1,063**	**240**	**130**	**215**	**12,327**

Most commonly reported issues

CIS cases often incorporate more than one issue. Seventeen issue keywords are currently identified and reported against. During the reporting period, 15,759 individual issues were identified. The majority of these issues (67 per cent) were grouped under the following five keywords:

- Health and Personal Care (main issues included continence management, clinical care and infectious diseases);
- Abuse (main issues included *reportable assaults* and other types of abuse such as verbal, psychological or emotional abuse, financial issues, rough handling, neglect and discrimination, including religious, racial, cultural, sexual and gender-based);
- Consultation and Communication;
- Personnel; and
- Physical Environment.

Figure 7: The five most commonly reported issues from 1 July 2008 to 30 June 2009

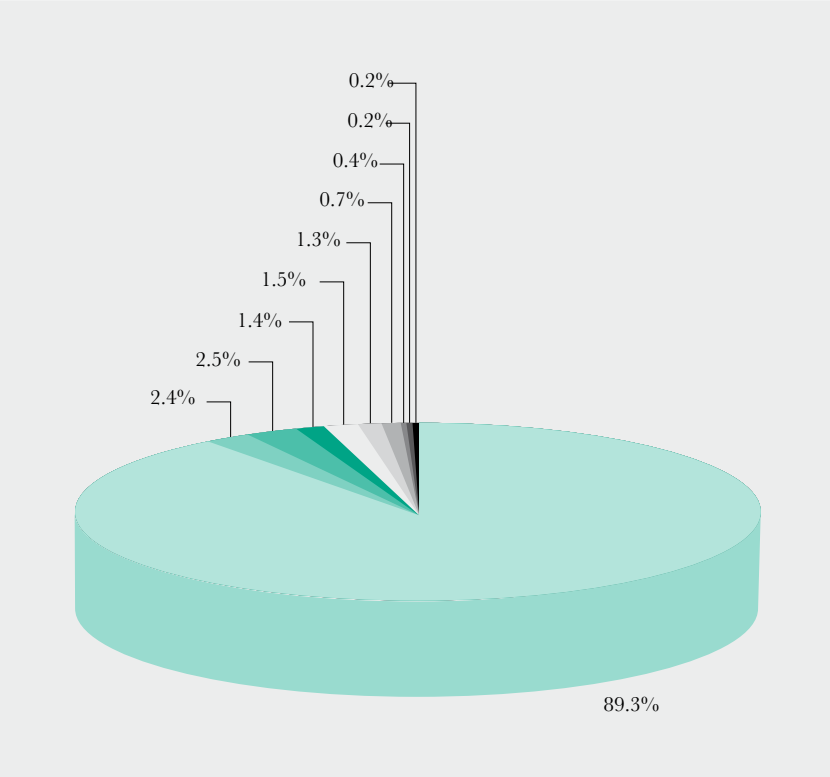


Referrals to external agencies

During the course of investigating a case, the CIS may refer issues to an external agency more appropriately placed to deal with the matters raised. For example, criminal issues are referred to the relevant state/territory police service, while issues that relate to the conduct of a health professional are referred to the relevant health professional regulatory body, such as the Nurses Registration Board, Medical Board and the Health Care Complaints Commission.

Between 1 July 2008 and 30 June 2009, the CIS made 1,629 referrals to external agencies. Approximately 89 per cent (or 1,455) of these referrals were made to the Aged Care Standards and Accreditation Agency Ltd. Of these referrals approximately 66 per cent were requesting a support contact, 32 per cent were for information regarding matters considered to be non urgent and the remaining two per cent were for a review audit of a home.

Figure 8: Breakdown of the 1,629 referrals to external agencies from 1 July 2008 to 30 June 2009



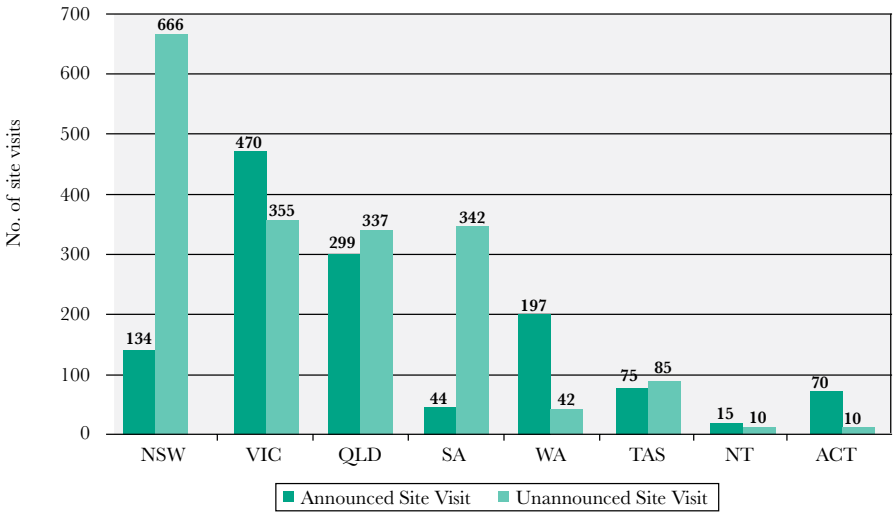
Site visits

CIS officers may visit either the Approved Provider's premises or the aged care service during the course of investigating a case. Visits may be announced or unannounced.

The CIS conducted 3,151 site visits between 1 July 2008 and 30 June 2009. This means that a site visit was undertaken in 40 per cent of all in-scope cases. Approximately 41 per cent (or 1,304) of these visits were announced. The remaining 59 per cent (or 1,847) were unannounced.

Site visit figures for each of the states and territories are shown in Figure 9.

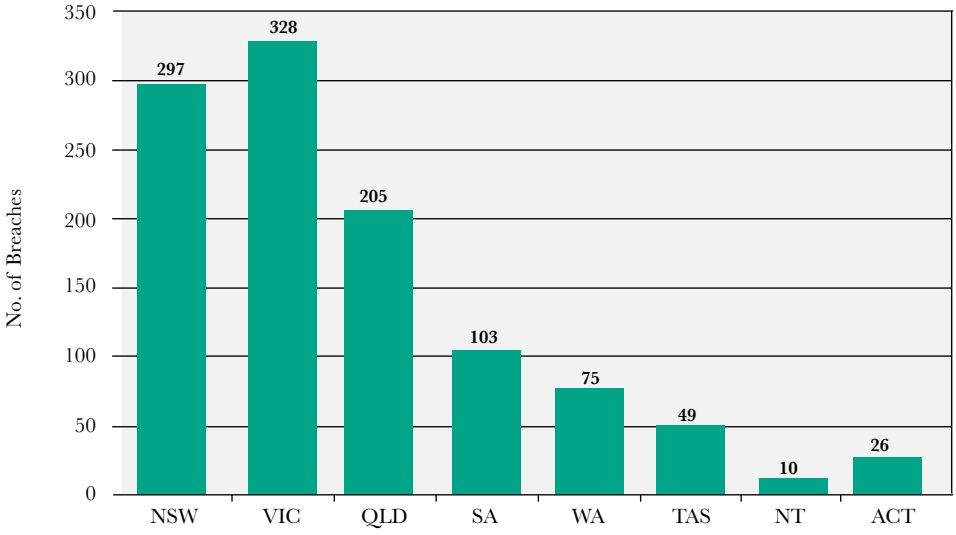
Figure 9: The number of site visits, by state and territory, from 1 July 2008 to 30 June 2009



Breaches identified

In 2008-09 a total of 1,093 breaches were identified Australia-wide as a result of an investigation. Victoria had the highest number of breaches with 328 (or 30 per cent). New South Wales reported 297 breaches (or 27 per cent) and Queensland reported 205 breaches (or 19 per cent). Both South Australia and Western Australia identified 178 breaches (or 16 per cent). The remaining 85 breaches (or 8 per cent) identified were in Tasmania, the Australian Capital Territory and the Northern Territory.

Figure 10: Breaches identified from 1 July 2008 to 30 June 2009, by state and territory



Notices of required action

Of the 1,093 breaches identified in 2008-09, 925 did not result in a Notice of Required Action being issued as the matter was remedied immediately through a negotiated outcome, or it was referred to another agency. (Note that case numbers cannot be totalled as they transcend financial years.)

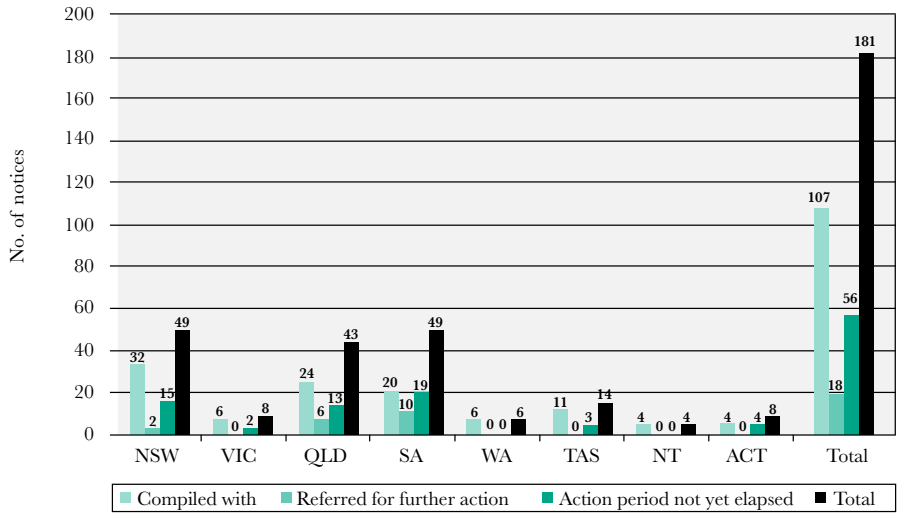
A Notice of Required Action (NRA) is issued when an Approved Provider is found to be in breach of their responsibilities under the Act or Principles and has not already taken action to address the breach. Each NRA sets out the details of the breach, what the provider must do to address the breach and the timeframe in which this action must be taken. The intention of a NRA is to give the provider an opportunity to address the breach before compliance action is considered. An NRA may cover more than one breach.

Table 41: Notices of required action (NRAs) at 30 June 2009

NRA complied with	107
NRA referred for further compliance action (not complied with)	18
NRA action period not yet elapsed (NRA open)	56
Total NRAs issued	**181**

Between 1 July 2008 and 30 June 2009 the CIS issued 181 NRAs. Of those, 107 were complied with at 30 June resulting in no further action against the Approved Provider, 18 were referred for further compliance action and for the remaining 56, the period in which the Approved Provider had been allowed to implement the required action had not yet elapsed. NRAs were issued in all states and territories (refer to Figure 11).

Figure 11: Notices of Required Action issued from 1 July 2008 to 30 June 2009, by state and territory



External review

The Aged Care Commissioner is a statutory office created under the Act. The functions of the Commissioner are outlined in the Act and include:

- examining, in response to a complaint or on their own initiative, the Secretary's processes for handling matters under the *Investigation Principles 2007*;
- examining decisions made by the Secretary under the *Investigation Principles 2007* which are identified, by those Principles, as being examinable by the Commissioner;
- making recommendations arising from the Commissioner's examinations, to either confirm the Department's original decision, or set aside the original decision (and replace it) or vary the original decision (and replace part of it); and
- examining complaints about the Agency with regard to the accreditation of Australian Government subsidised aged care services. This includes the power to examine complaints about the conduct of a person carrying out an accreditation audit or support contact, but does not include the power to examine complaints about accreditation decisions.

The Aged Care Commissioner can also conduct an 'own motion' examination, that is, to undertake a review of the scheme's processes or the conduct of the CIS even when a request for a review has not been received.

Ms Rhonda Parker was appointed Aged Care Commissioner from 1 May 2007 to 30 April 2010. The Aged Care Commissioner is required to produce an annual report, for presentation to the Minister for Ageing and to Parliament, on the operations of her office.

The Aged Care Commissioner's annual report will be made available on the Commissioner's website at: http://www.agedcarecommissioner.net.au

Review of Examinable Decisions

From 1 July 2008 to 30 June 2009 the Aged Care Commissioner completed 125 reviews of examinable decisions, representing approximately 2 per cent of finalised in-scope cases.

After the Secretary receives a recommendation from the Commissioner about an examinable decision the Secretary must, taking into consideration the recommendation, reconsider the original decision.

In 2008-09 the Department completed 125 internal reconsiderations, five of these internal reconsiderations related to reviews completed by the Aged Care Commissioner in 2007-08.

In all except nine instances the Delegate, on reconsideration, agreed with the Commissioner's recommendation. Of the nine, five related to a recommendation to vary the original decision, three related to a recommendation to set aside the original decision and one related to confirming the original decision. The Department partially agreed with the Commissioner's recommendations in a further three instances.

Table 42: Reviews of examinable decisions, from 1 July 2008 to 30 June 2009

Aged Care Commissioner recommendations to confirm the original decision	Aged Care Commissioner recommendations to set aside the original decision	Aged Care Commissioner recommendations to vary the original decision	Total
62	16	47	125

Aged Care Commissioner Reviews of the CIS Processes

The Aged Care Commissioner completed 14 reviews of CIS investigation process in 2008-09. The Commissioner provided the Department with 12 final reports. Two cases were conciliated without final reports. As at 30 June 2009, the Department has responded to five of the final reports.

The Aged Care Commissioner did not commence any 'own motion' reviews.

Appendix A:
Aged Care Legislation

Legislative framework for aged care

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

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

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

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

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

Accountability Principles 1998	These Principles set out: (a) various aspects of the access that must be given by an Approved Provider to persons for the purposes of paragraphs 63-1(1) (j), (l) and (m) of the Act; and (b) requirements relating to police certificates and statutory declarations for certain staff members and volunteers; and (c) circumstances in which reportable assaults need not be reported by an Approved Provider to a police officer or the Secretary; and (d) requirements for circumstances mentioned in paragraph (c) or for alleged or suspected reportable assaults.
Accreditation Grant Principles 1999	These Principles set out the procedures to be followed, and the matters to be taken into account, by the Agency for accreditation of residential care services, the Agency's responsibilities for services that have received accreditation, and conditions to which the accreditation grant is subject.
Advocacy Grant Principles 1997	These Principles set out the requirements to be met in making advocacy grants to organisations under Part 5.5 of the Act. Advocacy grants support activities to allow care recipients to understand and exercise their rights as care recipients.
Allocation Principles 1997	These Principles deal with a number of aspects of the process for allocating aged care places to Approved Providers.
Approval of Care Recipients Principles 1997	These Principles deal with a number of matters about approving care recipients for residential care and community care, and in some cases flexible care, so that subsidy can be paid to the Approved Provider.
Approved Provider Principles 1997	These Principles deal with a number of matters that are important in operating the approval process. Approval under Part 2.1 of the Act is a precondition to a provider of aged care receiving subsidy under the Act for provision of care.

Certification Principles 1997	These Principles deal with a number of aspects of the certification of residential care services under Part 2.6 of the Act.
Classification Principles 1997	These Principles deal with a number of aspects of the classification of care recipients. A care recipients' classification affects the amount of residential care, or flexible care, subsidy payable to an Approved Provider for providing care to the care recipient.
Community Care Grant Principles 1997	These Principles deal with a number of aspects of the allocation and amounts of community care grants. Community care grants contribute towards the costs associated with some projects undertaken by Approved Providers to establish community care services or to enhance their capacity to provide community care.
Community Care Subsidy Principles 1997	These Principles specify kinds of care that are, or are not, included in the package of community care services and assistance provided under Part 3.2 of the Act.
Community Visitors Grant Principles 1997	These Principles set out some of the requirements to be met in making community visitors grants. Community visitors are sponsored by an organisation to allow care recipients to maintain contact with their community.
Extra Service Principles 1997	These Principles deal with various aspects of Extra Service places for the purposes of Part 2.5 of the Act. Extra service places involve providing a significantly higher standard of accommodation, food and services to care recipients.
Flexible Care Grant Principles 2008	These Principles deal with a number of aspects relating to flexible care grants under Part 5.2A of the Act. Flexible care means care provided in a residential or community setting through an aged care service that addresses the needs of care recipients in alternative ways to the care provided through residential care services and community care services.
Flexible Care Subsidy Principles 1997	These Principles set out who is eligible for flexible care subsidy, paid to Approved Providers for providing flexible care to care recipients, and on what basis flexible care subsidy may be paid.
Information Principles 1997	These Principles specify kinds of persons to whom the Secretary may disclose protected information, and for what purposes the information can be disclosed.

Investigation Principles 2007	These Principles relate to Part 6.4A of the Act and deal with: (a) which matters (relating to the Act or the Principles) are to be investigated; and (b) how investigations are to be conducted; and (c) considerations in making decisions relating to investigations; and (d) procedures for the Aged Care Commissioner to examine certain decisions made in relation to investigations and also to examine certain complaints.
Quality of Care Principles 1997	These Principles set out a number of standards relating to the responsibilities of Approved Providers (Part 4.1 of the Act) for the quality of the aged care they provide through their aged care services. The standards are: • the Accreditation Standards, • the Residential Care Standards, • the Community Care Standards, and • the Flexible Care Standards.
Records Principles 1997	These Principles deal with a number of aspects relating to the keeping and retention of records by Approved Providers and former Approved Providers under Part 6.3 of the Act.
Residential Care Grant Principles 1997	These Principles set out a number of matters that relate to the allocation and amounts of residential care grants. Residential care grants contribute towards the capital works costs associated with some projects undertaken by Approved Providers to establish residential care services or to enhance their capacity to provide residential care.
Residential Care Subsidy Principles 1997	These Principles deal with eligibility for the subsidy, paid to Approved Providers for providing residential care to care recipients, how it is paid and what amount is paid.
Sanctions Principles 1997	These Principles deal with a number of matters that are important to the operation of the sanctions process under Part 4.4 of the Act. This process relates to the consequences of non-compliance with an Approved Provider's responsibilities under Parts 4.1, 4.2 or 4.3 of the Act.
User Rights Principles 1997	These Principles set out a number of user rights and Approved Provider responsibilities in association with Part 4.2 of the Act.

Aged Care Determinations

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

Chapter 3 of the Aged Care Act empowers the Minister to determine, in writing (by legislative instruments or 'Determinations'), the daily amounts of residential care, community care and flexible care subsidies that are payable to aged care providers. Accommodation subsidies are indexed in March and September each year and all other subsidies are indexed annually in July each year.

While the majority of Determinations relate to the amount of Australian Government subsidies, the Act also empowers the Minister and/or the Secretary to determine other matters, such as conditions on the allocation of aged care places. Determinations made in 2008-09 are listed below. Unless they had been rescinded, Determinations made in previous years also were in effect during 2008-09.

Aged Care (Conditions of Allocation – Extended Aged Care at Home – Dementia) Determination 2008 (No. 1)	This Determination makes it a requirement for a provider of EACHD to enter into, remain a party to, and comply with the EACHD Payment Agreement effective 15 October 2008.
Aged Care (Residential Care Subsidy – Basic Subsidy Amount) Determination 2008 (No.2) (ACA Ch.3 No.11/2008)	This Determination specifies the indexed rates of basic subsidy that apply from 1 July 2008.
Aged Care (Flexible Care Subsidy – innovative care services provided by specified approved providers) Determination 2008 (ACA Ch.3 No.12/2008)	This Determination sets the Flexible Care Subsidy rate for the provision of disability ageing in place services with effect from 1 July 2008.
Aged Care Act 1997 – Determination under section 44-13 (ACA Ch.3 No.13/2008)	This Determination specifies the amount of oxygen supplement payable in respect of a day with effect from 1 July 2008.
Aged Care Act 1997 – Determination under section 44-14 (ACA Ch.3 No. 14/2008)	This Determination specifies the amount of enteral feeding supplement payable in respect of a day with effect from 1 July 2008.
Aged Care Act 1997 – Determination under section 44-16 (3) (ACA Ch.3 No. 15/2008)	This Determination sets the amount of Conditional Adjustment Payment with effect from 1 July 2008.

Aged Care Act 1997 – Determination under section 44-19 (ACA Ch.3 No. 16/2008)	This Determination sets the amount of adjusted subsidy reduction payable in respect of a day with effect from 1 July 2008.
Aged Care (Residential Care Subsidy – Amount of Viability Supplement) Determination 2008 (ACA Ch.3 No.17/2008)	This Determination sets the amount of the viability supplement which is payable to services determined by the Secretary to be eligible with effect from 1 July 2008.
Aged Care Act 1997 – Determination of the amount of Community Care Subsidy under subsection 48-1(3) (ACA Ch. 3 No. 18/2008)	This Determination specifies the method of working out the amount of community care subsidy payable under section 47-1 of the Act for a day in respect of a community care recipient with effect from 1 July 2008.
Aged Care Act 1997 – Determination under subsection 52-1(1) of the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home (ACA Ch.3 No.19/2008)	This Determination sets the amount of flexible care subsidy in respect of flexible care provided as EACH with effect from 1 July 2008.
Aged Care Act 1997 – Determination under subsection 52-1(1) of the amount of flexible care subsidy for flexible care provided in the form of Extended Aged Care at Home – Dementia (ACA Ch.3 No.20/2008)	This Determination sets out the method that must be used for working out the amount of flexible care subsidy payable in relation to the provision of flexible care in the form of EACHD packages with effect from 1 July 2008.
Aged Care (Amount of flexible care subsidy – multi-purpose services) Determination 2008 (ACA Ch.3 No. 21/2008)	This Determination sets out the amount of flexible care subsidy or the method that must be used to work out the amount of flexible care subsidy with effect from 1 July 2008.
Aged Care (Amount of flexible care subsidy – Transition Care) Determination 2008 (ACA Ch.3 No.22/2008)	This Determination sets out the amount of flexible care subsidy that is payable for flexible care in the form of transition care depending on the state and territory in which the Flexible Care Service is located with effect from 1 July 2008.
Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2008 (No.2) (ACA Ch.3 No.23/2008)	This Determination sets out the method for working out the amount of the accommodation supplement with effect from 20 September 2008.

Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2008 (No.2) (ACA Ch.3 No.24/2008)	This Determination sets the concessional resident supplement rates, including the concessional residential rate for assisted residents, with effect from 20 September 2008.
Aged Care (Residential care subsidy – amount of respite supplement) Determination 2008 (No.2) (ACA Ch.3 No.25/2008)	This Determination increases the amount of the respite supplement to be paid in cases where the respite care is provided by a residential care service with effect from 20 September 2008.
Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2008 (No.2) (ACA Ch.3 No.26/2008)	This Determination sets the amounts of TAS for specific aged care residents from 20 September 2008.
Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2008 (No.2) (ACA Ch.3 No.27/2008)	This Determination sets the transitional supplement amount with effect from 20 September 2008.
Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2008 (No. 2) (ACA Ch.3 No.28/2008)	This Determination sets the pensioner supplement amount with effect from 20 September 2008.
Aged Care (Residential care subsidy – amount of accommodation charge top-up supplement) Determination 2008 (No. 2) (ACA Ch.3 No.29/2008)	This Determination provides for the accommodation charge top-up supplement (ACTUS) with effect from 20 September 2008. The ACTUS removes any potential disadvantage to Approved Providers who are providing care to residents by paying the provider the ACTUS.

Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2008 (No. 3) (ACA Ch.3 No.1/2009)	This Determination revokes *Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2008 (No.2)* (ACA Ch.3 No.23/2008) to reflect consequential changes flowing from changes made by the *Aged Care Amendment (2008 Measures No. 2) Act 2008.* This Determination commenced on commencement of the Amendment.
Aged Care (Residential care subsidy – amount of accommodation supplement) Determination 2009 (No.1) (ACA Ch.3 No.2/2009)	This Determination sets the accommodation supplement amount with effect from 20 March 2009.
Aged Care (Residential care subsidy – amount of concessional resident supplement) Determination 2009 (No.1) (ACA Ch.3 No.3/2009)	This Determination sets the concessional resident supplement amount with effect from 20 March 2009.
Aged Care (Residential care subsidy – amount of respite supplement) Determination 2009 (No.1) (ACA Ch.3 No.4/2009)	This Determination sets the supplement amount for respite care with effect from 20 March 2009.
Aged Care (Residential care subsidy – amount of transitional accommodation supplement) Determination 2009 (No.1) (ACA Ch.3 No.5/2009)	This Determination sets the supplement amount for transitional accommodation with effect from 20 March 2009.
Aged Care (Residential care subsidy – amount of transitional supplement) Determination 2009 (No.1) (ACA Ch.3 No.6/2009)	This Determination sets the transitional supplement amount with effect from 20 March 2009.
Aged Care (Residential care subsidy – amount of pensioner supplement) Determination 2009 (No.1) (ACA Ch.3 No.7/2009)	This Determination sets the pensioner supplement amount with effect from 20 March 2009.

Appendix B:
Legislative amendments made in the reporting period

Legislative reform

In 2008-09, a number of changes to the *Aged Care Act 1997* came into effect. These changes were included in the *Aged Care Amendment (2008 Measures No. 2) Act 2008*. The changes in this Amending Act, together with consequential changes to subordinate legislation, allowed the Australian Government to progress a comprehensive package of reforms to address a number of identified deficiencies with the aged care legislation, including:

- modernising the legislation so that it better aligns with contemporary business practice and applies equally to all Approved Providers regardless of their corporate structure, including eliminating ambiguity about which aged care services are regulated by the legislation by linking the approval of providers to the allocation of aged care places;
- improving safeguards in relation to the $8 billion worth of bonds held by the aged care sector, ensuring that the financial interests of residents are protected;
- streamlining assessments for aged care eligibility by the Aged Care Assessment Program so assessments only occur when people genuinely need them; and
- clarifying and strengthening the existing provisions to increase protections for aged care recipients.

The majority of reforms took effect from 1 January 2009 with a transition period for some of the reforms until end June 2009. Particular measures, relating to assessments by Aged Care Assessment Teams, took effect from 1 July 2009.

The Aged Care Amendment (2008 Measures No. 2) Act 2008 required consequential and additional changes to Aged Care Principles through Amending Principles to achieve the policy intent of the reforms. In most instances, these additional amendments were for minor, technical matters. More significant Principle changes were in relation to missing residents, police checks and the Complaints Investigation Scheme – the details of which were the subject of consultation throughout the year. In June 2009, an amendment to the Principles also took effect to allow recognition of older people who are homeless or at risk of homelessness as a 'special need' group under the Act.

The Aged Care Principles were amended by:

Accountability Amendment Principles 2008 (No. 2)	Amends the *Accountability Principles 1998* to introduce requirements for Approved Providers to notify the Secretary in the case of unexplained absences of residential care recipients where such absence has been notified to the police and for all staff who have access to care recipients to obtain a police certificate.
Allocation Amendment Principles 2008 (No. 2)	Amends the *Allocation Principles 1997* to allow Approved Providers to apply to the Secretary to transfer provisionally allocated placed in certain exceptional circumstances and for minor changes regarding the regulation of Approved Providers.
Allocation Amendment Principles 2009 (No.1)	Amends the *Allocation Principles 1997* to specify a further class of people, namely people who are homeless or at risk of becoming homeless. This ensures that the Secretary can cater for the needs of homeless people (or people at risk of becoming homeless) when making allocations of places to Approved Providers.
Approval of Care Recipients Amendment Principles 2008 (No. 2)	Amends the *Approval of Care Recipients Principles 1997* to make three changes to ACAT assessments to: 1. Ensure that people eligible for EACH and EACHD can also receive a lower level of care (consistent with residential care arrangements) 2. Ensure that approvals for EACH and EACHD are non-lapsing 3. Make consequential changes to existing provisions to align the Principles with the changes to the Act relating to non-lapsing of certain types of approvals.
Extra Service Amendment Principles 2009 (No.1)	Amends the *Extra Service Principles 1997* to clarify those matters that are to be taken into account by the Secretary when considering whether an Approved Provider (or former Approved Provider) with whom an applicant for extra service places has relevant key personnel in common, has a very good record of conduct, compliance or meeting its obligations under the Act.

Investigation Amendment Principles 2008 (No. 1)	Amends the *Investigation Principles 2007* to make minor changes to existing provisions regarding the processes of the Aged Care Commissioner. These changes will ensure the Commissioner can continue to properly perform her role and the complaints process is effective as possible.
Residential Care Subsidy Amendment Principles 2008 (No.3)	Amends the *Residential Care Subsidy Principles* to apply Division 4 Conditional adjustment Payment (CAP) in respect of a payment period that begins before 1 April 2005 instead of 1 July 2008.
Sanctions Amendment Principles 2008 (No. 1)	Amends the *Sanctions Principles* that correspond to changes made to section 65-2 of the *Aged Care Act 1997*, through the *Aged Care Amendment (2008 Measures No. 2) Act 2008.*
User Rights Amendment Principles 2008 (No. 2)	Amends the *User Rights Principles* indexing specified amounts for maximum daily accommodation charge with effect 20 September 2008.
User Rights Amendment Principles 2008 (No. 3)	Amends the *User Rights Principles 1997* to underpin changes made to the Act by the *Aged Care Amendment (2008 Measures No. 2) Act 2008*, including: • the provision of additional detail about the operation of the protections for accommodation bonds and like payments; and • to enable the financial hardship provisions to apply in cases where the Secretary determines that a person must not be charged more than a specified maximum amount of accommodation bond or accommodation charge. The changes also clarify a number of technical matters about the timing of changes to interest rates and the content of bond registers.
User Rights Amendment Principles 2009 (No. 1)	Amends the *User Rights Principles* indexing specified amounts for maximum daily accommodation charge with effect 20 March 2008.

Appendix C:
Responsibilities of Approved Providers under the *Aged Care Act 1997*

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

Quality of care

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

User rights

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

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

Accountability requirements

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

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

Allocation of places

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

Appendix D:
Sanctions imposed under the *Aged Care Act 1997* - 1 July 2008 to 30 June 2009

State and Service	Approved Provider		Date Imposed	Reason for Imposing Sanctions	Outcomes
New South Wales					
Glenwood Gardens	Glenwood Gardens Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months. 3. Approval as an Approved Provider of aged care services revoked unless the Approved Provider, at its expense, provide relevant training for its officers, employees and agents.	3-Oct-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 2 April 2009. Home transferred to new Approved Provider on 1 February 2009. Sanctions do not apply to new Approved Provider.
Bethany Hostel	St Catherine's Aged Care Services Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months.	16-Mar-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanctions expired on 14 September 2009.

Bethany Nursing Home	St Catherine's Aged Care Services Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months.	16-Mar-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanctions expired on 14 September 2009.
Vincent Court	The Trustees of the Roman Catholic Church for the Diocese of Lismore	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	5-Jun-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanctions due to expire on 4 December 2009.
Northern Territory					
Katherine Red Cross Centre	Australian Red Cross (NT Division)	1. Approval as an Approved Provider of funding aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months. 3. Provide training in clinical care; management of medication; emergency evacuation procedures; and management of staff including methods to ensure that there are adequate numbers of appropriately skilled and qualified staff on duty at all times to meet residents' care needs.	17-Apr-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 16 October 2009.

Queensland					
Albany Gardens Nursing Centre	Shownoff Pty Ltd	1. No Australian Government funding for new care recipients for a period of 6 months. 2. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months.	4-Jul-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 3 January 2009. Sanctions 1 and 2 lifted on 11 December 2008.
Rockingham Cardwell Shire Home for the Aged	Cardwell Care Incorporated	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	14-Aug-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	All sanctions lifted on 20 January 2009.
Sir James Terrace	SJT Aged Care Services Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. Approval as an Approved Provider of aged care services revoked unless the Approved Provider agrees to provide, at its expense, relevant training for its officers, employees and agents.	16-Aug-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 15 February 2009.

Raffin Place	Domain Aged Care No. 2 Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	13-Dec-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions lifted on 9 June 2009.
Mareeba Garden Settlement Hostel	The Uniting Church in Australia Property Trust (Q)	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	17-Dec-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 lifted on 20 February 2009. Sanction 1 expired on 16 June 2009.
Dija Meta Aged and Disabled Hostel	Aborigines and Islanders Alcohol Relief Service Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. Approval as an Approved Provider of aged care services revoked unless an administrator is appointed for a period of 6 months. 3. No Australian Government funding for new care recipients for a period of 6 months.	31-Mar-09	The Agency and the Department identified non compliance which posed an immediate and severe risk to the health, safety and well-being of residents.	Home transferred to new Approved Provider on 14 August 2009. Sanctions do not apply to new Approved Provider.

South Australia					
Salisbury Gardens Aged Care Service	Arcanola Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an administrator who has a clinical background and management skills is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	9-Jul-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 expired on 8 January 2009. Sanction 2 lifted on 15 October 2008.
Charles Young Residential Care Centre	ECH Inc	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	8-Dec-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 7 June 2009.
Norwood Nursing Home	Airlie Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	8-Apr-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 7 October 2009.

Tasmania					
North East Aminya Hostel	North East Aminya Hostel Inc.	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months.	11-Jun-09	The Department identified continued non-compliance in relation to the Approved Providers responsibilities under the *Aged Care Act 1997*.	Sanctions due to expire on 10 December 2009.
Victoria					
Parkdale House	McKinnon Retirement Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	11-Jul-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 was lifted on 9 October 2008. Sanction 1 expired on 10 January 2009.
Kirralee Residential Aged Care Facility	Aged Care Services 27 (Kirralee) Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	18-Jul-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 was lifted on 9 October 2008. Sanction 2 expired on 17 January 2009.

Kirralee Residential Aged Care Facility	Aged Care Services 27 (Kirralee) Pty Ltd	1. Prohibit the future allocation of places for the period of 12 months. 2. Provide training in Clinical Care; Specialised Nursing Care Needs; Pain Management and Skin Care. 3. Approval as an Approved Provider of aged care services revoked unless an administrator is appointed for a period of 6 months.	25-Jul-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions 2 and 3 were lifted on 7 November 2008. Sanction 1 was lifted on 18 February 2009.
Patricia Gladwell Aged Care Home	Vaucluse Hospital Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months. 3. Approval as an Approved Provider of aged care services revoked unless the Approved Provider agrees to provide, at its expense, relevant training for its officers, employees and agents.	28-Aug-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 2 was lifted on 21 January 2009. Sanction 1 expired on 27 February 2009.

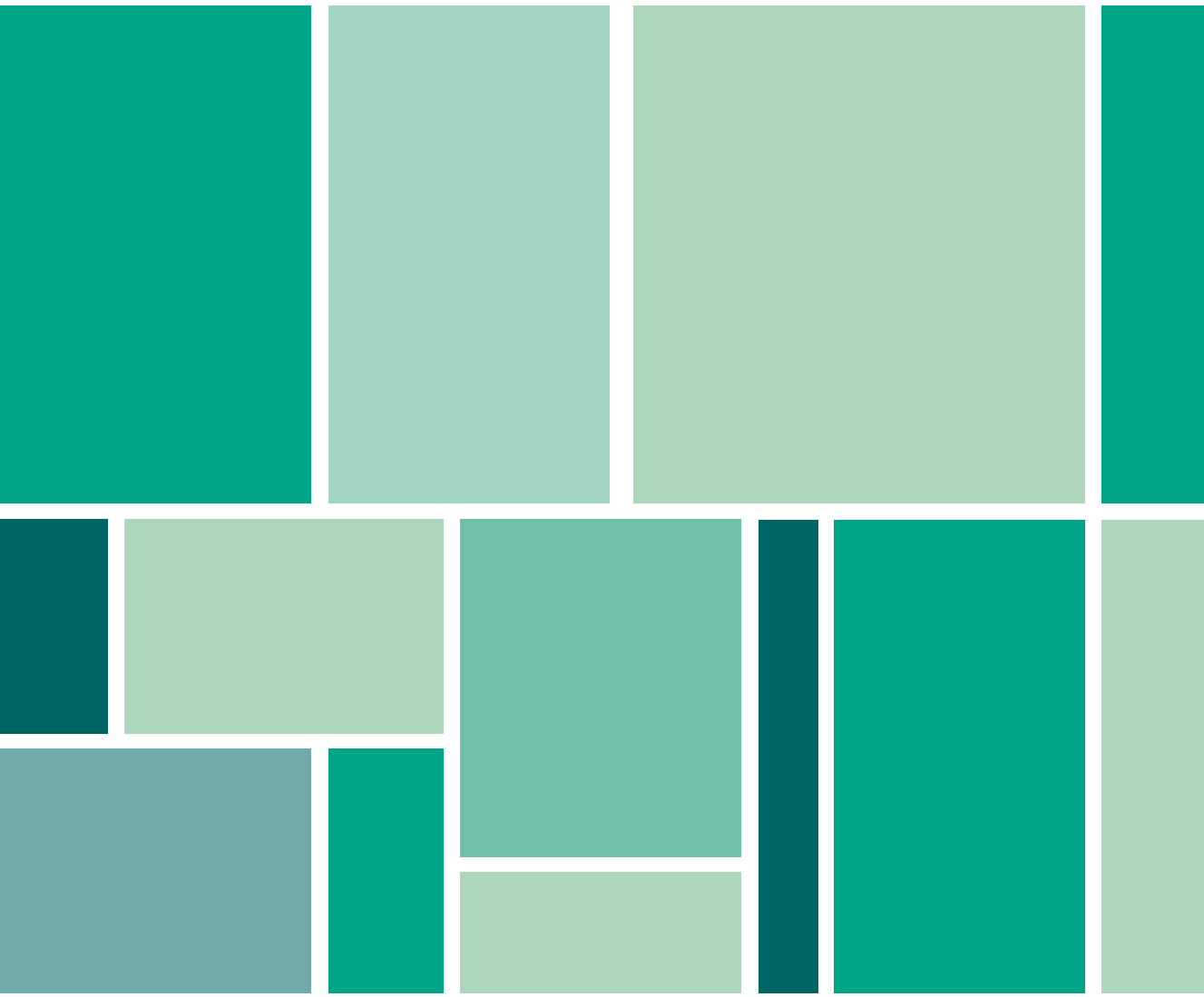
Lakes Entrance Aged Care Facility	JKL Nominees Pty Ltd (Receivers and Managers Appointed)	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	17-Sep-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 16 March 2009.
Rosden Private Nursing Home	TCL Nominees Pty Ltd (Receivers and Managers Appointed) administators Appointed)	1. Revoke the allocation of all places with effect from 1 October 2008. 2. No Australian Government funding for new care recipients admitted to the home from the date of the sanction.	23-Sep-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction revoked allocated places with effect 1 October 2008. Home closed on 2 October 2008.
Latrobe Private Nursing Home	Latrobe Private Nursing Home Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an administrator who has a clinical background and management skills is appointed. 2. No Australian Government funding for new care recipients for a period of 6 months.	1-Nov-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 30 April 2009. Home closed on 28 November 2008.

Grandview Gardens Aged Care Facility	Kendalle Pty Ltd (In Liquidation)	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	4-Mar-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Home transferred to new Approved Provider on 28 May 2009. Sanctions do not apply to new Approved Provider.
Werribee Terrace Aged Care	Calvert Manor Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months. 3. Provide training in clinical care; pain management; nutrition and hydration; skin care and infection control practices.	8-Mar-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanction 1 expired on 7 September 2009. Sanction 2 and 3 were lifted on 17 July 2009.
Yarra Valley Nursing Home	Caulfield Drive Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	26-Mar-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Home transferred to new Approved Provider on 01 July 2009. Sanctions do not apply to new Approved Provider.

Yarra Valley Hostel	Caulfield Drive Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless a adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	8-Apr-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanction 2 lifted on 1 July 2009. Home transferred to new Approved Provider on 1 July 2009. Sanctions do not apply to new Approved Provider.
Domain Seahaven	Domain Aged Care (Services) Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 3 months. 2. No Australian Government funding for new care recipients for a period of 3 months.	12-May-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanctions expired on 11 August 2009.
St Benedicts Private Nursing Home	St Benedicts Private Nursing Home Pty Ltd	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	22-May-09	The Agency identified continued non-compliance in relation to the Accreditation Standards.	Sanctions due to expire on 21 November 2009.

Western Australia					
Numbala Nunga Nursing Home	The Uniting Church in Australia Frontier Service	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months.	23-Jan-09	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 22 July 2009.
John Mercer Lodge	Sliver Chain Nursing Association Incorporated	1. Approval as an Approved Provider of aged care services revoked unless an adviser with nursing experience is appointed for a period of 6 months. 2. No Australian Government funding for new care recipients for a period of 6 months. 3. Approval as an Approved Provider of aged care services revoked unless the Approved Provider agrees to provide, at its expense, relevant training for its officers, employees and agents.	7-Oct-08	The Agency identified serious risk and the Department determined that there was an immediate and severe risk to the health, safety or well-being of residents.	Sanctions expired on 6 April 2009.

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



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